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CITY OF ADELAIDE

Audit and Risk Committee

AGENDA & REPORTS

for the meeting

Wednesday, 15 May 2024
at 9.00 am

in the Colonel Light Room, Adelaide Town Hall

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Membership	The Lord Mayor 1 Council Member 4 External Independent Members 2 Proxy Council Members
Quorum	3
Presiding Member	Nicolle Rantanen Reynolds
Committee Members	The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio) Mark Davies Paula Davies Simon Rodger Councillor Jing Li

1 Acknowledgement of Country

'Council acknowledges that we are meeting on traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.'

2 Apologies and Leave of Absence

Apologies -

Paula Davies

Councillor Li

3 Confirmation of Minutes

That the Minutes of the meeting of the Audit and Risk Committee held on 12 April 2024, be taken as read and be confirmed as an accurate record of proceedings.

View public 12 April 2024 Minutes here.

4 Declaration of Conflict of Interest

5 Presiding Member Reports

6 Reports

6.1	2023/24 Business Plan & Budget Quarter 3 Update	4 - 113
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6.6	Emergency Management Internal Audit	392 - 418

	6.7	Post Audit Implementation Internal Audit	419 - 442
	6.8	Project Health Check Internal Audit	443 - 471
	6.9	Local Government Cyber Security Framework Audit *The Audit and Risk Committee determined that the content of Item 6.9 be retained in confidence pursuant to section 90(3) (e) of the Local Government Act 1999 (SA)*	
7	**Emerging Key Risks**		
8	**Independent Member Discussion**		
9	**Other Business**		
10	**Exclusion of the Public**		539 - 540
	In accordance with sections 90(2),(3) and (7) of the *Local Government Act 1999 (SA)* the Audit and Risk Committee will consider whether to discuss in confidence the reports contained within section 11 of this Agenda.		
11	**Confidential Item**		
	11.1	Strategic Risk and Internal Audit Update [s 90(3) ((i))]	541 - 544
12	**Closure**		

2023/24 Business Plan & Budget Quarter 3 Update

Wednesday, 15 May 2024
Audit and Risk Committee

Strategic Alignment - Our Corporation

Public

Program Contact:
Michelle Arbon, Acting Manager, Strategy, Insights and Performance

Approving Officer:
Anthony Spartalis, Acting Chief Operating Officer

EXECUTIVE SUMMARY

This report presents the performance and delivery status of Council's commitments against the 2023-24 Business Plan and Budget (BP&B) for the third quarter (January to March 2024) for Audit and Risk Committee consideration. Included within this report are recommendations for business plan and budget changes, an overview of Portfolio and Project achievements as well as updates and performance for Council subsidiaries.

The year-to-date operating position as at 31 March 2024 is an operating surplus of $14.507m, which is $12.421m favourable to the adopted budget of $2.086m for this period.

The year-to-date Capital Expenditure as at 31 March 2024 is $60.147m, which is $25.143m less than the adopted budget of $85.290m for this period. This is largely due to the timing of Central Market Arcade Redevelopment, Rymill Park Lake, and On-Street Parking Meter Replacement. Several major projects have been re-timed to future years amounting to $11.974m.

The year end projected operating position is an operating surplus of $6.815m ($4.812m higher than the revised budget of $2.003m). Total estimated operating income is forecast to be budgeted to be $234.470m, which is $3.993m higher than the adopted Q2 budget of $230.537m. This is mainly due to higher fees and charges of $2.695m and other income of $1.253m. Total estimated operating expenditure (including depreciation) is forecast to be $227.655m, which is $0.879m lower than the adopted budget of $228.534m. Reduction in expenditure is due to adjustments to depreciation $1.991m, with some of this offset by increased expenditure for external contractors of $1.062m.

The proposed Q3 budget contains an additional capital project of $4m to fund a multi-year program of public realm greening to support an annual net increase in street trees.

Within this period 85% of Strategic Projects and 81% of Capital Projects (excluding renewals) were on track (time and budget). 68% of the renewal budget for the financial year has been expended, with 27 renewal projects completed in the quarter.

Quarterly reports are provided to the Audit and Risk Committee in accordance with its Terms of Reference and its role in monitoring the integrity of Council's financial statements and reporting, as well as its role in reviewing and overseeing Council's integrated Business Planning process. This reporting framework supports Council's commitment to transparency and accountability.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Receives the City of Adelaide 2023/24 Q3 Progress Report and updated Long Term Financial Plan projections as provided in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held 15 May 2024.

2. Approves adjustments for the 2023/24 Business Plan and Budget (BP&B) as identified in this report and reflected in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held 15 May 2024.
3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 31 March 2024, which includes:
    3.1. Total operating income of $176.175m
    3.2. Total Operating expenses (including depreciation) of $161.668m
    3.3. An operating surplus of $14.507m
    3.4. Total Capital Expenditure of $60.147m
    3.5. Net cash surplus position of $20.475m.
4. Approves the budgeted year end Operating Position, which includes:
    4.1. Total operating income of $234.470m
    4.2. Total operating expenses (including depreciation) of $227.655m
    4.3. An operating surplus of $6.815m
5. Approves total capital expenditure of $99.556m for 2023/24 year.
6. Approves total borrowings of $23.593m projected to 30 June 2024.
7. Receives the Council Subsidiary Q3 updates as provided as Attachments B, C, D and E to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Quarterly reporting supports Council's *financial sustainability* objective within the Strategic Plan 2024-2028.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Quarterly reporting is an important part of monitoring the organisation's performance and effectiveness against Council's planned activities, which is required under Section 122 (1) of the *Local Government Act 1999 (SA)*.
Opportunities	Quarterly reporting enables Council to make informed and timely decisions to maintain or change its services, assets, and budgets to meet community expectations and needs, maintaining or improving Council's financial position, and enabling Council to be responsive to risks and opportunities.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

ADJUSTMENTS TO THE 2023/24 BUSINESS PLAN AND BUDGET

Operating Program

1. Adjustments to Program deliverables and budgets for the quarter are a total of $4.812m improvement to the operating surplus, consisting of:
    1.1. Permanent changes to the budget of $2.646m increase in the operating surplus, driven by an increase in revenue of $1.431m and reduction in operating expenditure of $1.215m.
    1.2. Temporary (one-off) changes to the budget of $1.918m increase in the operating surplus, driven by $3.099m increase in revenue, offset by an increase in operating expenditure of $1.181m.
    1.3. Adjustments to Strategic Projects for the quarter are a total of $0.247m reduction in net expenditure, consisting of:
        1.3.1. New funding (new Strategic Projects) is required for one project, for a total $0.061m.
        1.3.2. Additional funding (a variance increase) is required for five projects, for a total $0.916m.
        1.3.3. Decreased funding (a variance decrease) is required for fifteen projects, for a total $1.224m.
        1.3.4. A summary of the status of Strategic Projects is provided further in this report.
2. Further detailed information on these changes is available from page 18 (Portfolio updates) in **Attachment A**.

Capital Program

3. Capital expenditure is proposed to decrease to $99.556m for the year, which is $10.780m lower than the budget of $110.336m, due to carry forwards and refunded grant savings, offset by a new approved project and new grant interest.
    3.1. Major Projects show a revised expenditure of $28.551m.
    3.2. New and Upgrade projects show revised expenditure of $16.852m.
    3.3. Renewals expenditure remains $54.153m.
4. Adjustments to the Capital Program include:
    4.1. $4.0m towards the “Integrated Climate Strategy – City Public Realm Greening Program” to support a net increase in street trees annually, in line with the Strategic Plan 2024-2028.
    4.2. Re-timing of works of $14.287m for continuing Major and New and Significant projects into future years to be considered as part of the annual business plan and budgeting process.
    4.3. New grant interest of $0.046m for Major Projects.
    4.4. Return of unspent grant funding received of $0.539m.
    4.5. Renewal remained unchanged.
    4.6. A summary of the status of Capital Projects is provided further in this report.
5. Further detailed information on these changes is available from page 14 (Capital Works update) in **Attachment A**.

FINANCIAL SUMMARY

Year to Date

6. The year-to-date operating position as at 31 March 2024 is an operating surplus of $14.507m, which is $12.421m favourable to the adopted budget of $2.086m for this period.
    6.1. Total operating income of $176.175m.
    6.2. Total operating expenditure of $161.668m.
7. This variance is driven by:
    7.1. Income is $5.322m favourable due to higher fees and charges of $2.695m as well as other income of $1.253m.

7.2. Expenditure is $7.099m favourable and is largely driven by timing of materials, contracts and other expenses, including professional services $5.979m, consultant fees $0.732m, and waste services $0.496m, offset by external contractors ($3.140m). Resource costs are also $1.162m favourable (Employee costs and contractual labour).

8. The year-to-date Capital Expenditure as at 31 March 2024, is $60.147m, which is $25.143m less than the adopted budget of $85.290m for this period.

9. As of 31 March 2024, Council had net cash surplus of $20.475m.

Projected Annual Financial Summary

10. The proposed quarter review continues to deliver an end of year operating surplus of $6.815m ($4.812m higher than the revised budget of $2.003m):

    10.1. Total estimated operating income of $234.470m.

    10.2. Total estimated operating expenditure (including depreciation) of $227.655m.

11. Operating income increased by $3.993m from the Q2 adopted budget of $230.537m to the estimated income of $234.470m. Of that increase, $2.695m is from higher fees and charges and $1.253m is from other income.

12. Operating expenditure reduced by $0.879m from the Q2 adopted budget of $228.534m to the estimated expenditure of $227.655m. The reduction is mainly due to adjustments to depreciation of $1.991m, offset by increased expenditure for external contractors of $1.062m.

13. Total proposed Capital Expenditure for the year is $99.556m.

14. Grant funding to support capital expenditure on new/upgraded assets of $1.455m ($0.285m increase to adopted budget of $1.170m).

15. The above changes result in a reduction to Council's forecasted borrowings as of 30 June 2024 to $23.593m from $42.106m forecast in the Q2 report.

16. Updated financial statements are provided from page 8 in **Attachment A**.

PROJECT DELIVERY SUMMARY

Strategic Projects

17. Including the adjustments outlined in this report, Council has a commitment of $9.663m ($5.867m net of grant funding) to deliver 41 Strategic Projects during 2023/24. At the end of this quarter:

    17.1. 34 projects had both timeframe to deliver and budget on track.

    17.2. Six projects had both timeframe to deliver and budget at risk and are being managed and may exceed estimated time and adopted budget.

    17.3. One project had both timeframe to deliver and budget off track.

    17.4. One project has been deferred to a future financial year.

18. For information on these changes refer to the Portfolio updates from page 20 in **Attachment A**.

Capital Works Program

19. Including the adjustments outlined in this report, Council has a commitment of $99.556m to deliver 385 projects as part of its Capital Works Program. At the end of this quarter:

    19.1. Five New and Significant Upgrade Projects and 34 Renewal Projects were completed in the quarter, bringing the total number of completed projects to 102.

    19.2. 68 projects had both timeframe to deliver and budget on track.

    19.3. Ten projects had timeframe to deliver at risk and are being managed but may exceed estimated time.

    19.4. Four projects had budget at risk and are being managed but may exceed estimated adopted budget.

    19.5. Two projects have a timeframe to deliver off track.

    19.6. One project has been cancelled.

20. For information on these changes refer to the Capital Works summary from page 14 in **Attachment A**.

COUNCIL SUBSIDIARIES SUMMARY

21. The Adelaide Central Market Authority, Adelaide Economic Development Agency and Kadaltilla / Adelaide Park Lands Authority have provided updates as per **Attachments B, C & D** respectively.

22. The Brown Hill Keswick Creek Stormwater Board (Regional subsidiary), which Council is a member of, has provided an update as per **Attachment E**.

Adelaide Central Market Authority - Year to Date Financial Summary

23. The year-to-date operating position as at 31 March 2024 is an operating surplus of $0.381m, which is $0.662m better when compared to the approved budget of ($0.281m) deficit for this period.

    23.1. Total operating income of $4.176m.

    23.2. Total operating expenditure of $3.795m.

Adelaide Economic Development Agency - Year to Date Financial Summary

24. The year-to-date operating position as at 31 March 2024 is an operating deficit of ($5.963m), which is $1.356m better when compared to the adopted budget of ($7.319m) deficit for this period.

    24.1. Total operating income of $3.347m.

    24.2. Total operating expenditure of $9.310m.

Kadaltilla / Adelaide Park Lands Authority - Year to Date Financial Summary

25. The year-to-date operating position as at 31 March 2024 is an operating deficit of ($0.138m), which is $0.049m better when compared to the adopted budget of ($0.187m) for this period.

    25.1. Total operating income of $NIL.

    25.2. Total operating expenditure of $0.138m.

LONG TERM FINANCIAL PLAN UPDATE:

26. The Long Term Financial Plan (LTFP) provided in **Attachment A** has been updated to reflect the following:

    26.1. The starting year for the LTFP 2023/24 has been updated to reflect the proposed Q3 Budget.

    26.2. Year 2 of the LTFP is in line with the draft 2024/25 budget.

    26.3. Updated assumptions for South Australia Consumer Price Index (SA CPI), Wages Price Index (SA WPI), and Interest Rates based on the March projections provided by Deloitte Access Economics (DAE).

    26.4. Impact of Council decisions during 2023/24 which have an impact on the LTFP beyond 2023/24, including the revised Asset Management Plans (AMP) for Transportation and Urban Elements.

    26.5. The LTFP has been updated to reflect the Buildings AMP which is being considered by Council for adoption on 28 May 2024.

    26.6. Impact of 2024/25 budget decisions which have an ongoing impact on the LTFP.

27. The analysis of the LTFP provided in **Attachment A** indicates that the City of Adelaide is currently financially sustainable in the short term, however, the increase in capital expenditure required through the revised Asset Management Plans for Building, Transportation and Urban Elements, has resulted in forecasts outside of the targets in the medium to long term for the Net Financial Liabilities, Borrowing Ratios and Prudential Limits, and Cash Flow from Operations.

28. The Key Financial Indicators (KFIs) highlight matters where a Council decision is required with regard to future financial sustainability. Long term financial sustainability is therefore subject to ongoing decisions and effort, and in particular (but not limited to):

    28.1. An increase in revenue sources to fund the increase in Asset Renewals through revised AMPs.

    28.2. Ensuring decisions are consistent with Council's adopted financial principles.

    28.3. Continued growth in revenue, through both rates and commercial activities, at or above the rate of growth in expenses.

    28.4. Investment of $15m per annum for the life of the LTFP on new and upgrade projects.

    28.5. The future of Rundle UPark.

28.6. Successful resolution of external funding for the renewal of the Torrens Weir and Adelaide Bridge.

28.7. Ongoing advocacy for reductions in exemptions and mandatory rebates.

28.8. Ongoing advocacy for funding assistance for projects of significance.

28.9. Use of the Future Fund for particular projects and initiatives.

29. A separate report will be presented to Council with recommendations to address the above matters to ensure and maintain future financial sustainability. The report will be presented with sufficient time for Council consideration, prior to adoption of the 2024/25 to 2033/34 LTFP.

ASSESSMENT OF KPIS

KPI 1: 70% of Projects capitalised within 10 Weeks

30. 79% of completed projects were capitalised within 10 weeks of practical completion at the end of this quarter.

KPI 2: < 10% Variance between Preliminary Year End and Annual Financial Statement

31. No update this quarter, as this is an annual measure which is determined at the end of the financial year.

UNDERTAKINGS

32. At its meeting on 16 February 2024, in response to a question raised by Councillor Li, an undertaking was given to the Audit & Risk Committee to review projects deferred due to increased quotations and identify whether complementary funding sources within the community can be utilised.

33. The Administration continues to seek external funding where available in order to help to ensure council achieves its strategic objectives. In the past quarter, eight grant applications have been submitted, and three grants awarded to the value of $675,000. A further eight projects have been reviewed against grant funding criteria and assessed through the Project Management Office governance process and determined not to be suitable for a formal submission.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – City of Adelaide 2023/24 Business Plan and Budget: Quarter 3 Progress Report

Attachment B – Adelaide Central Market Authority Quarter update

Attachment C – Adelaide Economic Development Agency Quarter update

Attachment D – Kadaltilla / Adelaide Park Lands Authority Quarter update

Attachment E – Brown Hill Keswick Creek Quarter update

- END OF REPORT -



2023/24
Business Plan & Budget
Investing in streets, parks and the community

January to March 2024
Quarter Three Progress Report

CITY OF ADELAIDE

Kaurna Acknowledgement

City of Adelaide tampendi, ngadlu Kaurna yertangga banbabanbalyarnendi (inbarendi). Kaurna meyunna yaitya mattanya Womma Tarndanyako. Parnako yailtya, parnuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kaurna meyunna itto yailtya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaitya miyurna iyangka yalaka ngadlu tampinthi.

City of Adelaide acknowledges the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today. And we also extend that respect to other Aboriginal Language Groups and other First Nations.

Legend

Throughout this document, these icons represent:

Status:

- ● ● ● that the project timeline, delivery and budget are on track (based on latest adopted schedule and budget)
- ● ▲ ● that the project has risks that are being managed and may exceed estimated time and adopted budget
- ● ● ◆ that the project is no longer on track or within adopted budget / delivered outside of schedule and budget

Budget:

- ➲ that there is no change from the most recent adopted budget to the proposed budget
- ⓿ that there is a decrease from the most recent adopted budget to the proposed budget
- ⓿ that there is an increase from the most recent adopted budget to the proposed budget

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Acting CEO message



Delivering the 2023/24 Business Plan and Budget

It is my pleasure to provide the third quarter progress report against the 2023/24 Business Plan and Budget to the Council and our Community.

The report highlights our progress in delivering the vision of our Strategic Plan over the third quarter of 2023/24 through the delivery of our programs, projects and services implementing the Council's endorsed priorities and strategies.

The delivery of the 2023/24 Capital Program has seen good progress with works advancing on Town Hall Façade Conservation, Rymill Park Lake, Market to Riverbank and Market Square. Capital expenditure to the end of March 2024 totalled $60.147m. This is a strong position for quarter three and is a significant contribution towards Council delivering its $99.556m Capital Program for 2023/24.

There has been strong delivery on the 2023/24 Strategic Projects including the Adaptive Re-use Housing Initiative, City Plan, and support for the Summer festival season. Strategic Project expenditure to the end of March 2024 totalled $5.633m.

Our ongoing financial planning and management over the past quarter has seen delivery of an operating result favourable to the budget, with a forecast operating surplus of $6.815m, ensuring that we remain in a strong position to deliver on our commitment to financial sustainability.

I hope you will find this Business Plan and Budget Quarterly Update a comprehensive, yet easy to read summary of activities, projects and expenditure over the last quarter.

Michael Sedgman

Headline deliverables

Quarter update for our headline deliverables / projects, which have been identified due to their complexity, risk, budget and / or impact on our city and community.

Strategic Projects



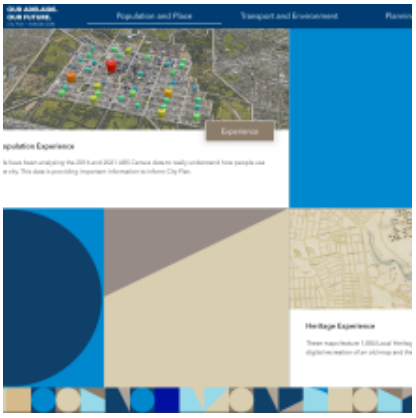
Adaptive Re-use Housing Initiative

Current Budget: $0.508m

Second Steering Group Meeting occurred in February 2024.

Various consultants engaged to undertake reports and research including vacancy, building auditing, Building Rules Review and Compliance Reporting and Cost Rate Reports.

City of Adelaide incentives schemes reviewed and restructured to provide incentives in partnership with adaptive re-use.



City Plan

Current Budget: $0.575m

Tender process for consultant completed in February 2024, with consultant for Stages 3 & 4 engaged, and commenced in February 2024.

Community consultation underway with a drop pin mapping survey to residents and city users.

The survey will assist with the evaluation and finalisation for completion of the final City Plan in Quarter 4.



City Activation

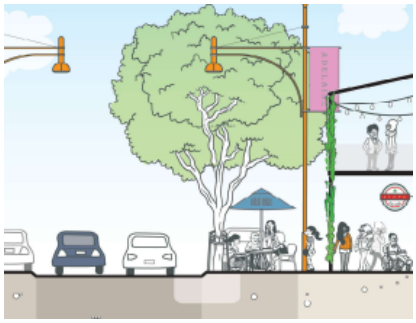
Current Budget: $1.760m

Fringe venue Inflatable Church in Light Square was well received in the West End during festival season.

Gather Round planning for live music, business support and city enhancement initiatives. Gather Round is held early in Quarter 4 and is heavily supported by the State Government and the South Australian Tourism Association to activate the city.

Planning for On the Cusp Cabaret and Music in the Square is well underway for delivery in Quarter 4.

Major / New and Upgrade Projects



Hindley Street Revitalisation

Current Budget: $1.680m

Stage: Design only

Hindley Street detailed design is progressing towards 70% completion. To streamline the process, project management consultant coming on board.



Mary Lee Park Sports Building

Current Budget: $0.791m

Stage: Plan / Design

Sports lighting contract has been finalised and works commenced on site. Feasibility assessment of proposed building footprint has been completed.



Melbourne Street improvements

Current Budget: $0.695m

Stage: Build / Construct

Temporary footpath extensions have been installed in two locations on Melbourne Street. Revised list of project scope items have been confirmed by Minister for Infrastructure and Transport.



Central Market Arcade Redevelopment

Current Budget: $15.000m

Stage: Build / Construct

Basement excavation and piling occurred in early 2024. Consultation is ongoing with Adelaide Central Market Authority with respect to timing of works to ensure that Central Market business continuity is maintained.



Market to Riverbank Laneways Upgrade

Current Budget: $2.103m

Stage: Build / Construct

Works progressing. Stakeholder management ongoing to accommodate CarePark, Her Majesty's Theatre access and Metro Hotel deliveries.



Murlawirrapurka / Rymill Park upgrade

Current Budget: $5.173m

Stage: Build / Construct

Construction is nearing completion.

Construction of two underground storage tanks complete with 240kl storage capacity becoming available.

(Budget includes renewal funding)

Renewals



● Town Hall Facade Conservation

Current Budget: $2.791m

Stage: Build / Construct

Conservation works on Pirie Street facade finalised in March 2024 and King William facade commenced March 2024.

Community engagement is ongoing with adjoining businesses through letter box drop and regular updates.



● Plant and Fleet Replacement

Current Budget: $2.700m

Stage: Build / Construct

Light passenger fleet now transitioned to 65% ZEV (Zero Emissions Vehicles). On target to reach 75% transition of Light Passenger Vehicles by 2025.



● Jeffcott Street South Renewal Project

Current Budget: $2.04m

Stage: Practical Completion

Works on site completed, awaiting As Constructed materials to be delivered to finalise project completion.

● Parking Meter Solution Renewal

Current Budget: $1.930m

Stage: Plan / Design

Supply and installation works progressing. Installation commenced with 60 devices deployed or on track. Second and third tranches of devices manufactured, and shipments received.

▲ CCTV / Security and BMS Network Renewal and Compliance Program

Current Budget: $1.000m

Stage: Plan / Design

Cabling work continuing at multiple locations. 8% of CCTV camera replacements installed and operational.

Budget update

Summary

March Year To Date (YTD):

- The operating position as at the end of quarter 3 2024/25 is a surplus of $14.507m, which is $12.421m favourable to the Year to Date (YTD) budget of $2.086m. This is driven by:
    - Income is $5.322m favourable due to higher fees and charges of $2.427m across parking and golf, as well as other income of $1.577m mainly generated from private works reimbursements.
    - Expenditure is $7.099m favourable and is largely driven by timing of materials, contracts and other expenses including professional services $5.978m, consultant fees $0.732m, and waste services $0.496m, offset by external contractors ($3.140m). Resource costs are also $1.162m favourable (Employee costs and contractual labour).
- The Capital Projects spend of $60.147m is $25.143m lower than the YTD budget of $85.290m. This is largely due to the timing of Central Market Arcade Redevelopment $8.778m, Rymill Park Lake $3.576m, and On-Street Parking Meter Replacement $0.561m.
- Council had net cash surplus of $20.475m as at 31 March, with $1.827m in bank accounts and $18.648m in deposits.

Quarter 3 2024/25 Projected Operating Position

The proposed quarter 3 adjustments increase the operating surplus from $2.003m to $6.815m, an increase of $4.812m driven by:

- Additional income of $3.993m through the recognition of Commercial fees and charges $2.695m, net increase in grant recognition of $0.238m and events $0.450m.
- Employee costs have reduced by $3.711m which includes a budget reallocation of $5.330m to recognise temp labour cost backfilling vacancies within materials.
- Materials, contracts and other expenses have increased by ($3.569m) and includes temp staff backfilling labour vacancies ($5.330m) offset by reclassifications of professional services cost to sponsorships, contributions and donations $1.303m.
- Sponsorships, contributions and donations increased by ($1.251m) due to reclassification of costs from materials.
- Depreciation and Finance costs have reduced by $1.991m due to reviewing the useful life of assets.

Within the operating position movement above, Strategic Projects have reduced by $0.92m from $5.959m to $5.867m.

- The Capital Program is proposed to reduce by $10.780m from $110.336m to $99.556m as a result of re-timing projects to future years, (mainly Central Market Arcade $8.778m).
- Borrowings are forecast to reduce by $18.513m from $42.106m to $23.593m.

Operating Position (Financial Performance)

$000's	YTD Actual	YTD Budget	Variance	Full Year Budget (Q2)	Q3 Review	Variance
Rates Revenue	101,473	101,327	146	135,131	135,131	0
Fees and Charges	66,103	63,676	2,427	84,978	87,673	2,695
Grants, Subsidies and Contributions	6,377	5,205	1,172	8,891	8,875	(16)
Other Income	2,222	645	1,577	1,537	2,791	1,254
Total Revenue	**176,175**	**170,853**	**5,322**	**230,537**	**234,470**	**3,933**
Employee Costs	55,889	60,236	4,347	82,443	78,732	3,711
Materials, Contracts and Other Expenses	59,964	60,992	1,028	82,456	86,025	(3,569)
Sponsorships, Contributions and Donations	4,313	4,511	198	6,275	7,526	(1,251)
Depreciation, Amortisation and Impairment	40,825	42,355	1,530	56,473	54,482	1,991
Finance Costs	677	673	(4)	887	890	(3)
Total Expenses	**161,668**	**168,767**	**7,099**	**228,534**	**227,655**	**879**
Operating Surplus / (Deficit)	**14,507**	**2,086**	**12,421**	**2,003**	**6,815**	**4,812**

Capital Program

Capital Program	YTD Actual	YTD Budget	Variance	Full Year Budget (Q2)	Q3 Review	Variance
Major Projects	18,454	32,526	14,072	42,068	28,551	13,517
New and Upgrades Projects	4,998	7,359	2,361	14,115	16,852	(2,737)
Renewal / Replacement of Assets	36,696	45,405	8,709	54,153	54,153	0
Total Capital Expenditure	**60,147**	**85,290**	**25,143**	**110,336**	**99,556**	**10,780**

Operating program – adjustments

$000's	Budget	Proposed	Variance
2023/24 Quarter 2 Budgeted Operating Position			2,003
Depreciation Review of useful life and other adjustments	(56,473)	(54,482)	1,991
Aquatic Centre EOI Process Aquatic Centre Staff		(853)	(853)
North Adelaide Golf Course Net improvement in commercial performance (excludes change in internal expenditure), increase in revenue $825k offset by increased variable costs to deliver the additional revenue of $600k	(163)	62	225
Adelaide Town Hall Net change in financial performance (excludes change in internal expenditure), forecasted reduction in revenue of $495k offset by reduced expenses $346k	(88)	(237)	(149)
UPark Net improvement in commercial performance (excludes change in internal expenditure), increase in Revenue of $1,350k plus reduction in expenses of $270k mainly due to a credit received for prior year bank fees overcharge	17,073	18,693	1,620
Resilient Flood Mapping To complete North Adelaide survey in this financial year	0	(630)	(630)
ACMA Net improvement in commercial performance (excludes change in internal expenditure), increase in revenue of $450k offset by increased expenditure $47k	(396)	7	403
Aquatic Centre Net improvement in financial performance (excludes change in internal expenditure), increase in revenue of $400k offset by increased expenses $193k	(912)	(705)	207
Stormwater Network Cleaning To continue stormwater cleaning works aligned with grant funded Resilient Flood Mapping strategic project		(336)	(336)
Horticulture Overtime Increased workload on weekends and evenings to avoid disruptions to city visitors		(300)	(300)
Electricity Forecasted favourable variance based on year to date variance and projection based on final quarter for prior year		300	300
Developer Contributions Release of Balfours Developer Contribution provided under previous agreement with Urban Construct		293	293
Central Market Arcade Redevelopment Reclassification of budget from operating to capital		280	280
Kerbside Waste Services Favourable spend to date in kerbside waste for new developments in the city		250	250
AEDA Strategic Partnerships Budget from prior years (21/22 & 22/23) spent in this financial year		(232)	(232)
City Wide Waste and Fight Food Waste Grant no longer being expensed		400	400
Bridge Maintenance Additional budget to reflect cost of work on Adelaide bridge	(200)	(400)	(200)
Cleansing Temps Increase to cleaning schedule including deep clean in North Adelaide and leaf fall		(200)	(200)
Interest Income Lower than forecast borrowings		200	200
Other Minor Adjustments Other adjustments that are individually minor in value (< $200k)			1,542
Proposed Quarter 3 Budget Review Operating Position			6,815
Total Proposed Adjustment			4,812

Operating program – adjustments Continued

The following changes have a net nil impact on the Operating Program, as income or grant funding received fully offsets incurred expenditure:

$000's	budget	proposed	variance
Events Additional income $450k offset by costs of $450k for events in 2023/24	-	-	-
Insurance Claims Costs for repairing damaged assets of $185k covered by insurance proceeds of $185k	-	-	-
Rundle Mall Concession Stand Additional income of $140k received offset by additional expenditure of $140k	-	-	-
Employee Relations Legal Costs Settlement in favour of CoA $82k offset by additional legal costs incurred of $82k	-	-	-

Capital program – adjustments

$000's	budget	proposed	Variance
Major Projects Significant works of a capital nature that are over the prudential limit, multi year or have significant grant funding being administered via a contractual deed.	42,068	28,551	13,517
New and Upgrades Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.	14,115	16,852	(2,737)
Renewals Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.	54,153	54,153	0
Total Adjustment	110,336	99,556	10,780

Financial indicators

		Target	Adopted	Q1	Q2	Q3
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	0.9%	0.9%	0.9%	2.9%
Net Financial Liabilities	Financial liabilities as a percentage of operating income	Less than 80%	-1%	0.7%	7.6%	2.1%
Asset Renewal Funding Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	90%	97%	97%	97%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	10%	13%	14%	8%
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	0.4%	0.6%	1.4%	2.5%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.2	0.3	0.3	0.2
Cash Flow from Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	101%	99%	99%	102%
Borrowings	Borrowings as a percentage of the Prudential Borrowing Limit	Within Prudential Limits	30.184m	40.553m	$42.106m	23.593m
			20%	27%	28%	16%

Treasury Reporting

The tables below present the debt and cash investment information as required by Council's Treasury Policy.

Table 1 shows the borrowing facilities taken out by Council. Council had nil borrowings as at 31 March 2024:

Borrowings Facility *	Available	Interest Type	Interest Rate	Current Borrowings	Change since previous report $'000s	Maturity Date
LGFA CAD 555	$70m	Variable	5.35%	Nil	$5.700m	15/06/2033

** Note CAD facilities are flexible and allows Council to convert all or part of it into a fixed rate interest only loan for a maximum of 5 years..*

Table 2 shows cash invested by Council. Council had $20.475m in cash investments at 31 March 2024:

Cash & Cash Equivalents	Available	Interest Type	Interest Rate	Current Investments	Change since previous report $'000s	Maturity Date
LGFA General	$5.977m	Variable	4.55%	$5.977m	$5.977m	-
NAB	$1.450m	Variable	4.35%	$0.950m	($1.674m)	-
CBA	$1.377m	Variable	4.35%	$0.877m	$0.877m	-
LGFA FT 62351	$5.000m	Fixed	4.95%	$5.000m	$5.000m	28/06/2024
LGFA FT 62352	$7.671m	Fixed	4.95%	$7.671m	$7.671m	28/06/2024

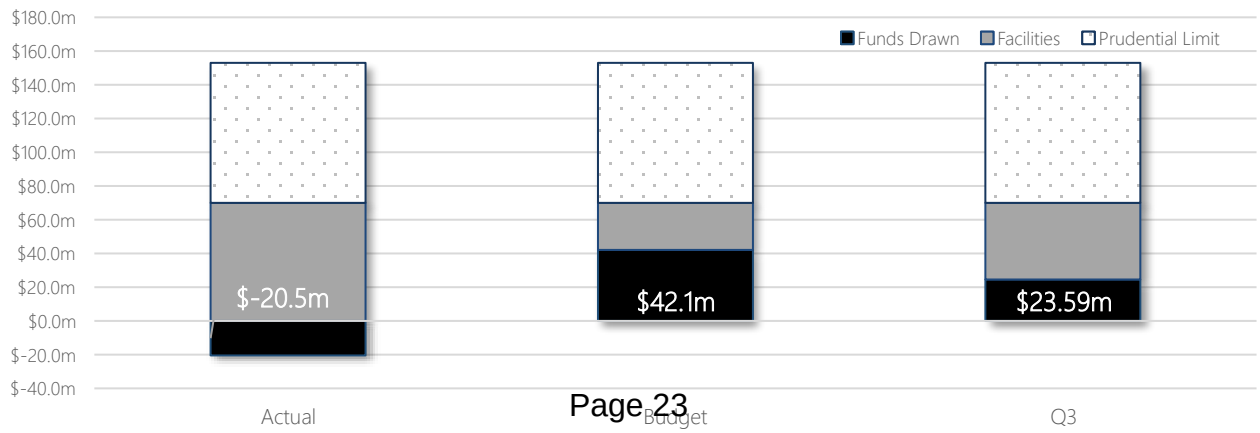
Total borrowings without the Future Fund offset ($46.121m) would otherwise be $25.646m

Table 3 provides the Prudential Limit Ratios as outlined in Council's Treasury Policy:

Prudential Limit Ratio **	Comments	Limits	March 2024 YTD Actual
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	0.13%
Leverage Test	Total borrowings relative to annual General Rates Revenue (Less Landscape Levy)	Max 1.5 years	0 years
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Max 50%	0%

*** Prudential borrowing limit as at 31 March 2024 is $152.927 million (an increase from $149 million as per adopted budget)*

Borrowings: showing current facilities against our prudential limit and forecasted position



Capital Works update

Summary

- $18.454m has been spent to date and $6.465m has been contracted across major projects, resulting in 59.2% of the 2023/24 program currently committed.
- $4.998m has been spent to date and $2.750m has been contracted across new and upgrade projects, resulting in 54.9% of the 2023/24 program currently committed.
- $36.696m has been spent to date and $14.694m has been contracted across renewal projects, resulting in 94.9% of the 2023/24 program currently committed.
- Proposed revised budgets (subject to Council endorsement this quarter): Major Projects $28.551m; New and Significant upgrades $16.852m; and Asset Renewals $54.153m.

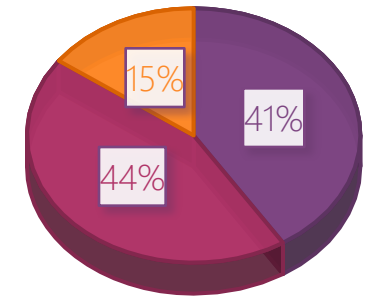
$'000	Projects*	Q2 budget	Q3 expenditure	commitments	remaining
Major Projects	25	$42,068	$18,454	$6,465	$17,148
New and Significant upgrades	97	$14,115	$4,998	$2,750	$6,367
Renewals	299	$54,153	$36,696	$14,694	$2,764
Major Projects (with renewal)	*10*	*$6,110*	*$3,643*	*$2,387*	*$80*
New/Upgrade (with renewal)	*26*	*$1,422*	*$214*	*$21*	*$1,188*
Corporate Overhead		*$5,500*	*$4,303*	*$12*	*$1,186*
Bridges	*4*	*$360*	*$123*	*$5*	*$232*
Buildings	*40*	*$9,430*	*$5,495*	*$4,448*	*-$514*
ICT	*7*	*$1,793*	*$1,387*	*$48*	*$357*
Lighting and Electrical	*20*	*$1,491*	*$714*	*$1,413*	*-$635*
Park Lands assets	*15*	*$3,100*	*$2,838*	*$281*	*-$19*
Plant and Fleet	*5*	*$3,501*	*$2,031*	*$1,439*	*$31*
Traffic Signals	*9*	*$2,188*	*$2,194*	*$212*	*-$219*
Transport	*112*	*$13,796*	*$10,686*	*$2,504*	*$605*
Urban Elements	*44*	*$3,795*	*$1,699*	*$1,008*	*$1,088*
Water infrastructure	*7*	*$1,668*	*$1,369*	*$915*	*-$616*
Total	387*	$110,336	$60,147	$23,910	$26,279

Note
**Total Project count: mixed-funded projects are only counted once in the total project count*
- *Transport is made up of Roads, Pathways and Kerb and Water Table*
- *Plant and Fleet includes Commercial Plan and Fleet*
- *some projects have been broken down into sub-projects, so total appears different*

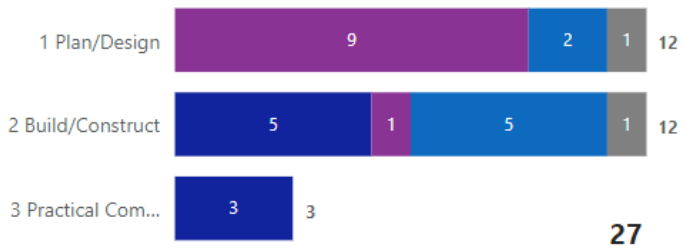
Major Projects

Major Projects are significant works of a capital nature that are over the prudential limit, multi-year, or have significant grant funding.

Approved Budget



Remaining Budget $17.148M
Spent $18.454M
Contracted $6.465M



some projects have been broken down into sub-projects, so total appears different

Planning updates:

The third quarter has seen good progress in the delivery of our major projects. Progress highlights include:

- 1 major project has reached practical completion this quarter, namely the Street Lighting LED renewal
- Pitt Street project (final section of the Market to Riverbank program) and Rymill Park Lake upgrade project are progressing well with completion scheduled for June
- Hindley Street Main Street Revitalisation project design is progressing well with significant stakeholder engagement activities planned for April
- Charles Street streetscape upgrade design has completed, with construction procurement planned for May.
- Hutt Street Entry Statement construction has commenced on site
- North-South Bikeway remaining sections (construction) have completed procurement with scoped works commencing in April.

Budget updates:

The Annual forecast expenditure this quarter has decreased by $13.517m from an approved Q2 budget of $42.068m to a proposed budget of $28.551m.

Several projects had to be re-timed to future years with a budget reduction of $11.974m comprising of:

- Central Market Arcade $8.778m
- Hindley St Revitalisation $0.900m
- Hutt St Entry Statement $0.730m
- Experience Adelaide Visitor Centre $0.614m
- Melbourne St Improvements $0.462m
- Charles St Upgrade $0.425m
- North-South Bikeway $0.065m

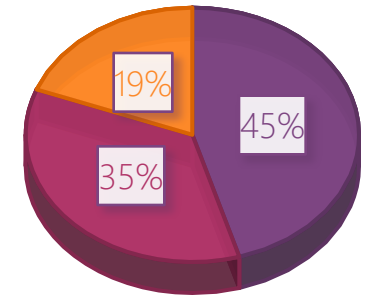
Additionally, $1.050m of savings from Major projects were transferred to New/Upgrade projects of which $0.600m relate to Program Management costs.

The ledger has decreased further by grant returns of $0.539m, where projects delivered with savings, offset by grant interest of $0.046m.

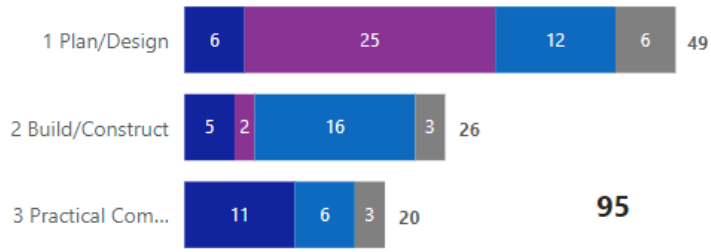
New and Significant Upgrades

New and Significant Upgrade projects are works of a capital nature that are either introducing new assets or significantly upgrading existing assets, usually by extending the footprint of an asset or increasing the level of service the asset provides.

Approved Budget



Remaining Budget $6.367M
Spent $4.998M
Contracted $2.750M



some projects have been broken down into sub-projects, so total appears different

Planning updates:

The third quarter has seen progress in the delivery of our New and Upgrade program. Progress highlights are:

- 7 projects have reached practical completion this quarter, including Brougham Place Footpath and greening, Greening Gray St, 2 Traffic Signal Safety upgrade projects and several Public Art projects
- Francis St Artwork, 3G Hardware replacement, North Terrace/Station Road footpath and Light Square Electric Infrastructure project will be completed next quarter.
- Field Street Upgrade has commenced construction
- Several new projects have been created from available savings during the quarter, for example MacKinnon Parade lighting upgrade and Hindmarsh Square lighting from resident requests, Adelaide Town Hall David Spence/Prince Alfred Room upgrades for enhanced customer offering as well as Golf ball washer and dispenser, ACMA Bio-separator and Hutt Road earthen levee which were brought forward from the 24/25 BPB.

Budget updates:

The Annual forecast expenditure this quarter has increased by $2.737m from an approved Q2 budget of $14.115m to a proposed budget of $16.852m.

Several projects had to be re-timed to future years with a budget reduction of $2.313m comprising of:

- Southwest Community Centre $1.500m
- Public Art projects $0.512m
- Bullrush Park/Warnpangga Lighting $0.148m
- Torrens Weir retaining structure $0.130m
- Glen Osmond/Hutt Rd Intersection $0.023m

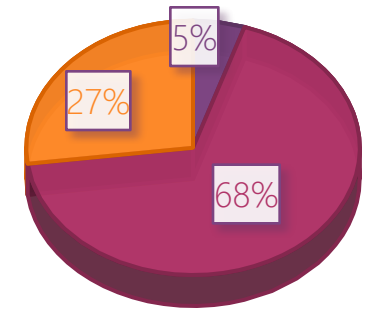
Additionally, $1.050m of savings from Major projects were transferred to New/Upgrade projects to fund additional project costs of which $0.600m relates to the Program Management costs.

A new tree planting project of $4m to fund a multi-year program of public realm greening to support an annual net increase in street trees, aligned to the Integrated Climate Strategy.

Renewals

Renewals are works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.

Approved Budget



Remaining Budget $2.764M
Spent $36.696M
Contracted $14.694M



some projects have been broken down into sub-projects, so total appears different

Planning updates:

Significant progress has been made across all asset classes for Renewals in the third quarter. Progress highlights are:

- 27 projects have achieved practical completion this quarter, including Jeffcott St South, Traffic Signal lantern renewal program, West Tce median irrigation renewal and various road and footpaths renewal projects
- Several projects have commenced construction, including Eagle Chambers IT Server Room AC unit renewal, ACMA glass canopy renewals and entrance light renewal, Pinky Flat Pond renewal, Bentham St/Waymouth St Intersection improvements as well as the Pioneer Women's Garden Heritage wall refurbishment
- A number of projects are forecasting completion in the next quarter, including Adelaide Pavillion AC renewal, ICT renewal program, electrical switchboard renewal program and various road and footpaths renewal projects

Budget updates:

The annual forecast expenditure this quarter has remained unchanged at $54.153m.

Portfolio updates

City Shaping

The City Shaping Portfolio leverages and celebrates our role as a Capital City Council and delivers the services that lead, shape and enable a creative, dynamic, resilient and diverse city both now and into the future.

Programs:

- City Culture
- Park Lands, Policy and Sustainability
- Regulatory Services

Key Focus areas:

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

City Services

The City Services Portfolio delivers essential local government services for our community, making it easier to conduct business in our city, and providing a safe and attractive urban environment.

Programs:

- City Operations
- Infrastructure
- Strategic Property and Commercial

Key Focus areas:

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

Corporate Services

The Corporate Services Portfolio provides effective and efficient services and insights to strengthen and grow our organisational capability, and support a culture of accountability, transparency, and innovation.

Programs:

- Customer and Marketing
- Finance and Procurement
- Governance
- Information Management
- People
- Strategy, Insights and Performance
- *Adelaide Central Market Authority*
- *Adelaide Economic Development Agency*
- *Kadaltilla / Adelaide Park Lands Authority*

Key Focus areas:

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

City Shaping

YTD Operating Position	($'000)		
	Actual	**Budget**	**variance**
Income	20,165	20,257	(92)
Expenditure	(31,374)	(35,054)	3,680
Net Operating Surplus / (Deficit)	(11,209)	(14,797)	3,588

Operating Budget	Income ($'000)			Expenditure ($'000)		
	budget	**proposed**	**variance**	**budget**	**proposed**	**Variance**
Office of the Director, City Shaping	-	-	-	(652)	(634)	18
City Culture	11,956	12,143	187	(27,370)	(27,938)	(568)
Park Lands, Policy and Sustainability	43	63	20	(7,554)	(7,490)	64
Regulatory Services	14,984	14,968	(16)	(9,943)	(9,811)	132
Strategic Projects	218	250	32	(2,612)	(2,386)	226
Total	27,201	27,424	223	(48,131)	(48,259)	(128)

City Shaping

Planning updates / changes

- Adaptive Re-use Housing Initiative – project moved from Office of the Director City Shaping to Park Lands Policy & Sustainability
- Park 21 West - New Community Sports Building – project moved from Park Lands, Policy & Sustainability to City Culture for delivery.
- An agreement with End Food Waste Australia to research and trial food organics collections did not proceed, which is linked to the reduced budget for City Wide Waste and Recycling.

Budget updates / changes

- Operational budget changes resulting in $0.223m increase to income, as well as $0.128m increase in expenditure:
  - Increase in income for Aquatic Centre catering and swim school $0.400m
  - Increase in leasing and licencing income $0.180m
  - Reduction in Adelaide Town Hall income ($0.480m) offset by reduced expenses $0.346m
  - EOI process for Aquatic Centre increased costs of ($0.853m)
- Changes to the operational budget identified above includes savings in Strategic Projects this quarter of $0.255m

Select Portfolio achievements from this quarter

- Delivery of city wide events and activations over the Fringe and Festival period, including the activation of more public locations in the West of the City during Adelaide Fringe than ever before. 14 Park Lands and City Squares were activated over the February/March period in 2024, compared to ten in 2023 over the same period, marking a 40% increase in activated locations, all in the Westerns side of the City.
- The Housing Strategy – Investing in Our Housing Future and the Homelessness Strategy – Everyone's Business consultation concluded, with the final strategies presented to and adopted by Council in February 2024.
- Various consultants engaged to undertake reports and research for the City Housing (Adaptive Re-use) project including vacancy, building auditing, Building Rules Review and Compliance Reporting and Cost Rate Reports.

City Shaping | Budget

City Culture

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	variance	Expenditure ($'000) budget	proposed	variance
Office of the A/D City Culture	-	-	-	(385)	(369)	16
Adelaide Town Hall	2,863	2,368	(495)	(2,941)	(2,605)	336
Aquatic Centre	6,593	6,993	400	(7,430)	(8,424)	(994)
City Experience	616	656	40	(4,080)	(4,116)	(36)
City Lifestyle	1,246	1,470	224	(4,654)	(4,791)	(137)
Creative City	112	130	18	(2,834)	(2,725)	109
Libraries	526	526	-	(5,046)	(4,908)	138
Total	11,956	12,143	187	(27,370)	(27,938)	(568)

Park Lands, Policy and Sustainability

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	proposed	variance	Expenditure ($'000) budget	proposed	variance
A/D, Park Lands Planning & Policy	-	-	-	(355)	(351)	4
City Planning and Heritage	43	43	-	(3,651)	(3,651)	-
Low Carbon & Circular Economy	-	-	-	(1,909)	(1,849)	60
Park Lands, Policy & Sustainability	-	20	20	(1,639)	(1,639)	-
Kadaltilla / Park Lands Authority	-	-	-	-	-	-
Total	43	63	20	(7,554)	(7,490)	64

Regulatory Services

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	proposed	variance	Expenditure ($'000) budget	proposed	variance
A/D, Regulatory Services	-	-	-	(844)	(836)	8
City Development	3,270	3,270	-	(2,733)	(2,637)	96
City Safety	458	442	(16)	(1,641)	(1,647)	(6)
On-Street Parking Compliance	11,256	11,256	-	(4,725)	(4,691)	34
Total	14,984	14,968	(16)	(9,943)	(9,811)	132

City Shaping | Strategic Projects

	Plan		Expenditure ($'000)				
		delivered by		**budget**	**proposed**	**variance**	
City Culture							
Aquatic Centre Investigations	●○○		●○○	(75)	(75)	0	➲
City Activation	●○○	June 2024	●○○	(400)	(400)	0	➲
Cultural Mapping of the Adelaide Park Lands	●○○	June 2024	●○○	(75)	(75)	0	➲
Park 21 West - New Community Sports Building (Z0170)	●○○	April 2024	●○○	(32)	(32)	0	➲
Park Lands, Policy and Sustainability							
Adaptive Re-use Housing Initiative	●○○	December 2025	●○○	(218)	(193)	25	➲
City Wide Waste and Recycling	○▲○		○▲○	(788)	(503)	285	➲
Delivering the City Plan	●○○		●○○	(390)	(475)	(85)	➲
Local Heritage Assessments - 20th Century Buildings	●○○		●○○	(70)	(70)	0	➲
Master Plan of Light Square	○▲○	June 2024	○▲○	(90)	(90)	0	➲
Park Lands Biodiversity Survey	●○○	June 2024	●○○	(150)	(150)	0	➲
Park Lands Greening	●○○		●○○	(15)	(15)	0	➲
Regulatory Services							
On-Street Parking Compliance Technology & Customer Analytics Reform	●○○		●○○	(100)	(100)	0	➲
Total				(2403)	(2178)	225	➲

** fully funded by State Government Grant*

City Services

YTD Operating Position	($'000)		
	Actual	**Budget**	**variance**
Income	47,235	43,149	4,086
Expenditure	(89,809)	(93,716)	3,907
Net Operating Surplus / (Deficit)	(42,574)	(50,567)	7,993

Operating Budget	Income ($'000)			Expenditure ($'000)		
	budget	**proposed**	**variance**	**budget**	**proposed**	**variance**
Office of the Director, City Services	-	-	-	(677)	(677)	-
City Operations	2,482	3,251	769	(43,388)	(42,858)	530
Infrastructure	722	762	40	(44,602)	(43,839)	763
Strategic Property and Commercial	53,303	55,599	2,296	(32,811)	(31,663)	1,148
Strategic Projects	3,020	3,146	126	(5,212)	(5,507)	(295)
Total	59,527	62,758	3,231	(126,690)	(124,544)	2,146

City Services

Planning updates / changes

- A new project to explore alternative irrigation for the North Adelaide Golf Course was initiated this quarter
- There have been supplier issues with the City speed limit review and school safety review causing delays, however delivery continues, including recent Council decisions around St Aloysius College
- Grant received for Park Lands Strategic Water Resources with the work to be completed next financial year
- Increased funding for Condition Audits and new projects for investigating
- North Terrace West Masterplan has been deferred to a future period
- Property Strategy workshops with Council Members will occur during April, with feedback to inform a report to Council to finalise the strategy in August 2024.
- Workshops associated with Hindley Street (Mainstreet) have been programmed into April prior to public consultation and stakeholder engagement.

Budget updates / changes

- Operational budget changes resulting in $3.231m additional income and $2.146m reduction in expenditure:
    - Parking Revenue of $1.350m plus cost savings of $0.270m
    - Golf Revenue of $0.825m offset by expenditure increases of ($0.600m)
    - Additional events income $0.450m offset fully by expenses ($0.450m)
    - Depreciation reduction of $2.174m due to reviewing building useful lifes
    - Changes to allocation of internal charges $1.017m
    - ($0.200m) for increased bridge maintenance
    - ($0.030m) for horticulture overtime based on increased workloads for weekends and evenings to avoid disruptions to city visitors
- Changes to the operational budget identified above includes funding changes for Strategic Projects ($0.296m)

Select Portfolio achievements from this quarter

- Renewal SA and the City of Adelaide have settled on the Franklin Street bus station land and the development of a Master Plan is progressing. Renewal SA is in the process of securing a sustainability consultant to support the project's aspiration to achieve carbon neutrality
- Increased cleansing and maintenance activities to support the City Summer Festival and Event Season
- Completion of two Public Realm Condition Audits
    - East End, including Rundle Steet, Frome Street, Vardon Avenue and Ebeneezer Place
    - Hindley Street, including Leigh Street and Produce Lane

City Services | Budget

City Operations

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
A/D City Operations	-	-	-	(2,963)	(3,025)	(62)
Manager, City Maintenance	-	-	-	(384)	(384)	-
Manager, City Presentation	-	-	-	(199)	(199)	-
Cleansing	6	6	-	(7,075)	(7,019)	56
Facilities	-	-	-	(4,522)	(2,942)	1,580
Horticulture	2,334	2,818	484	(13,697)	(14,329)	(632)
Infrastructure Maintenance	-	100	100	(5,832)	(5,801)	31
Trades	107	292	185	(4,890)	(5,394)	(504)
Waste	29	29	-	(3,603)	(3,342)	261
Workshops	6	6	-	(224)	(423)	(199)
Total	2,482	3,251	769	(43,389)	(42,858)	531

Infrastructure

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
A/D Infrastructure	-	-	-	(714)	(639)	75
Infrastructure Planning and Delivery	722	762	40	(43,378)	(42,690)	688
Technical Services	-	-	-	(510)	(510)	-
Total	722	762	40	(44,602)	(43,839)	763

Strategic Property and Commercial

Operating Budget (excludes Strategic Projects)	Income ($'000) Budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
A/D Strategic Property & Commercial	-	-	-	(473)	(454)	19
Commercial	221	221	-	(918)	(768)	150
Parking	42,774	44,124	1,350	(14,060)	(13,936)	124
North Adelaide Golf Course	3,443	4,268	825	(3,606)	(4,460)	(854)
Strategic Property Development	584	584	-	(766)	(766)	-
Strategic Property Management	6,281	6,402	121	(12,988)	(11,279)	1,709
Total	53,303	55,599	2,296	(32,811)	(31,663)	1,148

City Services | Strategic Projects

	Plan		Expenditure ($'000)				
		delivered by		**budget**	**proposed**	**variance**	
City Operations							
Private Laneways Fee-for-Service Trial	●○○	June 2024	●○○	(50)	(50)	0	➲
Infrastructure							
Adelaide Central Market - Telecommunication Infrastructure and Communication System - Part 1	○▲○	July 2024	○▲○	(229)	(124)	105	🕒
Asset Condition Audit	●○○	May 2024	●○○	(199)	(223)	(24)	🕒
City Speed Limit Review	○▲○		○▲○	0	(113)	(113)	🕒
Climate Change Risk Adaptation Actions Year 2	●○○		●○○	(160)	(120)	40	🕒
Conservation Management Plans for Heritage Assets	●○○	June 2024	●○○	(200)	(170)	30	🕒
Lighting and Electrical Data Collection	●○○		●○○	(300)	(285)	15	🕒
North Adelaide Golf Course - Water Investigative Study	●○○	June 2024	●○○	0	(61)	(61)	🕒
North Terrace West Masterplan	○▲○		○▲○	(100)	0	100	🕒
Resilient Flood Planning	●○○	May 2025	●○○	(2325)	(2955)	(630)	🕒
SA Power Networks (SAPN) Luminaire Upgrades	●○○	May 2024	●○○	(100)	(15)	85	🕒
School Safety Review	○○◆		○○◆	0	(80)	(80)	🕒
Stormwater Network Cleaning	●○○	June 2025	●○○	(500)	(927)	(427)	🕒
Transport Strategy	○▲○		○▲○	(350)	(139)	211	🕒
Underground of powerlines	●○○		●○○	(239)	(66)	173	🕒
Strategic Property and Commercial							
88 O'Connell Project Delivery	●○○		●○○	(30)	(30)	0	➲
Central Market Arcade Redevelopment	●○○	January 2026	●○○	(280)	0	280	🕒
Strategic Property Action Plan Implementation	●○○		●○○	(150)	(150)	0	➲
Total				(5211)	(5507)	(296)	🕒

** fully funded by Federal Government Grant*

Corporate Services

YTD Operating Position	($'000)		
	Actual	Budget	variance
Income	108,775	107,447	1,328
Expenditure	(38,238)	(37,606)	(632)
Net Operating Surplus / (Deficit)	70,537	69,841	696

Operating Budget	Income ($'000)			Expenditure ($'000)		
	budget	Proposed	Variance	budget	proposed	variance
Office of the Chief Operating Officer	-	-	-	(939)	(831)	108
Customer and Marketing	1	1	-	(6,499)	(6,450)	49
Finance and Procurement	134	104	(30)	(4,284)	(4,168)	116
Governance	-	40	40	(4,213)	(4,335)	(122)
Information Management	1,430	1,430	-	(13,312)	(13,583)	(271)
People	-	82	82	(3,740)	(4,133)	(393)
Strategy, Insights & Performance	-	-	-	(1,473)	(1,508)	(35)
Corporate Activities *	131,569	132,062	493	4,702	3,730	(972)
Strategic Projects	400	400	-	(1,775)	(1,770)	5
Total	133,534	134,119	585	(31,533)	(33,048)	(1,515)
Subsidiaries						
Adelaide Central Market Authority	4,914	5,422	508	(5,310)	(5,410)	(100)
Adelaide Economic Development Agency	4,354	4,494	140	(12,809)	(13,203)	(394)
Kadaltilla / Adelaide Park Lands Authority	253	253	-	(253)	(253)	-
Total Subsidiaries	9,521	10,169	648	(18,372)	(18,866)	(494)
Total Corporate Services (including Subsidiaries	143,055	144,288	1,233	(49,905)	(51,914)	(2,009)

**Corporate Activities includes Rates Revenue, Corporation grants (e.g. Financial Assistance Grants), vacancy management Target, and capital overhead.*

Corporate Services

Planning updates / changes

- The reduction in budget for the Cyber Security Enhancement represents a budget saving only. The scope and outcomes of the project remain unchanged.
- Subsidiaries of Council (ACMA, AEDA and Kadaltilla) continue to report through Corporate Services.

Budget updates / changes

- Operational budget changes resulting in $1.233m increase in income, as well as ($2.009m) additional expenditure:
  - Additional Adelaide Central Market revenue of $0.450m offset by additional expenditure of ($0.047m)
  - Release of developer contributions $0.293m
  - Additional interest income $0.200m
  - Depreciation adjustments of ($1.399m)
  - AEDA strategic partnerships ($0.232m)
  - Re-timing of payments to event suppliers in AEDA ($0.130m)
  - Additional internal audits ($0.116m)
- Budget increase to Transactional Banking of ($0.075m) required for project management costs
- Net savings in strategic projects of $0.005m.

Corporate Services

Select Portfolio achievements from this quarter

- The draft 2024/25 Business Plan and Budget is being developed through a program of Council Member workshops and reports and is on track for public consultation from late April 2024.
- The recruitment of a new City of Adelaide Chief Executive Officer commenced in March 2024, supported by external recruiting expertise.
- Five graduates for 2024 commenced through the new City of Adelaide Graduate Program.
- A suite of governance documents endorsed by Council to maximise Council governance and effectiveness, including behavioural support policies, and review and continuation of the existing Committee structure.
- The analysis of the findings from the City User Profile Survey was finalised and the results are available to inform decision-making.

Adelaide Central Market Authority

- Adelaide Central Market Authority Business Plan and Budget is under development for 2024/25.
- Successful events season including inaugural Fringe program with 45 'pop-up' performances, Sauce Day and Easter program.
- Total media coverage was valued at $1,137,949 in February.
- Strong rental occupancy steady at 100%.
- 100% Waste Diversion from landfill for quarter three.

Adelaide Economic Development Agency

- Consultation and development of the AEDA 2024/25 Business Plan and Budget occurred, including engagement with the AEDA Board and a workshop with Council.
- Collaboration with the Property Council of SA to brief the industry on the city's economy and the influence of growing white collar industries on construction and activity levels, whilst increasing awareness of AEDA and generating property leads.
- Delivery of MallFest in Rundle Mall over the Festival Season consisting of a curated program of street performers, activations, dressings and extended Saturday trading hours.
- Applications for Events and Festivals, and Commercial Events and Festival Sponsorship programs opened.

Kadaltilla / Adelaide Park Lands Authority

- Delivered the draft Kadaltilla Annual Business Plan and Budget 2024/2025.
- Appointment of Kadaltilla / Adelaide Park Lands Authority Board Member with skills in tourism and event management.
- Continued the comprehensive review of the Adelaide Park Lands Management Strategy 2015-2025 (APLMS), including a workshop and report with Council Committee.

Corporate Services | Budget

Customer and Marketing

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager, Customer & Marketing	-	-	-	(213)	(205)	8
Customer Experience	1	1	-	(3,978)	(3,978)	-
Marketing & Communications	-	-	-	(2,308)	(2,267)	41
Total	1	1	-	(6,499)	(6,450)	49

Finance and Procurement

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager, Finance & Procurement	-	-	-	(265)	(241)	24
Financial Planning & Reporting	-	-	-	(1,811)	(1,779)	32
Procurement & Contract Management	-	-	-	(990)	(970)	20
Rates & Receivables	134	104	(30)	(1,218)	(1,178)	40
Total	134	104	(30)	(4,284)	(4,168)	116

Governance

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager, Governance & Risk	-	-	-	(209)	(207)	2
Corporate Governance	-	-	-	(1,972)	(2,109)	(137)
Council Governance	-	-	-	(1,045)	(1,044)	1
Legal Governance	-	40	40	(987)	(975)	12
Total	-	40	40	(4,213)	(4,335)	(122)

Corporate Services | Budget

Information Management

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager, Information Management	7	7	-	(1,379)	(1,377)	2
Project Delivery	1,400	1,400	-	(2,554)	(2,554)	-
Service Desk	-	-	-	(1,111)	(1,172)	(61)
Technology, Infrastructure & Platforms	23	23	-	(8,268)	(8,480)	(212)
Total	1,430	1,430	-	(13,312)	(13,583)	(271)

People

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager People	-	-	-	(493)	(445)	48
People Experience	-	-	-	(1,355)	(1,573)	(218)
People Safety and Wellbeing	-	-	-	(751)	(746)	5
People Services	-	82	82	(1,141)	(1,369)	(228)
Total	-	82	82	(3,740)	(4,133)	(393)

Strategy, Insights and Performance

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager, Strategy, Insights & Performance	-	-	-	(187)	(187)	-
Project Management Office	-	-	-	(155)	(155)	-
Strategy and Insights	-	-	-	(1,131)	(1,166)	(35)
Total	-	-	-	(1,473)	(1,508)	(35)

Corporate Services | Budget

Adelaide Central Market Authority

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	Variance
ACMA Operations	4,820	5,328	508	(5,074)	(5,174)	(100)
Online Market Platform	94	94	-	(236)	(236)	-
Total	4,914	5,422	508	(5,310)	(5,410)	(100)

Adelaide Economic Development Agency

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	Proposed	Variance	Expenditure ($'000) budget	proposed	variance
Manager Director AEDA	-	-	-	(748)	(748)	-
Business and Investment	50	50	-	(2,520)	(2,688)	(168)
Marketing	35	35	-	(1,882)	(1,882)	-
Rundle Mall Management	4,250	4,390	140	(4,468)	(4,608)	(140)
Visitor Economy	19	19	-	(3,191)	(3,277)	(86)
Total	4,354	4,494	140	(12,809)	(13,203)	(394)

Kadaltilla / Park Lands Authority

Operating Budget (excludes Strategic Projects)	Income ($'000) budget	proposed	variance	Expenditure ($'000) budget	proposed	variance
Kadaltilla / Adelaide Park Lands Authority	253	253	-	(253)	(253)	-

Corporate Services | Strategic Projects

	Plan		Expenditure ($'000)				
		delivered by		**budget**	**proposed**	**variance**	
Finance and Procurement							
External Property Valuations	●○○	May 2024	●○○	(240)	(240)	0	➲
Transactional Banking	●○○	June 2024	●○○	(150)	(225)	(75)	➲
Information Management							
Archives Digitisation	●○○	June 2024	●○○	(80)	(80)	0	➲
Cyber Security Enhancement	●○○	June 2024	●○○	(100)	(60)	40	➲
Strategy, Insights and Performance							
Grant Management Software to facilitate identification of funding opportunities	●○○	June 2024	●○○	(12)	(12)	0	➲
Adelaide Economic Development Agency							
Strategic Events Fund	●○○	June 2024	●○○	(600)	(600)	0	➲
Welcome Adelaide	●○○		●○○	(120)	(80)	40	➲
Total				(1302)	(1297)	5	➲

Regional Subsidiary and Offices

Further to these subsidiaries, the City of Adelaide is also a member of:

Brown Hill and Keswick Creek Stormwater Board

The Regional Subsidiary, known as the Brown Hill and Keswick Creeks Stormwater Board, was established in February 2018. The Board coordinates the delivery of the Brown Hill Keswick Creek Stormwater Project, which is a collaborative undertaking between the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens. The Board is governed by a Charter prepared by these five constituent Councils and subsequently approved by the Minister for Local Government.

Reporting for this Board is done separately and is not embedded in the City of Adelaide quarterly reporting, however where available, the Board's own reports and plans will be provided as attachments as well as being available on the Board's website.

Office of the Chief Executive Officer (CEO)

Supports the CEO to lead a sustainable, successful organisation, to make well informed decisions to deliver on Council's priorities, and to foster productive partnerships both with industry, and local government and other government bodies through the delivery of effective intergovernmental relations.

Key Focus areas:

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

Office of the Lord Mayor

Supports the Lord Mayor and Council Members to foster productive relationships with peak bodies, other government bodies and the community, to deliver our strategic priorities, plan, and fulfill our Capital City leadership responsibilities.

Key Focus areas:

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

Office of the CEO and Office of the Lord Mayor

YTD Operating Position	($'000)		
	Actual	Budget	variance
Income	-	-	-
Expenditure	(2,247)	(2,391)	144
Net Operating Surplus / (Deficit)	(2,247)	(2,391)	144

Operating Budget	Income ($'000)			Expenditure ($'000)		
	budget	Proposed	Variance	budget	proposed	variance
Office of the CEO	-	-	-	(1,470)	(1,401)	69
Civic Events, Partnerships, & Other Events	-	-	-	(467)	(415)	52
Councillor Support	-	-	-	-	-	-
Lord Mayor's Office Administration	-	-	-	(1,117)	(1,122)	(5)
Strategic Projects	-	-	-	-	-	-
Total	-	-	-	(3,054)	(2,938)	116

Plan and Budget updates / changes identified:

- Budgets for both the Office of the Lord Mayor and Office of the CEO are on track with expenditure.
- *There are no Strategic or Capital Projects within this program and as a result there are no changes identified to planning timeframes.*

Select Portfolio achievements from this quarter

- Planning for the celebration to mark the 10th anniversary of the sister city relationship with Qingdao is continuing.
- The Australia Day Citizenship Ceremony was held on Thursday, 25 January 2024 along with the Citizen of the Year Event following.
- Eleven civic events were delivered between January and March 2024.

Long Term Financial Plan

Summary

Long Term Financial Plan (LTFP) updates:

- The starting year for the LTFP 2023/24 has been updated to reflect the proposed Q3 Budget
- Year 2 of the LTFP is in line with the draft 2024/25 budget
- Updated assumptions for South Australia Consumer Price Index (SA CPI), Wages Price Index (SA WPI), and Interest Rates based on the March projections provided by Deloitte Access Economics (DAE)
- Impact of Council Decisions during 2023/24 which have an ongoing impact on the LTFP, including:
  - Adopted Asset Management Plans (AMP's) for Transportation and Urban Elements
  - Approved Asset Management Plan for consultation for Buildings, for which Adoption is being sought on 28 May 2024
  - The next iteration of the LTFP will be updated for Lighting & Electrical, Park Lands & Open Space, and Water AMP's
  - Carry Forward of Central Market Arcade Redevelopment of $8.777m from 2023/24 into 2025/26
- Impact of 2024/25 budget decisions which have an ongoing impact on the LTFP:
  - Removal of the Mini Golf Capital Project from 2025/26
  - Reallocation of MainStreet Upgrades following draft 2024/25 budget allocation
  - Council decision to fund 218-232 Flinders Street $1m from 2024/25 to commence in 2025/26

Long Term Sustainability:

The revised LTFP projections highlight key matters where a Council decision is required with regard to future financial sustainability. Long term financial sustainability is therefore subject to ongoing decisions and effort, and in particular (but not limited to):

- An increase in operating revenue sources to fund the increase in Asset Renewals as per the revised AMPs
- Investment of $15m per annum for the life of the LTFP on new and upgrade projects
- The future of Rundle UPark
- Successful resolution of external funding for the renewal of the Torrens Weir and Adelaide Bridge

Financial sustainability

"A council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."

Financial Principles and Finance Strategy

In order to guide financial strategy and future decision making to ensure long term financial sustainability can be achieved, Council endorsed the following Financial Principles:

- Transparency in decision making
- Continue to deliver a minimum of the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI)
- Fees and charges reflect cost of services provided
- Maintain the rating system
- Maintain an operating surplus
- Capitalise on external funding, fast-tracking projects that attract such funding, recognising the potential need for increased borrowings in order to respond to external funding opportunities
- Consider new and different revenue streams and the approach to commercial businesses to reduce reliance on existing revenue sources
- Adjust rate revenue after consideration of all other budget components and use growth in rate revenue to partly fund servicing new rateable properties and to service new borrowings
- Capital renewal expenditure will be based on asset management plans
- New or enhanced services, assets or maintenance requiring an increase in operating costs are to be funded from the adjustment of priorities, rate revenue or other revenue increases and/or through savings
- Consider the disposal, purchase and /or repurposing of property assets to unlock the potential and future prosperity of the City, without incurring a financial loss
- Borrowings will be used to fund new and upgrade projects (which include major projects) and not used to fund operations, expenses or renewal projects

How do we monitor and communicate financial sustainability?

A suite of financial sustainability indicators (KFIs) is used to measure Council's financial performance, to guide decision making on major projects and significant components within the LTFP, and to secure its continued financial sustainability.

The LGA endorsed KFIs, which are incorporated into reporting based on the Model Financial Statements (LGA endorsed), are:

- The Operating Surplus Ratio
- The Net Financial Liabilities Ratio
- The Asset Renewal Funding Ratio.

Council also considers an additional four indicators to monitor its ability to borrow in line with its Prudential Borrowing Limit:

- Asset Test Ratio
- Interest Expense Ratio
- Leverage Test Ratio
- Cashflow from Operations Ratio.

Financial sustainability

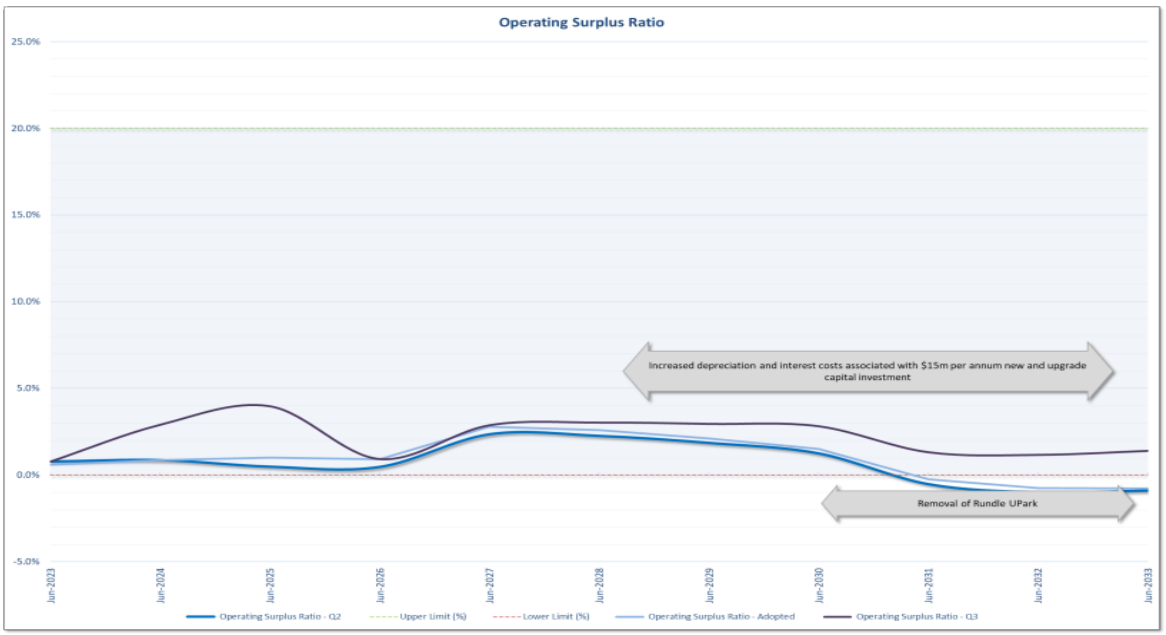
Operating Surplus Ratio

This indicator represents the difference between day-to-day income and expenses for a period, as is expressed the Operating surplus as a percentage of operating revenue.

A council's long-term financial sustainability is dependent upon ensuring that, on average over time, its expenses are less than associated revenues. If a council is not generating an operating surplus in most periods then it is unlikely to be operating sustainably.

What is being measured:
This indicator represents the percentage by which the major controllable revenue source varies from day to day operating expenses. Financial sustainability is indicated where a council consistently achieves operating surpluses and has soundly based projections showing it can continue to do so in the future, having regard to asset management and the service level needs of its community.

Target:
The *Local Government Act 1999 (SA)* target is to achieve an average operating surplus ratio between 0% and 10% over any five-year period. However, as a Capital City Council, the City of Adelaide has significant responsibilities in improving its public realm and considers that an average operating surplus ratio between 0% and 20%, over any five-year period, is a more appropriate target.



Explanation of LTFP Projected Results:
The chart above compares the adopted budget against Q3, which illustrates change in the short term as a result of improved income forecasts. The ratio continues to sit around 3%, dropping in future years and highlights the need for decisions around revenue growth, capital investment and a solution for Rundle UPark.
The underlying structural budget is sustainable in the short to medium term and, subject to Council's eventual position on the matters discussed above, has the ability to remain sustainable in the longer term.

Financial sustainability

Net Financial Liabilities Ratio

This indicator represents the money owed to others less money held, invested or owed to Council as is expressed as Financial Liabilities as a percentage of operating income.

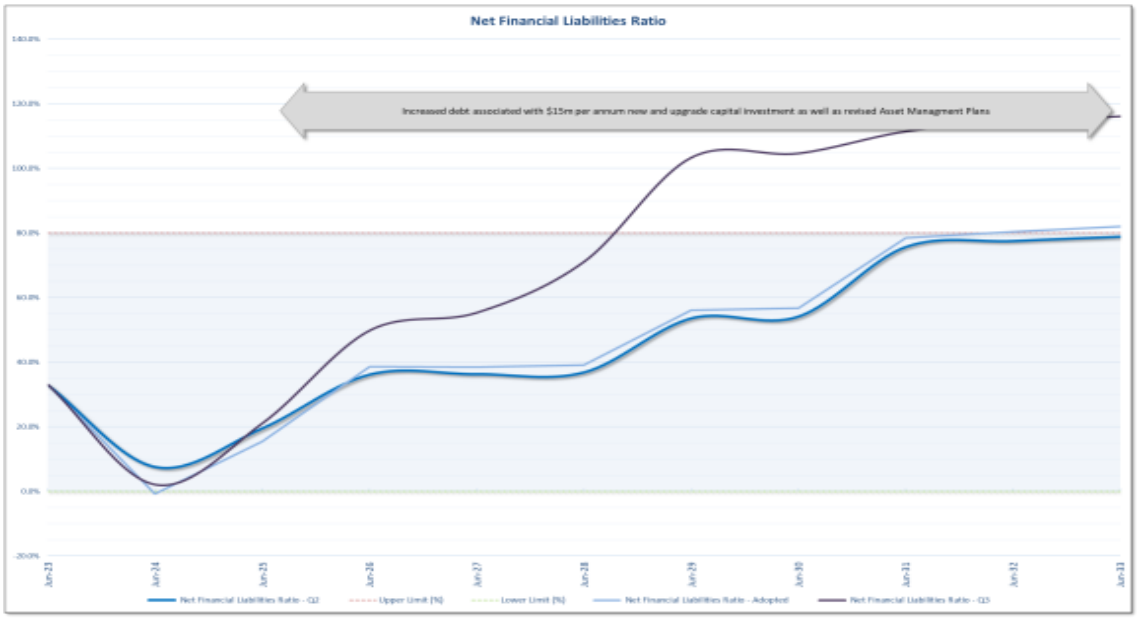
A council's indebtedness should be managed to ensure its liabilities and associated costs can be met without the prospect of disruptive service cuts and/or excessive rate increases (ie without impinging on financial sustainability). There is in essence no right or wrong target level for net financial liabilities (defined as total liabilities less financial assets) as this depends on infrastructure plans. The ideal target is that net financial liabilities are no greater than annual operating revenue and not less than zero.

What is being measured:

This indicator represents the significance of the net amount owed compared with operating revenue. It measures the extent to which Council is managing its debt and highlights that borrowings are often an effective means of financial sustainability, rather than trying to fund all assets and services from operating income.

Target:

The LGA recommends that the target for Net Financial Liabilities should be greater than zero and less than 100%, (that is, the amount owed is equal to or less than total annual income). The more conservative target set by City of Adelaide is that liabilities as a percentage of total operating revenue will not exceed 80%.



Explanation of LTFP Projected Results:

The chart above compares the adopted budget against Q3, which illustrates the impact of extra debt from some major projects and revised AMPs. City of Adelaide's net financial liabilities are, until 2027/28, within the prescribed target for the life of the plan. The higher ratio from 2027/28 onwards reflects a combination of Council continuing to invest in assets, matched to a decrease in operating revenue from the removal of UPark Rundle.

The short to medium term demonstrates a positive position, however, borrowings and related expenditure and/or operating revenue needs to be addressed to bring the ratio back within target and remain so beyond the life of the LTFP. Note that where there is insufficient operating revenue to fund renewals, the LTFP model assumes debt will be utilised as the balancing item for funding . Hence the increasing ratio related to debt over the rise of the LTFP.

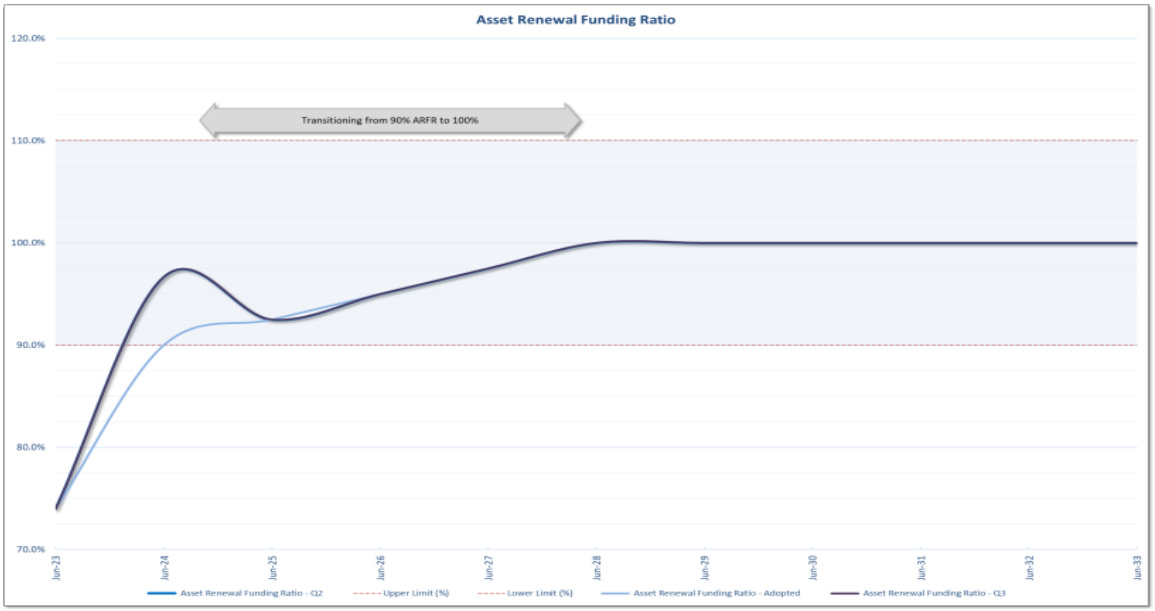
Financial sustainability

Asset Renewal Funding Ratio

This ratio represents expenditure on asset renewals as a percentage of forecast expenditure required as per the asset management plans.

What is being measured:
This indicator expresses expenditure on asset renewals as a percentage of the projected funding required. It illustrates whether existing assets are being replaced or renewed at the rate they are being consumed and ensures consistent service delivery as determined by the Infrastructure and Asset Management Plans.

Target:
The *Local Government Act 1999 (SA)* recommends a target ratio between 90% and 110%. A ratio lower than 100% suggests that Council is not maintaining assets and infrastructure in order to optimise asset lives. A ratio higher than 100% suggests that Council is replacing assets earlier than needed or at a level in excess of that set in the asset management plans.



Explanation of LTFP Projected Results:
It is assumed that over the long term financial plan, asset renewals will be funded in line with the Strategic Asset Management Plans. Averages demonstrate a positive position over the life of the LTFP. The ongoing sustainable position will be subject to revenue and debt settings to address the Net Financial Liabilities Position over time.

The 2023/24 projection (approximately 97%) represents the expected expenditure of the proposed capital program, above the 90% target.

The eventual result for 2023/24 will be based on actual expenditure as at 30 June 2024.

Financial sustainability

Borrowings Ratios and Prudential Limits

The maximum level of debt is prescribed by Council by way of prudential limits. While Council does not place a physical monetary limit on the level of borrowings, an upper limit is determined through its financial indicators. When borrowing, Council will consider these indicators in terms of total borrowings, and the ability to service the interest incurred and debt repayments.

What is being measured:

- Asset Test Ratio: Borrowings as a percentage of total saleable property assets
- Interest Expense Ratio: Annual interest expense relative to General Rates Revenue (less Landscape Levy)
- Leverage Test Ratio: Total borrowings relative to General Rates Revenue (less Landscape Levy) expressed as the number of years of General Rates Revenue required to repay borrowings

Target:

The Treasury Policy reviewed in 2022 ensures Council's ability to manage cash and borrowings in accordance with prescribed limits. The Prudential limits set within the Treasury Policy are:

- Asset Test Ratio: Maximum of 50%
- Interest Expense Ratio: Maximum of 10%
- Leverage Test Ratio: Maximum 1.5 Years

Prudential limits are breached when one of the ratios fall outside the targets stipulated in the policy. The breach must be reported with remediation actions to the CEO immediately.

Explanation of LTFP Projected Results:

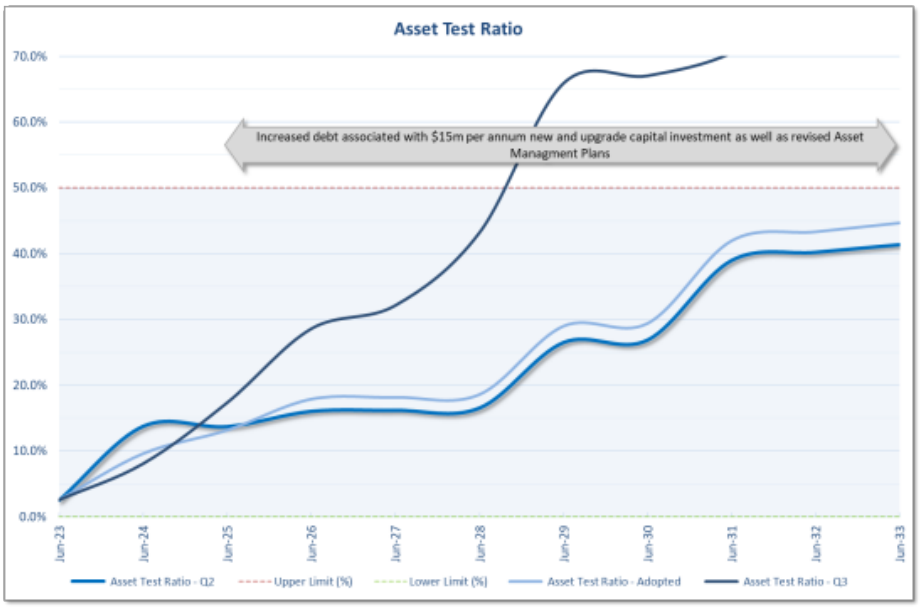
Note that where there is insufficient operating revenue to fund renewals , the LTFP model assumes debt will be utilised as the balancing item for funding. Hence the increasing ratio related to debt over the rise of the LTFP.

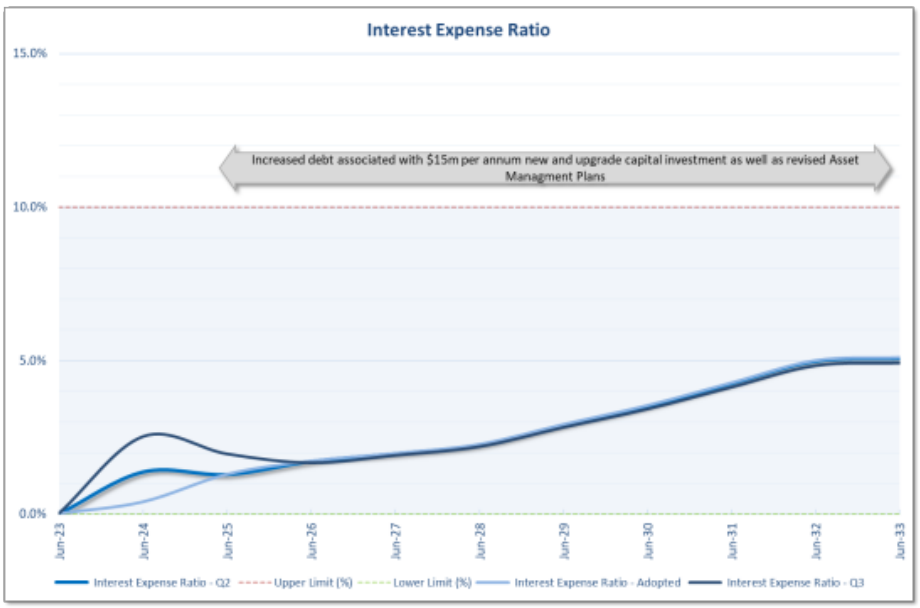
The charts on the following page compares the adopted budget against Q3, and illustrate a material change from 2025/26 as a result of the revised AMPs. City of Adelaide's borrowings are no longer within the prescribed targets across the life of the Long Term Financial Plan.

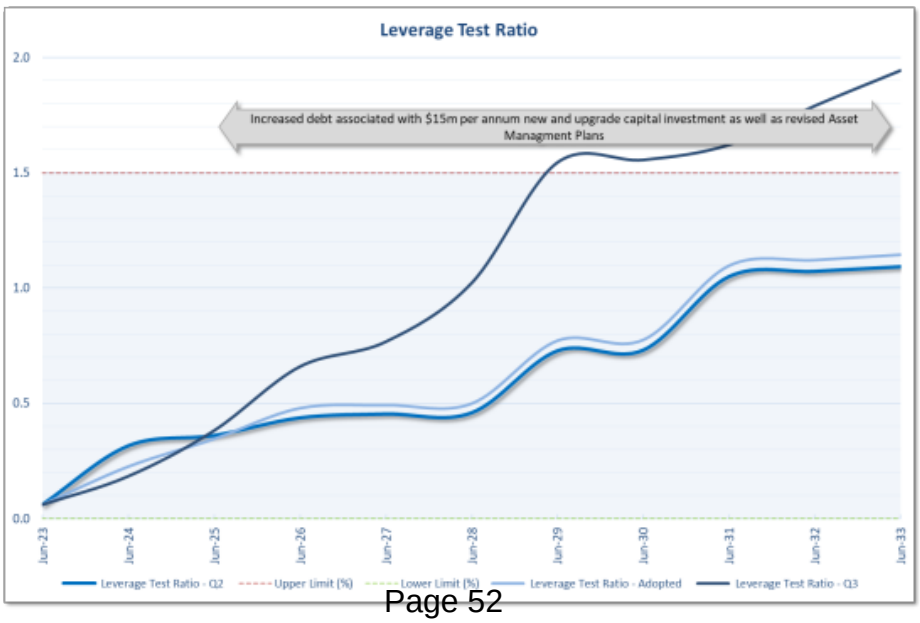
Averages over the life of the LTFP exceed the adopted targets based on the projected borrowings. The averages reflect unsustainable borrowings for capital delivery over the life of the LTFP based on current prudential limit settings and the assumptions underpinning key components in the LTFP. Funding decisions are required for the sustainable funding of Asset Renewals.

Financial sustainability

Borrowings Ratios and Prudential Limits







Financial sustainability

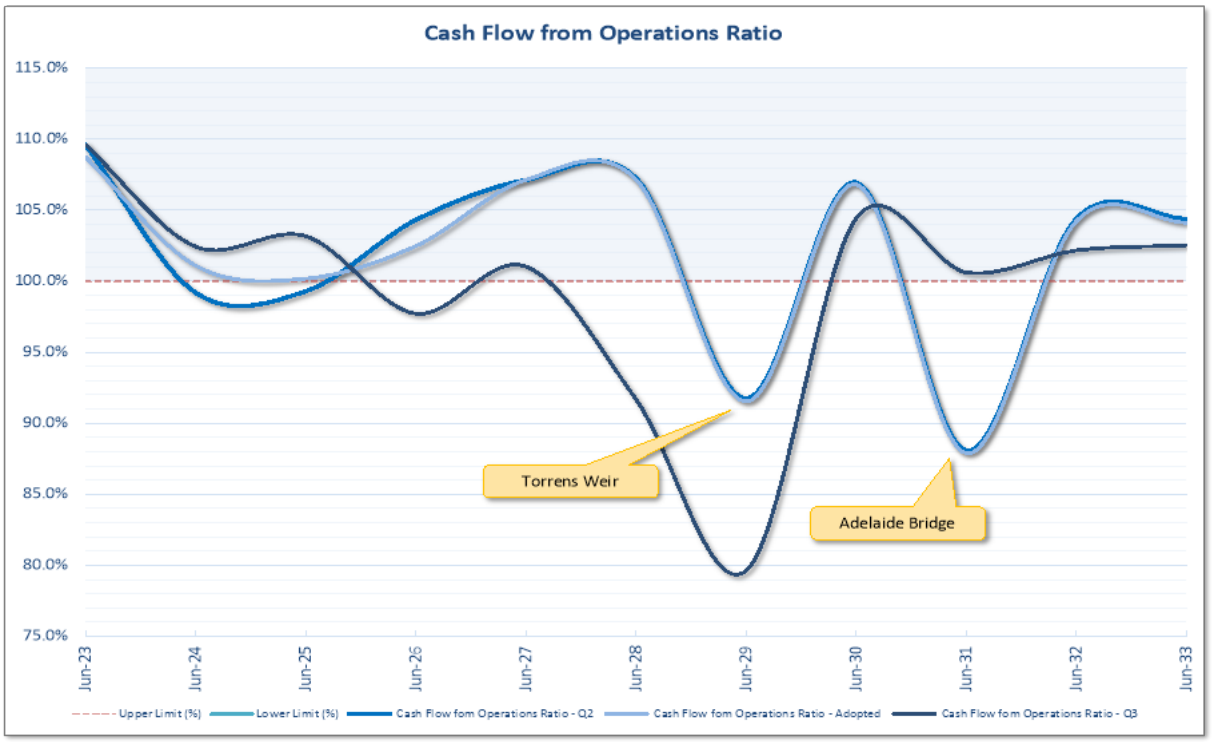
Cash Flow from Operations

This ratio measures Cash Flow from Operations as a percentage of forecast expenditure in the asset management plans and is expressed as operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets.

What is being measured:
This indicator shows whether Council is generating adequate cash from its operations to cover the replacement of assets over time.

A lower ratio indicates that Council is not generating enough cash from operations to cover asset replacement (less than 100%). As a result, Council will need to fund the replacement of assets from unsustainable sources of income resulting in increased levels of borrowings over time.

Target:
A result greater than 100% suggests Councils operations will generate enough cashflow to support the funding of asset replacement over time.



Explanation of LTFP Projected Results:
The chart above compares the adopted budget against Q2 and Q3. Most years of the LTFP project a positive result. The movement in Q3 reflects the revised AMP's for Transportation, Urban Elements and Buildings.

Years 6 and 9 of the plan reflect the significant renewals required in these years. This ratio highlights the risk in Council's ability to fully fund the larger renewals that are identified in the LTFP in the later years. This is not to suggest deficiency in renewal, but rather highlight the opportunity in advance to seek alternative funding sources such as State or Federal grants to assist with the funding of significant asset renewal projects for the benefit of the wider SA metropolitan area.

Financial sustainability

In conclusion, the analysis indicates that the City of Adelaide is currently financially sustainable in the short term, however, the increase in capital expenditure required through the revised Asset Management Plans for Building, Transportation and Urban Elements, has resulted in forecasts outside of targets in the medium to long term for the Net Financial Liabilities, Borrowing Ratios and Prudential Limits, and Cash Flow from Operations.

The results highlight matters where a Council decision is required with regard to future financial sustainability. Long term financial sustainability is therefore subject to ongoing decisions and effort, and in particular (but not limited to):

- An increase in revenue sources to fund the increase in Asset Renewals through revised AMPs
- Ensuring decisions are consistent with Council's adopted financial principles
- Continued growth in revenue, through both rates and commercial activities, at or above the rate of growth in expenses
- Investment of $15m per annum for the life of the LTFP on new and upgrade projects
- The future of Rundle UPark
- Successful resolution of external funding for the renewal of the Torrens Weir and Adelaide Bridge
- Ongoing advocacy for reductions in exemptions and mandatory rebates
- Ongoing advocacy for funding assistance for projects of significance, and
- Use of the Future Fund for particular projects and initiatives

A separate report will be presented to Council with recommendations to address the above matters to ensure and maintain future financial sustainability. The report will be presented with sufficient time for Council consideration, prior to adoption of the 2024/25 to 2033/34 LTFP.

Financial indicators

		Target	2023-24 Q3	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	2.9%	4.0%	0.9%	2.9%	3.0%	3.0%	2.8%	1.3%	1.2%	1.4%
Net Financial Liabilities	Financial liabilities as a percentage of operating income	Less than 80%	2.1%	21%	50%	55%	71%	103%	105%	111%	114%	116%
Asset Renewal Funding Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	97%	92.5%	95.0%	97.5%	100%	100%	100%	100%	100%	100%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	8%	17%	28%	32%	43%	65%	66%	70%	72%	74%
Interest Expense Ratio	Number of times General Rates Revenue (less Landscape Levy) can service the annual interest expense	Maximum 10%	2.5%	2.0%	1.7%	1.9%	2.2%	2.8%	3.4%	4.1%	4.8%	4.9%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1 . 5 years	0.2	0.4	0.7	0.8	1.0	1.5	1.5	1.6	1.6	1.7
Cash Flow from Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	102%	103%	98%	101%	92%	80%	104%	101%	102%	103%
Borrowings	Borrowings as a percentage of the Prudential Borrowing Limit	Within Prudential Limits	23.593m	53.677m	96.662m	117.396m	162.083m	254.120m	264.209m	284.106m	300.053m	315.193m
			15%	34%	56%	63%	85%	131%	133%	140%	144%	148%

The explanation for the variations in each KFI is provided in the previous section.

Glossary

Budget:

Financial Indicators: Measures used to assess Council's financial performance, to guide decision making on major projects, and ensure its continued financial sustainability.

Reallocation: Reallocation of funds from one source to another.

Reclassification: A change of a project categorisation to reflect the scope, size or funding source of a projects (e.g. Renewal to Major Project).

Retimed: Deliberate change of timing of a project into a future year based on an agreed decision.

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

Capital Works:

Major project:
Significant works of a capital nature that are over the prudential limit, multi-year or have significant grant funding.

New and upgrade:
Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.

Renewal:
Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.

Project Management Phases:

Commit/Concept: A project plan is being finalised with scope, and greater understanding of budget timing and stakeholder management.

Design: Projects for which only the design phase will be undertaken in the current year, with construction occurring in another financial year.

Design / Detail Planning: The planning and design phase of a project, which includes activities such as project planning and technical design.

Build/Construct (also Deliver): The build and construction phase of a project, which includes activities such as tendering, and construction/creating an asset.

Practical Completion: The practical completion phase of a project, where works are completed to a point where an area/asset is open and created in our asset system. Depreciation commences at this point.

On Hold: Project status indicating a decision of Executive or Council is required and cannot proceed until a decision is reached.

Types of projects:

Capital project: A long term project to establish, develop, improve or renew a capital asset.

Strategic project: Delivers the Strategic Plan and are generally 'once off' that have been prioritised to be delivered in a specific timeframe. Strategic Project budgets are operational in nature (not capital) and are aligned to a relevant service.

Appendix: Risk and opportunities

Summary of key risks and opportunities being managed:

- City Shaping have identified the continuing risk to the organisation around resource management and ability to deliver on Council's continued desire for 'citywide activation', within current resources and budgets.
- City Services have advised that tree inspections continue and will focus on high risks areas such as playspaces, paths and events and sporting spaces and that the outcomes of the Public Realm Audits will assist in progressing key public realms works and defining Service Standards.
- ACMA have identified that high inflation and cost of living pressures are impacting food retailing as well as cafes, restaurants and takeaway food services in Australia. Visitation has been plateauing at the Adelaide Central Market since September 2023.
- AEDA have identified that continued macroeconomic trends such as rising interest rates and cost of living pressures create a subsequent impact on potential spend in city businesses.
- No significant risks were identified from Corporate Services, Office of the CEO and LM, and Kadaltilla / Adelaide Park Lands Authority.
- Given the recent adoption of revised Asset Management Plans (AMPs) for some asset classes and the requirement for additional funding, primarily through operating revenue, the current assumption of CPI increases generates insufficient operating revenue to fund the AMPs. The LTFP model assumes where there is a shortfall in funding from operating revenue, borrowings will be used to meet funding shortfalls. Accordingly, projected debt has increased in order to fund the revised AMPs.

Opportunities

- City of Adelaide is participating in the State Government's Para-Planner Cadet Program, assisting to combat the skills shortage across the industry
- Council adopted the Draft Economic Development Strategy for public consultation this quarter, presenting an opportunity to provide clear guidance to businesses in the City for Economic Growth and to AEDA in development of the AEDA Strategic Plan
- The draft Workforce Strategy and Workforce Planning framework was developed, which will provide an opportunity for integrated People systems and efficiencies in workforce planning.
- Administration continues to review Grant Management and seek partnership opportunities to co-fund Council led projects.

Appendix: Detailed Capital Works

Major Projects

Title	Plan delivered by	2023/24 Budget ($'000) budget	proposed	variance	
Initiate / Commit / Concept					
218-232 Flinders Street	August 2024	8,700	8,700	0	➲
Experience Adelaide Visitor Centre		614	0	614	➲
Gouger Street Revitalisation (Concept Design)	September 2026	500	500	0	➲
Jeffcott Street Pavement Rehabilitation and Catchment 13 Stormwater Improvements (Concept Design)*		20	4	16	➲
Design / Detailed Planning					
Carriageway Park / Tuthangga (Park 17) Improvements (Detailed Design)*		45	45	0	➲
Flinders Street Improvements (Detailed Design)		3	3	0	➲
Hindley Street Revitalisation (Detailed Design)	March 2027	1,680	780	900	➲
Hutt Street and South Terrace Stormwater Improvements (Detailed Design)		66	36	30	➲
Hutt Street Entry Statement (Construction)	September 2024	3,362	2,212	1150	➲
Victoria Park / Pakapakanthi (Park 16) Master Plan implementation		50	50	0	➲
Wakefield Street Improvements (Detailed Design)	February 2026	1	1	0	➲
Deliver					
Central Market Arcade Redevelopment	February 2026	15,000	6,222	8778	➲
Charles Street Streetscape Upgrade Major Project*	January 2025	800	375	425	➲
City of Adelaide Bikeways (North-South) Major Project	October 2024	1,403	1,338	65	➲
City Safe CCTV Network Upgrade*	June 2024	2,925	3,113	(188)	➲
Market to Riverbank Laneways Upgrade	June 2024	2,103	2,114	(11)	➲
Mary Lee Park (Park 27B) Community Sports Building Redevelopment (Construction)	July 2024	791	815	(24)	➲
Melbourne Street Improvements (Construction)	February 2025	695	232	462	➲
Rymill Park /Murlawirrapurka (Park 14) Lake Upgrade (Construction)*	June 2024	5,173	5,185	(12)	➲

** The budget for these projects includes renewal funding *budget to be considered as part of 2024/25 BP&B*

New and Significant Upgrades

Title	Plan		2023/24 Budget ($'000)				
		delivered by		budget	proposed	variance	
Initiate / Commit / Concept							
Adelaide Central Market -Dry Storage				50	50	0	
Blackspot program - South Terrace and Pulteney Street Intersection Traffic Signal Safety Upgrade (Construction)					10	(10)	
Bonython Park / Tulya Wardli Shared Path Lighting, Retaining wall and Footpath Upgrade (Construction)*		February 2025		41	11	30	
Christmas 2024 - KWS Light poles					140	(140)	
City Activation (Festoon Lighting)		January 2025		105	105	0	
City Operations Android Tablet Procurement		May 2024		132	132	0	
Climate Change Action Initiative Fund (CCAIF)				332	332	0	
Flinders Street Pedestrian Crossing Improvements (Adjacent Pilgrim Lane)				10	10	0	
Glen Osmond Road & Hutt Road Intersection Upgrade (Concept Design) *				50	27	23	
Gunson Street Improvements (Detailed Design)*				90	56	34	
Hindmarsh Square - Minor Flood Lighting Augmentation					8	(8)	
Illuminate Adelaide Public Artwork		June 2024		200	0	200	
Implementation of Resource Recovery (Organics, Recycling, Waste) Strategy & Action Plan 2020-2028		March 2024		150	150	0	
Integrated Climate Strategy – City Public Realm Greening Program				0	4,000	(4,000)	
James Place Upgrade*		February 2025		0	38	(38)	
Main Street Revitalisation - Melbourne Street including public artwork (24/25 Project Planning) Major Project		June 2026			50	(50)	
Minor Traffic Signal Safety Upgrades (Construction)				33	0	33	
New Access Ramps for Accessible Car Parks (Construction)				50	28	22	
North Adelaide Golf Course - Driving Range Ball Cleaner/Dispenser					18	(18)	
O'Connell Street Revitalisation (Detailed Design)					50	(50)	
Public Art				300	135	165	
Public Lighting Alterations - 176 Mackinnon Parade North Adelaide		June 2024			40	(40)	
Royal Avenue Improvements (Detailed Design)*		April 2024		80	50	30	
Rundle Mall Sound System		October 2024		256	256	0	
Southwest Community Centre**		June 2024		1,500		1,500	
Stafford Street Public Lighting Upgrade (Construction)*		March 2025		25	28	(3)	
Town Clerks Walk and Red Gum Park / Karrawirra (Park 12) Improvements (Detailed Design)*				50	7	43	
Whitmore Square Stage 2 Masterplan Implementation Upgrades (Concept Design)*				60	24	36	

** The budget for these projects includes renewal funding **budget to be considered as part of 2024/25 BP&B*

New and Significant Upgrades

Title	Plan	2023/24 Budget ($'000)			
	delivered by	budget	proposed	variance	
Design / Detailed Planning					
Adelaide Central Market Authority (ACMA) - New Parents Room		15	10	5	
Adelaide Central Market Authority (ACMA) - New Trolley Bays and Trolleys	July 2024	130	130	0	
Adelaide Town Hall - David Spence Room and Prince Alfred Room - TV and False Wall*	June 2024	25	102	(77)	
Botanic Catchment Water Course Rehabilitation (Detailed Design)*		191	195	(4)	
City Dirt Master Plan Implementation (24/25 Detailed Design and Construction) *		30	10	20	
Hutt Road Earthen Levee Embankment		50	480	(430)	
Kingston Terrace Bus Stop Upgrades (Construction)	June 2024	150	169	(19)	
Kingston Terrace Streetscape and Stormwater Improvements (Detailed Design)*		74	24	50	
Mini Golf in North Adelaide Golf Course Development (Future Fund)		11	11	0	
Newlands Lane - Public Lighting Renewal	August 2024	10	0	10	
Place of Courage / Spirit of Woman (Park 27)	June 2025	95	5	90	
Rymill Park / Murlawirrapurka (Park 14) Public Lighting Upgrade (Construction)	October 2024	300	300	0	
Stephens Street and Sanders Place Improvements (Detailed Design)		1	1	0	
Strangways Terrace Golf Course Carpark and Access Improvements (Detailed Design)		33	33	0	
Torrens Retaining Structure (Construction)		280	103	177	
Vincent Street and Vincent Place Improvements (Concept & Detailed Design)*		112	112	0	
Ward Street Improvements (Concept Design)*		70	58	12	
West Pallant Project Steet Lighting Design		35	35	0	
Deliver					
Adelaide Central Market Authority (ACMA) - New Security Gates	March 2024	75	75	0	
Central Market Arcade Redevelopment	February 2026	200	480	(280)	
Christmas 2024	June 2024	200	53	147	
Field Street Improvements (Construction)*	July 2024	2,203	2,203	0	
Francis Street Public Art	June 2024	39	28	11	
Frome Street Footpath Upgrades (In conjunction with N-S Bikeway Project)	October 2024		0	0	
Greener City Streets Program	April 2024	874	874	0	
Hutt Road / Park Lands Trail Signalised Crossing (Construction)	June 2024	1,044	718	326	

** The budget for these projects includes renewal funding **budget to be considered as part of 2024/25 BP&B*

New and Significant Upgrades

Title	Plan		2023/24 Budget ($'000)				
		delivered by		budget	proposed	variance	
Deliver							
Light Square Electrical Infrastructure Upgrade		September 2024		400	400	0	
Minor Traffic Signal Safety Upgrades - 3G Hardware Replacement		June 2024		18	18	0	
Mistletoe Park / Tainmuntilla (Park 11) Public Lighting Upgrade (Construction)*		October 2024		672	123	550	
New Street and Park Lands Furniture (Construction)		June 2024		50	50	0	
New Street and Parklands Bicycle Racks (Construction)		June 2024		25	25	0	
North Terrace / Station Road Footpath Improvements (Construction)		June 2024		353	441	(89)	
Public Art 21-22		June 2024		85	28	57	
Public Art Action Plan - Capital Projects		June 2024		12	12	0	
Replacement of UPark Car Park Management System (CPMS)		June 2024		10	10	0	
Rymill Park /Murlawirrapurka (Park 14) Sustainable Water Supply (Construction)		June 2024		1,000	1,000	0	
Upark Equipment Test Bed Network Switch				19	28	(9)	
Complete+							
Brougham Place Footpath Improvements & Greening		February 2024		159	159	0	
Brown Hill Keswick Creek - Stormwater Project (Financial Contribution)		February 2024		320	320	0	
Currie Street and Morphett Street Intersection Traffic Signal Safety Upgrade (Construction)*		February 2024		48	60	(12)	
Morphett Street and South Intersection Traffic Signal Safety Upgrade (Construction)*		February 2024		150	151	(1)	
Skate Park CCTV and Greening		April 2024		34	37	(4)	
Cancelled+							
Electric Vehicle Charging Infrastructure in UParks		June 2024		68	0	68	

**The budget for these projects includes renewal funding* ***Budget to be considered as part of 2024/25 BP&B*
+Only projects that were completed or cancelled this quarter are shown

Renewals

Category	Total	Design only	Plan / Design	Build / Construct	On Hold	Complete
Bridges	4	1	-	2	-	1
Buildings	40	6	5	14	-	15
ICT Renewals	7	-	4	3	-	-
Lighting & Electrical	20	5	-	10	-	5
Park Lands Assets	15	2	2	7	-	4
Plant and Fleet	5	-	-	3	-	2
Traffic Signal	9	-	-	5	-	4
Transport	112	40	3	14	-	55
Urban Elements	44	6	7	15	-	16
Water Infrastructure	7	3	-	3	-	1
Renewal Total	263	63	21	76	-	103

Note

- *Transport is made up of Roads, Pathways and Kerb and Water Table*
- *Plant and Fleet includes Commercial Plan and Fleet*
- *Total Project count: mixed-funded projects are only counted once in the total project count*

Renewal Projects COMPLETED this quarter	Category
Accelerated Works Golf Links Kitchen Equipment	Buildings
Floor Asbestos Remove and Reinstatement	Buildings
London Road Depot - Height Safety Improvements	Buildings
London Road Depot - Mechanical Exhaust Improvements to Welders Area	Buildings
North Adelaide Golf Links - Renewal of Main Valley Gutter	Buildings
ATH Renewal of Commercial Assets - Bar 2 & 3 Fridge	Buildings
Adelaide Town Hall - Auditorium Hoist Replacement	Buildings
North Adelaide Golf Links - Horticulture Shed and Washdown Bay Improvements	Buildings
Playground Equipment Renewal	Park Lands Assets
Irrigation Renewal - West Terrace - Streetscape Median	Park Lands Assets
23/24 - Traffic Signal Cables and Conduits Replacement - Pulteney Street/Carrington Street	Traffic Signal
23/24 Traffic Signal Controller Renewal Program	Traffic Signal
23/24 Traffic Signal Lantern Renewal Program	Traffic Signal
Traffic Signals 22-23	Traffic Signal
23/24 Footpath Renewal - Brougham Gardens West - Various Locations	Transport
Road Resurfacing - Trades Hall Lane - Franklin Street to Grote Street	Transport
Road Resurfacing - Morialta Street - Franklin Street to Grote Street	Transport
Heavy Patching - North Terrace - King William Street to Stephens Place	Transport
23/24 Footpath Renewal - Park 9 - Tidlannga - Bundey's Paddock - Off Bundey's Road	Transport
Heavy Patching - North Terrace - West Terrace to King William Street	Transport
23/24 Footpath Renewal - Park 12/South Bank	Transport
Road Resurfacing - Vardon Avenue - Rundle Street to East Terrace	Transport
Jeffcott Street South Renewal Project	Transport
23/24 Road Resurfacing - Morphett Street - Whitmore Square to South Terrace	Transport
23/24 Road Resurfacing - Tynte Street Post Office Car Park + Tynte Place	Transport
23/24 Road Resurfacing - Hindley Street - Liverpool Street to West Terrace	Transport
23/24 Park 15 Project - Shared Use Path	Transport
23/24 Footpath Renewal - West Terrace - Various Locations	Transport
Light Square plaques - restoration and base	Urban Elements
Urban Elements - Bus Shelter Renewal – Botanic Road	Urban Elements
Urban Elements - Structures Renewal Program	Urban Elements
Urban Elements - Drinking Fountain Renewal Program	Urban Elements
Urban Elements - Bin Renewal Program	Urban Elements
Urban Elements - Retaining Wall Renewal Program"	Urban Elements

Appendix: Financial statements

Statement of Comprehensive Income $'000s	**2023/24 Adopted Budget**	**2023/24 Q1**	**2023/24 Q2**	2023/24 Q3
Income				
Rates Revenues	135,395	135,281	135,131	135,131
Statutory Charges	14,683	14,683	14,613	15,107
User Charges	70,002	69,915	70,365	72,565
Grants, Subsidies and Contributions	4,449	8,562	8,891	1,723
Investment Income	150	150	734	944
Reimbursements	338	338	338	703
Other Income	465	465	465	1,143
Total Income	**225,481**	**229,394**	**230,537**	**234,470**
Expenses				
Employee Costs	81,586	82,435	82,443	78,732
Materials, Contracts and Other Expenses	85,100	88,130	88,730	93,551
Depreciation, Amortisation and Impairment	56,040	56,040	56,473	54,482
Finance Costs	835	835	887	890
Total Expenses	**223,561**	**227,442**	**228,534**	**227,655**
Operating Surplus / (Deficit)	**1,920**	**1,952**	**2,003**	**6,815**
Asset Disposal & Fair Value Adjustments	1,125	1,125	1,125	1,125
Amounts Received Specifically for New or Upgraded Assets	14,075	10,651	8,053	7,152
Net Surplus / (Deficit)	**17,120**	**13,728**	**11,181**	**15,091**
Changes in Revaluation Surplus- I,PP&E	-	-	(13,843)	(13,843)
Total Other Comprehensive Income	**17,120**	**13,728**	**(2,662)**	**1,248**

Statement of Financial Position $'000s	2022/23 Adopted Budget	2023/24 Q1	2023/24 Q2	2023/24 Q3
ASSETS				
Current Assets				
Cash and Cash Equivalents	800	800	800	800
Trade & Other Receivables	35,560	41,964	42,081	41,448
Inventories	541	741	741	741
Total Current Assets	**36,901**	**43,505**	**43,622**	**42,989**
Non-Current Assets				
Financial Assets	377	754	754	754
Equity Accounted Investments in Council Businesses	1,928	1,938	1,938	1,938
Investment Property	2,928	2,939	2,939	2,939
Infrastructure, Property, Plant and Equipment	1,942,188	1,877,539	1,877,162	1,868,373
Other Non-Current Assets	129	1,306	1,306	1,306
Non-Current Receivable	26,027	26,027	26,100	26,100
Total Non-Current Assets	**1,973,576**	**1,910,503**	**1,910,200**	**1,901,410**
TOTAL ASSETS	**2,010,477**	**1,954,008**	**1,953,822**	**1,944,400**
LIABILITIES				
Current Liabilities				
Trade and Other Payables	14,316	14,158	14,966	20,434
Provisions	14,574	14,045	27,888	27,888
Other Current Liabilities	5,066	5,066	5,066	5,066
Total Current Liabilities	**33,956**	**33,269**	**47,920**	**53,388**
Non-Current Liabilities				
Trade and Other Payables	293	293	293	-
Borrowings	30,184	40,553	42,106	23,593
Provisions	1,773	2,036	2,036	2,042
Other Non-Current Liabilities	36,064	36,064	36,064	36,064
Total Non-Current Liabilities	**68,313**	**78,947**	**80,499**	**61,700**
TOTAL LIABILITIES	**102,269**	**112,216**	**128,420**	**115,088**
Net Assets	**1,908,208**	**1,841,792**	**1,825,402**	**1,829,312**
EQUITY				
Accumulated Surplus	801,303	791,995	789,449	793,358
Asset Revaluation Reserves	1,066,521	1,018,226	1,004,383	1,004,383
Future Reserve Fund	40,384	31,571	31,571	31,571
Total Council Equity	**1,908,208**	**1,841,792**	**1,825,402**	**1,829,312**

Statement of Changes in Equity $'000s	2023/24 Adopted Budget	2023/24 Q1	2023/24 Q2	2023/24 Q3
Balance at the end of previous reporting period	1,891,088	1,828,064	1,828,064	1,828,064
a. Net Surplus / (Deficit) for Year	17,120	13,728	11,181	15,091
b. Other Comprehensive Income	-	-	(13,843)	(13,843)
Total Comprehensive Income	17,120	13,728	(2,662)	1,248
Balance at the end of period	**1,908,208**	**1,841,792**	**1,825,402**	**1,829,312**

Statement of Cash flows $'000s	2023/24 Adopted Budget	2023/24 Q1	2023/24 Q2	2023/24 Q3
Cash Flows from Operating Activities				
Receipts				
Operating Receipts	226,982	229,532	227,550	232,116
Payments				
Operating Payments to Suppliers and Employees	(174,706)	(177,335)	(175,848)	(173,039)
Net Cash provided by (or used in) Operating Activities	**52,276**	**52,196**	**51,701**	**59,077**
Cash Flows from Investing Activities				
Receipts				
Amounts Received Specifically for New/Upgraded Assets	5,295	2,171	1,170	1,455
Proceeds from Surplus Assets	27,125	27,125	27,125	27,125
Sale of Replaced Assets	630	630	630	630
Payments				
Expenditure on Renewal/Replacement of Assets	(50,416)	(54,153)	(54,153)	(54,153)
Expenditure on New/Upgraded Assets	(49,998)	(55,807)	(55,863)	(45,083)
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)	(320)	(320)
Net Cash provided by (or used in) Investing Activities	**(67,684)**	**(80,354)**	**(81,412)**	**(70,347)**
Cash Flows from Financing Activities				
Receipts				
Proceeds from Borrowings	20,285	33,034	34,587	16,074
Payments				
Repayment from Borrowings	-	-	-	
Repayment of Lease Liabilities	(4,877)	(4,877)	(4,877)	(4,877)
Net Cash provided by (or used in) Financing Activities	**15,408**	**28,158**	**29,710**	**11,198**
Net Increase (Decrease) in Cash Held	-	-	-	(71)
plus: Cash and Cash Equivalents at beginning of period	800	800	800	871
Cash & Cash Equivalents at end of period	**800**	**800**	**800**	**800**

Uniform Presentation of Finances $'000s	2023/24 Adopted Budget	2023/24 Q1	2023/24 Q2	2023/24 Q3
Income				
Rates Revenues	135,395	135,281	135,131	135,131
Statutory Charges	14,683	14,683	14,613	15,107
User Charges	70,002	69,915	70,365	72,565
Grants, Subsidies and Contributions	4,449	8,562	8,891	1,723
Investment Income	150	150	734	944
Reimbursements	338	338	338	703
Other Income	465	465	465	1,143
Total Income	**225,481**	**229,394**	**230,537**	**234,470**
Expenses				
Employee Costs	81,586	82,435	82,443	78,732
Materials, Contracts and Other Expenses	85,100	88,130	88,730	93,551
Depreciation, Amortisation and Impairment	56,040	56,040	56,473	54,482
Finance Costs	835	835	887	890
Total Expenses	**223,561**	**227,442**	**228,534**	**227,655**
Operating Surplus / (Deficit) before Capital Amounts	**1,920**	**1,952**	**2,003**	**6,815**
Net Outlays on Existing Assets				
Capital Expenditure on Renewal and Replacement of Existing Assets	(50,416)	(54,153)	(54,153)	(54,153)
add back Depreciation, Amortisation and Impairment	56,040	56,040	56,473	54,482
add back Proceeds from Sale of Replaced Assets	630	630	630	630
Net Outlays on Existing Assets	**5,624**	**1,887**	**2,320**	**959**
Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets	(50,318)	(56,127)	(56,183)	(45,403)
add back Amounts received specifically for New and Upgraded Assets	5,295	2,171	1,170	1,455
add back Proceeds from Sale of Surplus Assets	27,100	27,100	27,100	27,100
Net Outlays on New and Upgraded Assets	**(17,923)**	**(26,856)**	**(27,913)**	**(16,848)**
Net Lending / (Borrowing) for Financial Year	**(10,379)**	**(23,016)**	**(23,590)**	**(9,074)**

Appendix: Long Term Financial Plan

Statement of Comprehensive Income

$'000s	2023-24 Adopted Budget	2023-24 Quarter 2	2023-24 Quarter 3	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan
Income												
Rates Revenues	135,395	135,131	135,131	144,908	150,622	157,183	162,694	168,255	173,777	179,363	185,453	191,915
Statutory Charges	14,683	14,613	15,107	16,893	17,326	17,759	18,202	18,641	19,065	19,498	19,963	20,457
User Charges	70,002	70,365	72,565	67,399	68,647	76,299	78,205	80,090	81,911	78,050	79,913	81,892
Grants, Subsidies and Contributions	4,449	8,891	8,875	4,842	4,561	4,675	4,791	4,907	5,018	5,132	5,255	5,385
Investment Income	150	734	944	166	171	175	179	184	188	192	197	201
Reimbursements	338	338	703	150	154	158	162	166	170	174	178	182
Other Income	465	465	1,143	866	888	911	933	956	978	1,000	1,024	1,049
Total Income	225,481	230,537	234,470	235,225	242,434	257,226	265,237	273,269	281,178	283,482	292,058	301,160
Expenses												
Employee Costs	81,586	82,443	78,732	86,237	88,869	91,724	94,607	97,655	100,828	104,111	107,463	110,955
Materials, Contracts & Other Expenses	85,099	88,730	93,551	81,955	83,714	88,114	90,315	92,492	94,595	94,689	96,950	99,351
Depreciation, Amortisation & Impairment	56,040	56,473	54,482	56,857	64,462	66,471	68,287	69,985	71,665	73,382	75,210	77,137
Finance Costs	835	887	890	808	3,117	3,502	3,970	5,044	6,138	7,526	9,000	9,477
Total Expenses	223,561	228,534	227,655	225,858	240,162	249,811	257,179	265,175	273,226	279,709	288,623	296,921
Operating Surplus / (Deficit)	**1,920**	**2,003**	**6,815**	**9,367**	**2,272**	**7,415**	**8,057**	**8,094**	**7,952**	**3,773**	**3,435**	**4,239**
Physical Resources Received Free of Charge	-	-		-	-	-	-	-	-	-	-	-
Asset Disposal & Fair Value Adjustments	1,125	1,125	1,125	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	14,075	8,053	7,152	7,026	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	**17,120**	**11,181**	**15,091**	**16,393**	**2,272**	**7,415**	**8,057**	**8,094**	**7,952**	**3,773**	**3,435**	**4,239**
Changes in Revaluation Surplus - I,PP&E	-	(13,843)	(13,843)	-	18,470	-	-	-	-	-	-	-
Total Other Comprehensive Income	**-**	**(13,843)**	**(13,843)**	**(0)**	**18,470**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Comprehensive Income	**17,120**	**(2,662)**	**1,248**	**16,393**	**20,742**	**7,415**	**8,057**	**8,094**	**7,952**	**3,773**	**3,435**	**4,239**

Statement of Financial Position

$'000s	2023-24 Adopted Budget	2023-24 Quarter 2	2023-24 Quarter 3	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan
ASSETS												
Current Assets												
Cash and Cash Equivalents	800	800	800	800	800	800	800	800	800	800	800	800
Trade & Other Receivables	35,560	42,081	41,448	45,116	12,740	13,517	13,937	14,358	14,773	14,894	15,345	15,823
Inventories	541	741	741	741	741	741	741	741	741	741	741	741
Non-Current Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	36,901	43,622	42,989	46,657	14,281	15,058	15,478	15,899	16,314	16,435	16,886	17,364
Non-Current Assets												
Financial Assets	377	754	754	679	611	550	495	445	401	361	325	292
Equity Accounted Investments in Council Businesses	1,928	1,938	1,938	2,258	2,578	2,898	3,218	3,538	3,858	4,178	4,498	4,818
Investment Property	2,928	2,939	2,939	2,968	2,998	3,028	3,058	3,089	3,120	3,151	3,183	3,214
Infrastructure, Property, Plant & Equipment	1,942,188	1,877,162	1,868,373	1,924,347	2,010,439	2,033,825	2,103,264	2,199,736	2,214,120	2,234,131	2,249,854	2,264,774
Other Non-Current Assets	129	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306
Non-Current Receivable	26,027	26,100	26,100	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	1,973,576	1,910,200	1,901,410	1,931,559	2,017,933	2,041,608	2,111,342	2,208,115	2,222,805	2,243,128	2,259,166	2,274,406
TOTAL ASSETS	2,010,477	1,953,822	1,944,400	1,978,216	2,032,214	2,056,666	2,126,820	2,224,015	2,239,119	2,259,563	2,276,052	2,291,770
LIABILITIES												
Current Liabilities												
Trade & Other Payables	14,316	14,966	20,434	19,071	20,854	21,863	23,238	24,774	26,283	27,482	29,000	29,724
Provisions	14,574	27,888	27,888	21,596	15,157	15,644	16,136	16,657	17,199	17,759	18,332	18,928
Borrowings (Lease Liability)	5,066	5,066	5,066	5,142	5,264	4,649	5,066	5,066	5,066	5,066	5,066	5,066
Total Current Liabilities	33,956	47,920	53,388	45,808	41,275	42,157	44,440	46,496	48,548	50,307	52,398	53,717
Non-Current Liabilities												
Trade & Other Payables	293	293	-	-	-	-	-	-	-	-	-	-
Borrowings	30,184	42,106	23,593	53,677	96,662	117,396	162,083	254,120	264,209	284,106	300,053	315,193
Provisions	1,773	2,036	2,042	2,103	2,173	2,243	2,313	2,388	2,465	2,546	2,628	2,713
Borrowings (Lease Liability)	36,064	36,064	36,064	30,922	25,658	21,009	36,064	30,998	25,932	20,867	15,801	10,735
Total Non-Current Liabilities	68,313	80,499	61,700	86,703	124,492	140,647	200,460	287,506	292,607	307,519	318,481	328,641
TOTAL LIABILITIES	102,269	128,420	115,088	132,511	165,768	182,804	244,901	334,002	341,155	357,825	370,879	382,358
Net Assets	**1,908,208**	**1,825,402**	**1,829,312**	**1,845,705**	**1,866,447**	**1,873,862**	**1,881,919**	**1,890,012**	**1,897,965**	**1,901,738**	**1,905,172**	**1,909,412**
EQUITY												
Accumulated Surplus	801,303	789,449	793,358	807,169	809,940	817,855	825,912	834,006	841,958	845,731	849,166	853,405
Asset Revaluation Reserves	1,066,521	1,004,383	1,004,383	1,004,383	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853	1,022,853
Future Reserve Fund	40,384	31,571	31,571	34,154	33,654	33,154	33,154	33,154	33,154	33,154	33,154	33,154
Total Council Equity	**1,908,208**	**1,825,402**	**1,829,312**	**1,845,705**	**1,866,447**	**1,873,862**	**1,881,919**	**1,890,012**	**1,897,965**	**1,901,738**	**1,905,172**	**1,909,412**

Statement of Changes in Equity

$'000s	2023-24 Adopted Budget	2023-24 Quarter 2	2023-24 Quarter 3	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan
Balance at the end of previous reporting period	1,891,088	1,828,064	1,828,064	1,829,312	1,845,705	1,866,447	1,873,861	1,881,919	1,890,012	1,897,965	1,901,738	1,905,172
a. Net Surplus / (Deficit) for Year	17,120	11,181	15,091	16,393	2,272	7,415	8,057	8,094	7,952	3,773	3,435	4,239
b. Other Comprehensive Income	-	(13,843)	(13,843)	-	18,470	-	-	-	-	-	-	-
Total Comprehensive Income	17,120	(2,662)	1,248	16,393	20,742	7,415	8,057	8,094	7,952	3,773	3,435	4,239
Balance at the end of period	**1,908,208**	**1,825,402**	**1,829,312**	**1,845,705**	**1,866,447**	**1,873,861**	**1,881,919**	**1,890,012**	**1,897,965**	**1,901,738**	**1,905,172**	**1,909,412**

Statement of Cash flows

$'000s	2023-24 Adopted Budget	2023-24 Quarter 2	2023-24 Quarter 3	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan
Cash Flows from Operating Activities												
Receipts												
Operating Receipts	226,982	227,550	232,116	232,801	241,310	256,450	264,816	272,847	280,763	283,361	291,607	300,682
Payments												
Operating Payments to Suppliers and Employees	(174,706)	(175,848)	(173,039)	(170,091)	(174,609)	(182,283)	(187,789)	(194,089)	(200,995)	(206,782)	(213,457)	(220,600)
Net Cash provided by (or used in) Operating Activities	52,276	51,701	59,077	62,710	66,701	74,166	77,027	78,758	79,769	76,579	78,150	80,082
Cash Flows from Investing Activities												
Receipts												
Amounts Received Specifically for New/Upgraded Assets	5,295	1,170	1,455	6,026	-	-	-	-	-	-	-	-
Proceeds from Surplus Assets	27,125	27,125	27,125	18,500	-	-	-	-	-	-	-	-
Sale of Replaced Assets	630	630	630	500	500	500	500	500	500	500	500	500
Payments												
Expenditure on Renewal/Replacement of Assets	(50,416)	(54,153)	(54,153)	(56,022)	(72,829)	(72,017)	(101,553)	(149,154)	(68,360)	(75,311)	(72,425)	(73,100)
Expenditure on New/Upgraded Assets	(49,998)	(55,863)	(45,083)	(56,489)	(31,935)	(17,840)	(15,820)	(17,303)	(17,689)	(18,083)	(18,507)	(18,958)
Net Purchase of Investment Securities	-	-	0	-	-	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)
Net Cash provided by (or used in) Investing Activities	(67,684)	(81,412)	(70,347)	(87,805)	(104,584)	(89,677)	(117,193)	(166,277)	(85,869)	(93,214)	(90,752)	(91,878)
Cash Flows from Financing Activities												
Receipts												
Proceeds from Borrowings	20,285	34,587	16,074	30,084	42,984	20,735	44,687	92,037	10,089	19,897	15,946	15,140
Payments												
Repayment from Borrowings	-	-		-	-	-	-	-	-	-	-	-
Repayment of Lease Liabilities	(4,877)	(4,877)	(4,877)	(4,989)	(5,102)	(5,224)	(4,521)	(4,518)	(3,989)	(3,262)	(3,344)	(3,344)
Repayment of Bonds & Deposits												
Net Cash provided by (or used in) Financing Activities	15,408	29,710	11,198	25,095	37,883	15,511	40,166	87,519	6,100	16,636	12,602	11,796
Net Increase (Decrease) in Cash Held	-	-	(71)	(0)	0	0	(0)	0	0	0	(0)	0
plus: Cash & Cash Equivalents at beginning of period	800	800	871	800	800	800	800	800	800	800	800	800
Cash & Cash Equivalents at end of period	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**	**800**

Uniform Presentation of Finances

$'000s	2023-24 Adopted Budget	2023-24 Quarter 2	2023-24 Quarter 3	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan
Income:												
Rates Revenues	135,395	135,131	135,131	144,908	150,622	157,183	162,694	168,255	173,777	179,363	185,453	191,915
Statutory Charges	14,683	14,613	15,107	16,893	17,326	17,759	18,202	18,641	19,065	19,498	19,963	20,457
User Charges	70,002	70,365	72,565	67,399	68,647	76,299	78,205	80,090	81,911	78,050	79,913	81,892
Grants, Subsidies and Contributions	4,449	8,891	8,875	4,842	4,561	4,675	4,791	4,907	5,018	5,132	5,255	5,385
Investment Income	150	734	944	166	171	175	179	184	188	192	197	201
Reimbursements	338	338	703	150	154	158	162	166	170	174	178	182
Other Income	465	465	1,143	866	888	911	933	956	978	1,000	1,024	1,049
Total Income	**225,481**	**230,537**	**234,470**	**235,225**	**242,434**	**257,226**	**265,237**	**273,269**	**281,178**	**283,482**	**292,058**	**301,160**
Expenses:												
Employee Costs	81,586	82,443	78,732	86,237	88,869	91,724	94,607	97,655	100,828	104,111	107,463	110,955
Materials, Contracts & Other Expenses	85,099	88,730	93,551	81,955	83,714	88,114	90,315	92,492	94,595	94,689	96,950	99,351
Depreciation, Amortisation & Impairment	56,040	56,473	54,482	56,857	64,462	66,471	68,287	69,985	71,665	73,382	75,210	77,137
Finance Costs	835	887	890	808	3,117	3,502	3,970	5,044	6,138	7,526	9,000	9,477
less Total Expenses	**223,561**	**228,534**	78,732	86,237	88,869	91,724	94,607	97,655	100,828	104,111	107,463	110,955
Operating Surplus / (Deficit) before Capital Amounts	**1,920**	**2,003**	**6,815**	**9,367**	**2,272**	**7,415**	**8,057**	**8,094**	**7,952**	**3,773**	**3,435**	**4,239**
Net Outlays on Existing Assets												
Capital Expenditure on Renewal & Replacement of Existing Assets	(50,416)	(54,153)	(54,153)	(56,022)	(72,829)	(72,017)	(101,553)	(149,154)	(68,360)	(75,311)	(72,425)	(73,100)
add back Depreciation, Amortisation and Impairment	56,040	56,473	54,482	56,857	64,462	66,471	68,287	69,985	71,665	73,382	75,210	77,137
add back Proceeds from Sale of Replaced Assets	630	630	630	500	500	500	500	500	500	500	500	500
Net Outlays on Existing Assets	**5,624**	**2,950**	**959**	**1,335**	**(7,868)**	**(5,046)**	**(32,767)**	**(78,670)**	**3,806**	**(1,428)**	**3,285**	**4,537**
Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets	(50,318)	(56,183)	(45,403)	(56,809)	(32,255)	(17,840)	(15,820)	(17,303)	(17,689)	(18,083)	(18,507)	(18,958)
add back Amounts received specifically for New and Upgraded Assets	5,295	1,170	1,455	6,026	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets	27,100	27,100	27,100	18,500	-	-	-	-	-	-	-	-
Net Outlays on New and Upgraded Assets	**(17,923)**	**(27,913)**	**(16,848)**	**(32,283)**	**(32,255)**	**(17,840)**	**(15,820)**	**(17,303)**	**(17,689)**	**(18,083)**	**(18,507)**	**(18,958)**
Net Lending / (Borrowing) for Financial Year	**(10,379)**	**(22,960)**	**(9,074)**	**(21,581)**	**(37,851)**	**(15,471)**	**(40,529)**	**(87,879)**	**(5,931)**	**(15,739)**	**(11,788)**	**(10,182)**

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Adelaide Central Market

Quarter 3 Report, 1 January 2024 – 31 March 2024

Executive Summary

The Adelaide Central Market Authority is making strong progress against the actions and measures set out in the 2023/24 business plan and budget with 95% actions progressed, ongoing or on track. Initiatives delivered by the ACMA team continue to be varied and highlights for Q3 include the popular Sauce Day (Italian themed), the inaugural 'Fringe at the Market' program, the Mad March or Easter campaigns and activations. All contributed to attracting visitors, supporting local businesses and strengthening community and cultural ties to the City.

The operating position is favourable to budget YTD due to additional leasing income, 100% rental occupancy, and minimal debt, compounded by a favourable variance in expenditure due to the timing of professional fees for the leasing of the future Market Expansion. It is expected ACMA will finish the year a small surplus and a positive variance vs initial budget of $407K.

Overall, the Market visitation in Q3 has been marginally below 2023, with Easter falling in March and outside of school holidays. Visitation results continue to plateau somewhat since July 2023 in the context of cost-of-living pressures, muted retail results Australia wide and impact of local development works.

Financial Report

Operating budget including revised budget:

$'000	Year to Date			Q2	Revised
	Actual	Budget	Var	Budget	Budget
Income	4,176	3,686	490	4,914	5,422
Expenditure	3,795	3,967	171	5,310	5,410
Net Operating Surplus/(Deficit)	381	(281)	662	(396)	12

Income

- Favourable revenue variance: rental income $258k and electricity recovery $231k
- Forecast: update to accounting treatment of tenant discounts $58k, with a total recognition of favourable year to date income $450k

Expenditure

- YTD: Variance due to savings in casual salaries, electricity and timing on One Market
- Forecast: Increase for insurance premiums ($53k) and facilities costs ($47k)

Risks and Opportunities

- The construction of Market Square, the decreased capacity in the Central Market car park, as well as economic conditions and cost of living pressures may impact on potential spend in Market.
- Access to the Market may be affected further by compounding pressures in the precinct, depending on timing: future renovations of Market Plaza entrances, Gouger St rejuvenation, ongoing Pitt St works, road closures for major events, etc.
- Leasing remains strong with 100% occupancy.

Business Plan & Budget 2023/24 and Strategic Plan Measures

The 2023/24 ACMA Business Plan and Budget includes 44 priority actions across the five strategic pillars of the ACMA Strategic Plan 2023/28: Our Customers, Our Traders, Our Business, Our Community and Our Market.

Summary Strategic actions		On track	Needs attention	Off track
OUR CUSTOMERS		10	0	0
OUR TRADERS		4	0	0
OUR BUSINESS		16	1	0
OUR COMMUNITY		5	0	0
OUR MARKET		7	1	0
	TOTAL	**42**	**2**	**0**

42 Actions are either completed, ongoing, or on track.

The two actions requiring attention have been progressed in Q3 as planned and should be completed by Q4. They both relate to the Market Expansion and are essential to attract and secure future tenancies:

- Completion of leasing strategy and development of EOI for Market Expansion
- Delivery of 'One Market' Retail and Fit Out Guidelines

OUR CUSTOMERS

We will keep customer experiences at the heart of all decisions, every day.

OBJECTIVE (Strategic Plan 2023-2028)	Key Achievements and Measures
1.1 Know our customer	Customer Experience Tracker: Full year results presented to ACMA Board in December 23 - 82% of Market Visitors were satisfied or completely satisfied with the Market.
	Customer perception and pre-construction/ mid construction Impact research: presented to ACMA Board in December 23: 100% Satisfaction for in-person surveys (up from 97% in May). Summary shared with traders in Jan 2024.
	Align trading hours to customer preferences: • 86% of traders said 2023 Christmas trading hours were suitable for their customers. • 24th December (Christmas Eve) stall opening rate: 98% • 31st December (New Years Eve) stall opening rate: 62.6% Trading hours review process established and shared with Trader Representative Committee (TRC) - to be facilitated by external consultant and led by TRC in FY24/25, for potential implementation in July 2025
1.2 Engage our customer	Market Vibrancy - elevated events and activations: • Bastille Day celebrated Jul23 - live music, cooking demos, kids activities, walking tour, crepe pop up. • Seafood & Sounds event in November. • The 2023 Christmas Campaign & Activation investment was $75k, including live music, cooking demonstrations, kid's activities, and Christmas village, roving entertainment, in-market decorations, signage, design, printing, promotion and an extensive advertising campaign. 46 activations, 5 more than last year. • Sauce Day in March • 44 Fringe Performances in Feb and March • Saturday Market Day program continues including live music and free kids activities • Producer in Residence stall has seen 100% occupancy from July to April 2024 (12 businesses). • Connection with major events: Adelaide International players visit & promotional video, Jan 24. Tour Down Under: 'Wines of the Tour' event, Jan 24. Lunar New Year collaboration, Feb 24. Adelaide Fringe Activation, Feb-Mar 24.
	Connected customers: Improved car park experience and precinct wayfinding during peak trade with:

	• 3 hours free car park offer (Andrew and Grote Upark): to Friday nights and Sundays in Dec for Christmas and New Year and ongoing Saturdays. • Upark internal traffic management • Gouger St traffic management • Precinct Map showing 7 car parks within 3 min walk to Market.
1.3 Deliver extraordinary customer experiences	Delivered demonstrations and tastings with well know chefs. Collaboration with: • Katie Spain and Adam podcast with 570 listens as of late December. • Ex Masterchef Larissa Sewell for Christmas affordable menu campaign, alongside luxe recipes for premium publications. • 12 Cooking Demonstrations were held including OzHarvest (September), Karena and Justin James (October), Fogolar Furlan/Lorenzo Andriola (November), Larissa Sewell (December) and Mandy Hall (co-hosting), Radio Italiana (March).
	Online market: Survey completed with results in July 23: Among online shoppers 87% are satisfied with their overall experience, and less than 5% dissatisfied. Monthly Brochure established and started from February. Corporate Orders Averaging 6% of Orders Created enjoyable and unique shopping experience with the instal of festoon lighting

OUR TRADERS

We will work with our traders to support them in the delivery of an exceptional shopping experience.

OBJECTIVE (Strategic Plan 2023-2028)	Achievements and Measures
2.1 Support Trader success	Supported traders with retail visual merchandise Completed at YTD: Adelaide Nut /Fair Seafood/ Yoghurt Shop/ Something Wild/ Fleurieu Milk
2.2.1 Trader Skills Develop new Trader Induction Program	Trader Induction Program completed and in use.

OUR BUSINESS

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

OBJECTIVE (Strategic Plan 2023-2028)	Achievements and Measures
3.1 Ensure our Market is financial self sufficient	• Cleaning Contract expiry Feb24: Following tender process, saving of $100K per year following alignment with CoA. New contractor SKG transitioned on 01/03/2024. • Identified cost efficiencies for exhaust cleaning, benefiting traders too.
	Lease revenue: 12 out of 16 leases renewed at end of Q3, in line with tenancy schedule. Q1: Achieved 100% occupancy
	Leasing framework completed. Independent retail valuations completed for existing Market. Retail valuations for Market Expansion delivered in Q2. Q3: Retail Mix for Market Expansion near completion. Q3: Stall 9 Vacancy from 1 September 2024 (ex-Standom) Internal EOI carried out
3.2 Deliver Retail & Leasing Strategy	Retail mix, completed: Fair Seafood launched: unique offer, reviving southeast corner. Rental Valuations for Market Expansion Leasing strategy near completion Fit out Guidelines pushed to Q4 to be in line with Leasing Strategy and architectural progresses (refer 5.4.1 EOI brochure). Request for proposals issued March 2024, due for completion June 2024.

3.3 Deliver Marketing Strategy	Marketing purpose: • 'Only at the Market' Campaign refresh: rolled out Sept 2023 and ongoing including in-Market signage. • Christmas campaign: ASR media value was $755k with 90 pieces of media content shared relating to the Market Christmas over November and December. • Easter campaign and investment was $45k delivering live music, kid's activities, roving entertainment, in-market decorations, signage, and an extensive advertising campaign. PR activities returned media value of $591k with 57 pieces of media.
	Access: • Clear customer communication upon loss of car parking for development and open for business-as-usual messaging • Increase in communication surrounding 3 hours free promotion, as well as nearby alternative parking options. • Refresh of external wayfinding signs as well as CMAR construction hoarding to raise awareness and access to Market.
	Tourism: #1 Top attraction in Adelaide, Trip Advisor, Jan 2024 • Worked with AEDA on The Santa Course promotion, as well as multiple business conferences with branded merchandise and produce giveaway. • Connection with major City events, completed at YTD: Adelaide International players visit & promotional video, Jan 24 Tour Down Under: 'Wines of the Tour' event, Jan 24 and TDU Village presence (signage and 30sec TVC) Lunar New Year collaboration. • Delivered targeted offer for tourists with self guided tour podcast. • Collaboration with SATC and State Government (tram wrap, airport completed). • Blog Coverage on SouthAustralia.com • Mad March brand awareness outdoor advertising campaign focussing on high traffic and visitation areas in the city during Fringe and Womad
3.4 Ensure the Market remains safe & secure environment	Security - Completed: • Implemented Wors Security system: reporting online - August 2023 • Body worn security camera implemented - July 2023 • Roster adapted resulting in cost savings • Review of emergency evacuation procedures + staff training -1/11/23 • Emergency management manual updated October 2023 • Upskilling/training of new security team provided for all security guards to act as Chief Warden, Nov 23
	• Partnerships: Regular SAPOL meetings re planning of Christmas and other major activations.
3.5 Treat Traders as business partners	Traders group: Established new Terms of Reference upon update of ACMA Charter dated October 2023 + coordination of Election of new trader group (TRC) in Nov/ Dec 2023. Meet bi-monthly from December 23
	Communications with traders: • 'Market Talk' (internal communications with traders) design refresh including increase in visual content. • Actively engaged with traders re Christmas trading hours, resulting in record 88% survey participation. • High engagement for TRC election (59% voted) and post Christmas survey (53% completed the survey vs 20% in 2022)
3.6 Deliver brilliant basics	• Christmas Operations: 92% of traders were satisfied with the operations of the Market with 51% of traders being very satisfied (2023 Christmas traders survey) • Increase in Pest control management activities depending on requirements. • weekly meetings with cleaning supplier and ACMA/ COA. • Significant increase in Pest control management activities to mitigate risks
	Waste program now renewed for 2 years in line with CoA (expire Sept 2025)

	Cleaning tender with CoA: Completed Dec 2023 with $700k savings anticipated over the life of the contract: New contractor SKG transitioned on 01/03/2024, with daily ACMA inspections.
3.7 Focus on people and capability	Engaged and trained two staff to fill existing vacant positions with a full management team from December 23, which will relieve management team from the demands of extended trading hours and weekend shifts. Ongoing management of TOIL for corresponding duty management shifts.
	Acting roles as training opportunities: Marketing Manager acting as Commercial Manager, gaining leasing and revenue generating perspective as well as technical and negotiation skills. Industry events as relevant

OUR COMMUNITY

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

OBJECTIVE (Strategic Plan 2023-2028)	Achievements and Measures
4.1 Connect with our community	Sustainability: • Water bottle refill station delivered. • Sustainable September delivered. • New waste room supervisor started in Q3. • Sustainability consultant appointed and development of 2024-2026 Sustainability Strategy under progress with Delivery in Q4 Social reach: • Donation of all ingredients for Catherine House Christmas Lunch (70 at-risk women) • Weekly OzHarvest food rescue collections equating to approx 270kg / 550 meals per week. • In-Market OzHarvest fundraising over Christmas raised $5,663 across four days - equating to 11,326 meals. • Monthly Guide Dogs fundraising
4.2 Contribute to the wider Market precinct	Engagement with CoA and precinct stakeholders • Meetings with Gouger St precinct to discuss events, attendance at monthly GBP Committee meetings. • Supported Christmas precinct activations. • Ongoing negotiation for Lunar new year with organising committee. • Delivered traffic management Strategy over Christmas peak visitation to manage decrease in ACM car parking, including street management and coms campaign for other parking options. • Motorsport festival street party

OUR MARKET

We will deliver infrastructure and programs that address the current and emerging needs for our customers and traders.

OBJECTIVE (Strategic Plan 2023-2028)	Achievements and Measures
5.1 Ensure quality outcomes for our Market	Trolley investigation: Concept stage delivered, community consultation underway in collaboration with CoA
	Customer amenities: Feasibility and investigation completed in in FY2023/24 for Parents Room on northern Roadway. Completed bid for detailed design and construction as part of FY24/25 Budget process, subject to capital funding.
	Market Expansion - Completed Dec 2023: Market Expansion Leasing Valuation, New One market Lease template Completed by end of Q3: leasing strategy for approval by ACMA Board

	Advocacy for traders: • Negotiated to move coolrooms on vacant construction site to avoid congestion on Gouger • Trader advocacy when exploring additional storage facilities for market expansion • And negotiating road closure and LNY Event with Chinatown and Motorsport event • Weekly meetings with constructors
	Communications to stakeholders about market expansion: 23 project updates to traders YTD. Adjustment of frequency of communication and filtering relevant area - segregation by aisle/zone to increase accurate targeting for relevant information.
5.2 Review technology systems to inform decision making	September 2023, 7 new counter locations, now capturing external street trade improved technology. Addition of customer service desk counter. Progenesis software quotation received, working with CoA to ensure the program meets their integration requirements before progressing to procurement in Q4. POS Purchased and being set up - completion expected Q4

Upcoming quarter ACMA: 1 April 2024 – 30 June 2024

- Marketing:
    - Calendar 24/25 development finalised.
    - Gather Round activation
    - Bastille Day
    - School Holidays
    - History Festival
- Sustainability:
    - Finalise sustainability strategy for Board endorsement
- Trolley/Cart project: Community consultation completed and solution delivered
- Market Expansion:
    - EOI brochure delivery in Q4
    - Fit Out guidelines to be completed
    - Leasing and project advisory services procurement
    - Marketing/leasing collateral to be finalised ready for EOI

Q3 Key Achievements



Adelaide Fringe Partnership
ACMA partnered with the Adelaide Fringe to curate a ten-day program of free performances on Fridays and Saturdays, delivering a total of 44 perfomances in-Market.



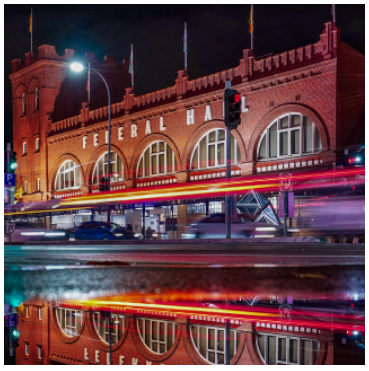
Mad March campaign
To leverage peak visitation throughout February and March for Fringe and WOMAD, ACMA delivered a CBD focussed outdoor campaign comprising of bus stops and digital billboards throughout the city and key entry points including West Terrace and Port Road.



Sauce Day
Two day event, celebrating Italian food and culture to showcase produce and traders, activate the Market and engage with customers and broader Italian community. All classes were sold out and the event generated $161K in media value.



Easter 2024
Key retail campaign for the year to drive visitation, fresh food sales and awareness of trading hours. The tactical marketing program included live music, kid's activities, roving entertainment, in-market decorations, signage, and an extensive advertising campaign. PR activities returned media value of $591k with 57 pieces of media.



Operations
In Q3, ACMA and the CoA Infrastructure team delivered the repair and glass replacement of the South East corner atrium.

100% diversion of waste from landfill.



One Market leasing
Significant pieces of work underway in Q3:

- leasing strategy and development of EOI for Market Expansion
- Delivery of 'One Market' Retail and Fit Out Guidelines Marketing materials development
- Leasing materials in development in liaison with DPC.

Adelaide Economic Development Agency

Quarter 3 Report

1 January 2024 – 31 March 2024

Executive Summary

Between 1 January 2024 and 31 March 2024, AEDA:

- Completed a further 10 recommendations of the AEDA reviews with 23 of the 37 actions now complete
- Invested $40,000 to drive promotion of the city by leveraging off the South Australian Tourism Commission's existing tourism campaign, delivering nearly 5,000 leads for city tourism businesses
- Commencement of projects delivered by SouthStart, ThincLab and MTP Connect that received funding to support small businesses to grow
- Delivered MallFest in Rundle Mall, including extending trading hours and a curated range of activations
- Supported 40 firms and investors on various business relocation, investment and property decisions
- Supported 16 events through the Commercial Events and Festivals Sponsorship Program and the Events and Festival Sponsorship Program, which were delivered in the quarter with a combined anticipated attendance of 5,809,488 and anticipated economic benefit of $ 364,733,253 million.

Budget is on track with variances primarily relating to staffing vacancies and a recognition of funds from Strategic Partnership Program in 2022/23 that were committed for expenditure in this financial year in line with agreements.

Tracking against business plan remains strong with eighteen measures completed/met and a further five on track.

Financial Report

Operating Position	December YTD			Annual		
$000s	2023/24 Actuals	2023/24 Q2 Budget	Variance	2023/24 Q2 Budget	2023/24 Proposed	Variance
Income						
Rundle Mall Levy	2,939	2,910	29	3,890	3,890	0
Rundle Mall User charges	361	270	91	360	500	140
CoA Appropriation of Funds	0	0	0	9,550	9,764	214
Other Income	46	49	-3	104	104	0
Total Income	3,347	3,229	117	13,904	14,258	354
Expenses						
Employee Costs	2,825	3,352	527	4,620	4,577	43
Materials, Contracts and Other Expenses	3,637	4,705	1,068	6,055	5,537	518
Sponsorship, Contributions and Donations	2,808	2,460	-347	3,187	4,082	(895)
Depreciation, Amortisation and Impairment	40	31	-9	42	62	(20)
Total Expenses	9,310	10,548	1,239	13,904	14,258	354
Operating Surplus / Deficit	(5,963)	(7,319)	1,356	0	0	0

Income

- Rundle Mall Levy income continues to be favourable in comparison to the YTD budget due to there being only $620 in objections, balance of objection budget favourable $29k.
- Rundle Mall user charges have exceeded the annual budget and are forecasting an increase of $140k in anticipated income along with an increase in corresponding spend in Marketing the Rundle Mall.

Expenditure

- Employee costs are forecast to be $350k favourable for AEDA (excluding Rundle Mall) following vacancies and acting arrangements. This will reduce the 2023/24CoA contribution at year end.

Variances and Budget Requests

- $232k of non-allocated funds from the Strategic Partnership budget in 2021/22 and 2022/23 has been recognised in the Strategic Partnerships budget, in line with committed funding
- $130k of funds required due to re-timing of payment to event suppliers
- $40k in savings has been forecast in the Welcome Adelaide Strategic project budget
- $23k of unallocated funds from the 2023 NYE Business Events fund returned to CoA
- $44k of anticipated underspend in sponsorships requested to be expensed in 2024/25
- $600k reallocation of expenditure to Grants, Contributions and Donations to align to the nature of the expenditure
- $41k that was added to the AEDA budget in quarter two for the Graduate role has been transferred back as a Corporate expense in quarter three - following a review of the decision to allocate the budget for the graduate programs into individual programs, it will now be centralised.

Risks and Opportunities

- Continued macroeconomic trends such as rising interest rates and cost of living pressures create a subsequent impact on potential spend in city businesses
- The Rundle Mall Sound System Capital project approved in the City of Adelaide (CoA) 2023/24 Business Plan and Budget was delayed due to infrastructure resourcing limitations and subsequently moved to the 2024/25 budget. Within the CoA 2024/25 business plan and budget process this project has now been defunded resulting in an inability to fulfil the planned action in the AEDA business plan 'commence implantation of key recommendations from the Rundle Mall place vision project, focusing on key strategic opportunities that include a new Rundle Mall sound system'. An inadequate sound system in Rundle Mall presents a potential safety concern with the inability to communicate in the event of a public emergency. The project scope was to include public announcement and emergency warning system capabilities.

NB: AEDA's strategic risks are included within the City of Adelaide's Strategic Risk Register, which is reported through the Strategic Risk and Internal Audit Group that then reports into the Audit and Risk Committee

Board and Advisory Committee Term Changes

In quarter two the AEDA Board received applications from Advisory Committee Members who wished to apply for the position of the Advisory Committee Representative on the AEDA Board. At its March 2024 meeting the AEDA Board appointed James Black for a one-year term to the AEDA Board as the Advisory Committee Representative.

Grant Funding Approved

Mainstreet Development Program

The following Precinct Groups have received the mainstreet development program grant following the receipt of their acquittal of 2022-23 funding and their business plan for 2023-24

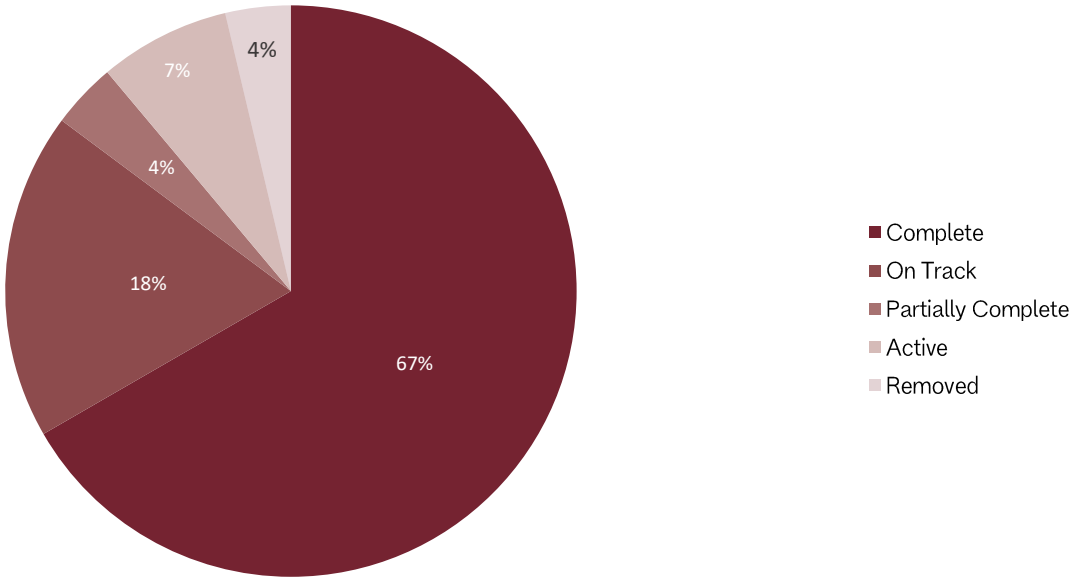
Organisation	Funding
Adelaide West End Association	$25,000
East End Coordination Group	$25,000
Gouger Street Traders Association	$25,000
Hutt Street Traders Association	$25,000
North Adelaide Precinct Association	$25,000

Business Plan & Budget and Strategic Plan Measures

The 2023/24 AEDA Business Plan and Budget includes 27 measures across the four key areas, Business, Investment & Residential Growth; Visitor Economy; Rundle Mall and Brand and Marketing.

As at the end of the quarter two progress against the measures are as follows:

- 18 measures have been marked 'Complete' because they have been finalised or the annual target met;
- 5 measures are 'On Track', meaning the pro-rata measure is tracking ahead or in-line with the target;
- 1 measures are 'Partially complete', as some progress has been made towards the target, but are not tracking ahead of the pro-rata benchmark;
- 2 measures are 'Active' which means work is being done towards the target but no numerical figure towards the target has been recorded and;
- 1 target has been removed from tracking



Business, Investment and Residential Growth

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
50 inward investment proposals/local expansions supported, with at least 10,000sqm of office space committed to	Complete	50	74	+24
1,000 Welcome to Adelaide employee introduction packs distributed	On Track	750*	645	82.5
30+ vacant shopfronts/premises activated	Partially Complete	30	21	-1.5
Deliver AEDA Business Summit	On Track	1	0	-
Deliver 3 industry briefing events	Complete	3	3	-
Enrolled international student numbers 5+% above 2019 levels (44,318 students across all segments) **Source: StudyAdelaide**	Complete	44,318	54,762	+10,408
2+% increase in the number of city workers above 2020/21 levels (148,369) **Source: Economy.id**	Complete	2% (151,336)	157,498	+6,162
2+% increase in the number of city businesses above 2020/21 levels (12,018) **Source: ABS**	Complete	2% (12,518)	12,558	+40
2 campaigns/projects/market interventions to support emerging industries in the city	Complete	2	5	+3

**in line with the reduction of budget for this program, the KPI has been reduced from 1,000 to 750 packs distributed*

Visitor Economy

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
Delivery of the new Experience Adelaide Visitor Centre	Active	1	0	1
Maintain accreditation of the Visitor Information Centre	Complete	1	1	-
8 training sessions with VIC volunteers and staff	Complete	8	9	+1
2 destination marketing campaigns or initiatives with the state government to increase the number of people visiting the city	On Track	2	1.5	-
20 new bookable city tourism products/experiences	Complete	20	20	-
City hotel occupancy above 70%	On Track	70%	69%	-

Rundle Mall

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
3 recommendations from Rundle Mall place vision workshop implemented	Complete	3	3	-
5 major brands committed to Rundle Mall	Complete	5	5	-
Stakeholders agree that the volume and quality of communication and data/insights to stakeholders has improved over the previous 12 months	Active	1	-	-
Rundle Mall average strip vacancy rates below 8%	Complete	8%	6.8%	1.2%
Average vacancy rates below 20% for arcades, centres and laneways in the Rundle Mall precinct	Complete	20%	19.8%	0.2%
3 significant campaigns that are aligned with exclusive city events and festivals	Complete	3	3	-
Uplift in foot traffic across 3 major events/festivals	Complete	3	3	-
Uplift in market share across 3 major events/festivals	Complete	3	3	-
Moving annual total market share remains above 5%	Complete	5%	5.4%	+0.4%

Brand & Marketing

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
Generate $2 million in advertising space rate with reference to City of Adelaide/AEDA	On Track	$2m	$1.9m	+$400,000
Support 200 city businesses to establish or extend their e-commerce capability on byADL.com.au	Removed	200	N/A	-
Total city expenditure above $4.45b	Complete	$4.450b	$4.615b	+$1,277b

*Difference relates to the difference between the measure and the quarter 3 pro-rata benchmark, not the full KPI.

Key Achievements



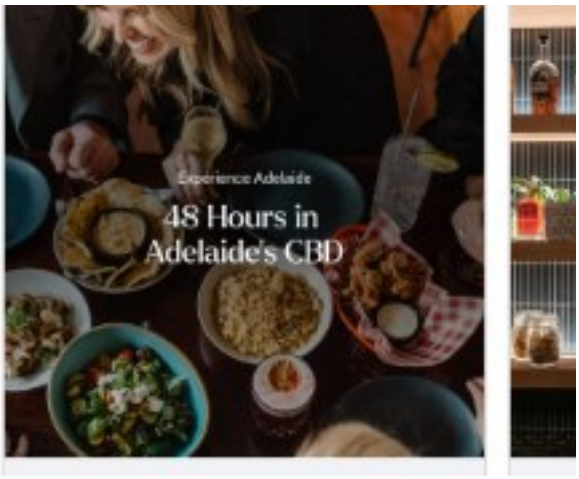
Strategic Partnership Program

The three newly supported Strategic Partnerships have launched their programs:

MTPConnect's Global Market Navigator Program was launched on 14. The program is supporting ten Adelaide based healthtech businesses to build a strategy to expand their global footprint. The companies span therapeutics, medical devices and digital health and include Personify Care, Sementis, Fusetec 3D, Osteo-X Protego Medical, RehabSwift, Innovatus Technology, Corciullum Systems, Addend.ai and ResearchSat.

The first cohort of two that will take part in the **University of Adelaide ThincLab's** ThincSeed program started the 13 week program on 13 March. The eight businesses in the cohort will be supported to establish more sophisticated systems and strategies to manage the growth of their business, including the structure and systems required for supporting a larger workforce.

SouthStart launched applications for their MASTERMIND program, designed to support ten growth ready founders. The nationally renowned SouthStart festival was used as a platform to recruit participants



Destination Adelaide

A cooperative marketing initiative with SATC designed to promote tourism businesses in the city and drive Australian Tourism Data Warehouse (ATDW) leads as part of the 'Travel. Our Way' campaign. $40,000 investment was utilised to run the campaign in intrastate and interstate markets and concluded 29 February 2024. Forty nine additional city tourism products in three categories 'activities', 'food & drink' and 'accommodation' were promoted across the campaign, generating 13,888 product page view visits on southaustralia.com.au and 4,940 ATDW leads (click through to the business website).

From March, AEDA has directly managed the lead generation campaign to support city tourism businesses on the Experience Adelaide channels. This allows for promotion of a greater number of city businesses (forty seven in the first month). The campaign will run to the end of June.

A new destination campaign is being developed and will run in May/June to coincide with the quieter late autumn and winter months, highlighting the real experiences of city users to challenge some of the stereotypes and invite people to see the city for themselves.



Rundle Mall Activations



Rundle Mall Foot Traffic

Throughout the quarter a range of activations have been delivered in the Rundle Mall precinct increasing vibrancy and driving foot traffic and spend, including:

MallFest was delivered for its second year, running through the Festival Season. Highlights included:

- A curated program of street performers along the length of the Mall throughout the Festival Season
- Activations under the Gawler Place Canopy including cocktails at the MallFest Bar and the return of the HEXADECA installation
- Extended trading on Saturdays until 6 pm
- Lights and lanterns entry statement at Pulteney St entrance initially erected for Lunar New Year but maintained during March connecting the Mall and East End

Little Amal, a feature of the 2024 Adelaide Festival walked down Rundle Mall on Friday 15 March with a media call at the Malls Balls with Lord Mayor and Adelaide Festival CEO Kath Mainland. Amal's walks drew attention to children fleeing war, violence, and persecution around the world.

Adelaide International popped up in Rundle Mall on Sunday 7 January. Fans had the opportunity to get a signed flyer from their favourite players and test their racquet skills on a giant tennis inflatable, as well as playing a range of games with the Nova entertainment team.

Gathered Market in the Mall has returned for another year and kicked off their first event of 2024 on Sunday 11 February and again on Sunday 24 March.

Lunar New Year celebrated the Year of the Dragon. Rundle Mall activated the Precinct with traditional lion dances every hour, on the hour, from 12 pm to 6 pm on Friday 16 February.

Rundle Mall Foot Traffic in Q3 was up 5% when compared to the same period in 2022/23.

Total Traffic was down -6% vs. March 2023 and up +4% vs. February 2024. Noting that whilst foot traffic was down in March 2024 vs. last year, Good Friday 2024 fell on Friday 29 March, meaning one less Friday 9pm trading day this year.

Fringe Festival:

- Overall foot traffic in the Mall during Fringe 2024 (16 Feb to 17 Mar) was +6% vs. Fringe 2023
- This year Rundle Mallhad extended trading hours on Saturdays until 6pm. Traffic in the Mall between 5pm and 6pm on average was up +14% vs. Saturdays in 2023 between 5pm and 6pm.

Easter Weekend:

- Easter Saturday foot traffic was +3% vs. Easter Saturday 2023
- Easter 2023 State Government allowed the Mall to open from 9am on Easter Sunday and Easter Monday. In 2024 they amended the hours which meant that stores could not open until 11am
- RM spread was up +14% on Easter Monday which indicates that people were staying longer in the Mall.



Events and Festival Sponsorship Programs

In quarter three, the following events took place that were sponsored by the **Events and Festival Sponsorship Program**:

- Adelaide International (Tennis) - $50,000
- Santos Tour Down Under - $165,000
- Adelaide Fringe - $300,000
- Adelaide Festival - $360,000
- WOMADelaide - $75,000

Through the Events and Festivals Sponsorship Program a total of $950,000 was invested into five events/festivals in quarter three with an estimated gross economic impact of $270,229,947 and an estimated total attendance of 4,793,368 (estimated city-based attendance 4,062,618).

**estimated figures are derived from the 2023 acquittal reports (with the exception of Adelaide International (Tennis) who had completed their 2024 acquittal report)*

In the quarter the following events that were supported by the **Commercial Events and Festivals Sponsorship Program** took place:

- Laneway Festival - $35,000
- The Garden of Unearthly Delights - $40,000
- Gluttony - $45,000
- Wonderland Spiegeltent - $20,000
- Fool's Paradise - $35,000
- Adelaide Motorsport Festival $40,000
- Blitz Golf - $14,000
- Ebenezer Night Markets - $5,000
- The Courtyard of Curiosities - $14,000
- Sidebyside - $14,000
- Holi Festival - $19,500

Through the Commercial Events and Festivals Sponsorship Program a total of $281,500 was invested into eleven events/festivals in quarter three with an estimated gross economic impact of $94,503,306 and an estimated total attendance of 1,746,870.

**estimated figures are derived from the initial applications with the exception of three events who have completed their acquittal report*

AEDA BUSINESS SUMMIT

AEDA Business Summit Launch

The third AEDA Business Summit launched on 13 March. 141 tickets sold as at end of March. Keynote speakers include:

- Alex Robson, Deputy Chair of Australian Productivity Commission, who will share insights on Adelaide's position in the Australian economy, the city's growth opportunities, and the economic potential of AI.
- Philip Corne, former CEO of Louis Vuitton Australia and NZ, who will share global perspectives on the economic impact potential of luxury retail in a capital city.

The University of Adelaide is the first Major Partnership established for the Summit which contributes funding in return for branding and profiling as well as valuable speakers in the event's program.



Property Council SA – Office Market Report

AEDA collaborated with the Property Council of SA to brief the property industry on the city's economy and the influence of growing white collar industries on construction and activity levels.

This event was held at Flinders University's new city campus in One Festival Tower.

The event increased AEDA awareness, promoted Welcome to Adelaide program to various new companies in the CBD including Defence Housing Australia and generated property leads.



AEDA Business Plan and Budget

Consultation and development of the AEDA 2024/25 Business Plan and Budget was undertaken in quarter three. The business plan continues to deliver on the strategy set out in the AEDA Charter; to accelerate economic growth, promote the city and position Rundle Mall as the State's premier retail precinct.

The focus of the next business plan and budget will be heavily informed by CoA's Economic Development Strategy and AEDA's Strategic Plan.

The business plan was developed in consultation with the AEDA Staff, Advisory Committee, Board, Council Members and reflected the direction of the CoA Strategic Plan.



AEDA Reviews Implementation

Since Council's adoption of the AEDA Review Implementation Plan on 24 October 2023, which detailed how the 37 actionable recommendations from the Deloitte and KPMG reviews of AEDA would be addressed, 23 actions have been completed (10 of these were completed in quarter three), 11 have been significantly progressed and 3 have been commenced.

The next progress report to Council for the Implementation of the AEDA Review Recommendations is scheduled for July 2024. It is currently anticipated that the vast majority of review actions will be completed by August 2024.

Up Next

Coming up from 1 April 2024 – 30 June 2024 are:

- Updated Economic Dashboards on AEDA website
- AEDA Business Summit - 22 May
- Destination Adelaide new campaign running through May and June
- Gathered Round - 3 to 7 April
- LIV Golf – 26 to 28 April
- Urban Kitchen in Rundle Mall (associated event of Tasting Australia) - 3rd to 12th May
- Winter Activations in Rundle Mall – June
- Welcoming Defence Housing Association (100 Staff) at new building at 185 Pirie St
- Population Growth and Housing Event. A partnering event with Committee for Adelaide - 12 April
- 2024 Commercial Events and Festivals Sponsorship Program funding recommendations considered for approval

Kadaltilla

Adelaide Park Lands Authority









Quarterly Update
January to March 2024

Kadaltilla
Adelaide Park Lands Authority

Key Highlights
January to March 2024

- Delivered the draft Kadaltilla Annual Business Plan and Budget 2024/2025

- Continued the review of Adelaide Park Lands Management Strategy 2015-2025 (APLMS), including a workshop and report with Committee

- Appointment of Kadaltilla / Adelaide Park Lands Authority Board Member with skills in tourism and event management



Kadaltilla/Adelaide Park Lands Authority

Business Plan & Budget 2024–2025

DRAFT

Kadaltilla
Adelaide Park Lands Authority

Core Responsibilities

PURPOSE FOR WHICH THE AUTHORITY IS ESTABLISHED

The Council and the State Government of South Australia are committed to protecting and enhancing the Adelaide Park Lands for the benefit of all South Australians.

The Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) is the principal advisor to both the Council and the State Government on the protection, management, enhancement and promotion of the Adelaide Park Lands.

The Council, on behalf of the communities of the City of Adelaide and the State, is committed to ensuring that Kadaltilla delivers maximum benefit for the future of Adelaide's Park Lands as the City of Adelaide's defining feature.

In this context, Kadaltilla is established by Statute to undertake in accordance with the powers conferred by the APLA Charter, the Functions of Kadaltilla as set out in section 9 of the *Adelaide Park Lands Act 2005*.



Strategic Pillars



PURPOSE

- To be the trusted voice on the Adelaide Park Lands which actively conserves, promotes, and enhances the environmental, economic, cultural, recreational, and social importance value of the Adelaide Park Lands

Strategic Plan 2023-2028
Key Actions January to March 2024

Cultural Value

1.1 Seek Kaurna cultural authority in everything we do

✓ Amending Kadaltilla membership as per KYAC's request

1.4 Champion the development of World Heritage listing nomination

✓ Reviewed World Heritage listing submission progress

Environmental Performance

2.1 Define, protect, and enhance landscape values and design qualities

✓ Reviewed the Park Lands Community Buildings Policy

2.5 Increase the accessibility of evidence-based information

✓ Delivered the draft APLMS to key stakeholders

✓ Delivered the Adelaide Park Lands Management Strategy (APLMS) Phase 3 Engagement Plan

Management and Protection

3.1 Monitor delivery of priority projects in the Adelaide Park Lands Management Strategy

✓ Comprehensive review is ongoing



Strategic Plan 2023-2028
Key Actions January to March 2024

Expert Advice

4.1 Provide advice on plans, projects, and policies for the Adelaide Park Lands

✓ Advice of Kadaltilla is endorsed and adopted

4.2 Engage with City of Adelaide and State Government including input into State Government initiatives

✓ Received a State Government presentation

4.3 Review leasing and licensing and event management policies together with other relevant Park Lands use policies

✓ Reviewed one Park Lands Lease Agreement

4.4 Strengthen Kadaltilla's engagement with City of Adelaide, State Government, and adjoining Councils

✓ The City of Adelaide, State Government, and adjoining Councils actively engaged with Kadaltilla

4.5 Increase the profile of the Kadaltilla Board

✓ Delivered the Kadaltilla Business Plan and Budget 24/25



Kadaltilla Advice to Council
January to March 2024

- Approved the draft 2024/2025 Kadaltilla / Adelaide Park Lands Authority Business Plan and Budget
- Endorsement for Council to enter into Park Lands Lease Agreements for the sports buildings, playing fields and courts located in Parks 6, 15, 17, 20, 22 and 26
- Endorsement of the draft Adelaide Park Lands Management Strategy – Towards 2036 for the purposes of consultation with key stakeholders
- Approved the final concept plans for the Rymill Park Kiosk and Endorsed the 21-Year Commercial Park Lands Lease Agreement
- Received the findings of the community consultation undertaken on the Draft Park Lands Community Buildings (Sport and Recreation) Policy



Kadaltilla Advice to Council
January to March 2024

- Endorsement of the Carriageway Park / Tuthangga (Park 17) Earthen Levee Stormwater Management proposal, subject to design input by landscape architects to address visual and landscape impacts and the batter of the earthen levee

- Recommended a review of the safety, accessibility and transport functions of the roads that pass through and around Light Square be undertaken and a set of mobility principles be developed in co-ordination with the planning and design principles to collectively inform the Wauwi / Light Square Master Plan. The principles should consider opportunities to improve pedestrian and cyclist safety and accessibility through the rationalisation of the road network and an increase in usable public open space (return to Park Lands).

- Noted the changes being incorporated into the draft Victoria Park / Pakapakanthi Master Plan (Master Plan)



2023-2024 Business Plan & Budget
January to March 2024

Performance Measures Addressed:

- ✓ Support for the development of a World Heritage listing nomination
- ✓ Kaurna culture is made intrinsic to everything we do
- ✓ A review of the Adelaide Park Lands Management Strategy is conducted which will include prioritisation of projects
- ✓ Kadaltilla is insured according to the requirements of the Local Government Mutual Liability Scheme
- ✓ Provided advice on plans, projects and policies for the Adelaide Park Lands
- ✓ A high level of knowledge and understanding of the Park Lands is developed amongst Members through regular site visits and briefings
- ✓ Utilisation of skills is maximised through effective meetings that foster dialogue and the development of shared thinking
- ✓ Annual Business Plan and Budget is in place for Kadaltilla



2023-2024 Business Plan & Budget
January to March 2024

Performance Measures Addressed:

- ✓ The Adelaide Park Lands Fund is operational and monies are received and expended according to the provisions of Kadaltilla's Charter
- ✓ Advice of Kadaltilla is endorsed and adopted
- ✓ Kadaltilla makes appropriate use of available finances provided by Council
- ✓ Provide advice in relation to tree canopy cover, biodiversity and environmental sustainability and improvements
- ✓ Review leasing and licensing and event management policies together with other relevant Park Lands use policies
- ✓ Increase the accessibility of information
- ✓ Seek early input into issues relating to the Park Lands to ensure Kadaltilla advice is timely and relevant
- ✓ Monitor developments subsequent to Kadaltilla's advice



Budget Position
January to March 2024

$	Annual Budget	YTD Actual	YTD Budget
Income	$253,360	$0	$0
Expenditure	$253,360	$137,806	$186,697

- For 2023/2024, Kadaltilla's budget of $253,360 includes:
  - Sitting Fees and Salary (Kadaltilla Advisor) of $199,880
  - Operations (e.g. Marketing; community forum) of $16,878
  - Insurance, Audit and Legal of $21,602
  - Grants (Adelaide Park Lands Art Prize Sponsorship) of $15,000
    - Note: the Adelaide Park Lands Art Prize is biennial and in the 23/34 FY the budget has been redirected to the APLMS consultation



Upcoming Quarter

Key Actions:

- Preparation of Kadaltilla's draft 2023/2024 Annual Report
- Preparation of Kadaltilla's draft 2023/2024 Strategic Plan Annual Review of Progress
- Finalise the updated Adelaide Park Lands Management Strategy (APLMS)
- Appointment of Kadaltilla / Adelaide Park Lands Authority Board Member with skills in indigenous culture or reconciliation
- Development of a Kadaltilla social media profile
- Park Lands Site Tour with Board Members



Upcoming Quarter

Forward Report Schedule:

- PRESENTATION - Bio Survey Update
- REPORT - South Australian Motor Sport Board Event Consultation - Adelaide 500 2024
- REPORT - X5500 - Glen Osmond Road, Hutt Road and Park 17 Improvements
- REPORT - Exemption from EOI Process – BBQ Buoys
- REPORT - Draft Adelaide Park Lands Management Strategy (APLMS)
- REPORT - City Plan – Adelaide 2036 – Final Draft Endorse
- REPORT - Bonython Park/ Tulya Wardli (Park 27) Informal Carpark
- REPORT - Public Consultation Approval: Adelaide Park Lands Management Strategy (APLMS)
- REPORT - Update on the World Heritage Listing for the Adelaide Park Lands and Rural Settlement Landscapes
- REPORT - North Adelaide Railway Station
- REPORT - Approval Revised: Adelaide Park Lands Management Strategy (APLMS)
- REPORT - Update on the World Heritage Listing for the Adelaide Park Lands and Rural Settlement Landscapes



Thank You.



Kadaltilla
Adelaide Park Lands Authority

Brown Hill Keswick Creek STORMWATER PROJECT

Project Update March 2024

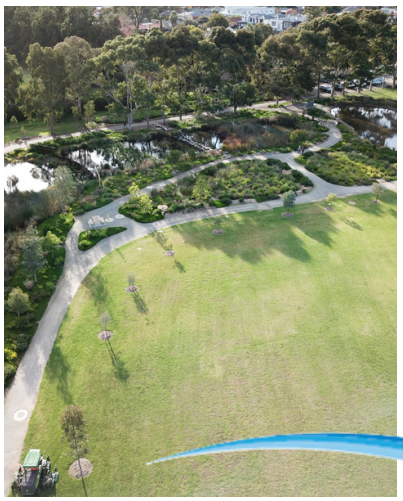


Welcome to our new look newsletter

This project update provides our owner Councils and interested parties information on the current financial performance of the Brown Hill and Keswick Creeks Stormwater Board, an overview of capital works projects, and recent activities of interest.

Prepared by Peta Mantzarapis, Project Director





In This Edition

- Financial Summary
- Project Delivery and Funding Applications
- Lower Brown Hill Creek, Packages 1-3
- Upper Brown Hill Creek, Area 3 Millswood
- Maintenance and Operating Report

Further Information:

1800 934 325

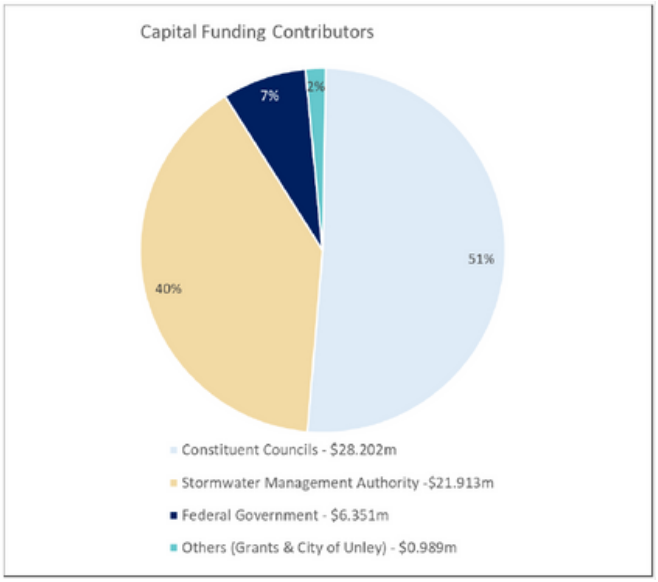
info@bhkcstormwater.com.au

FINANCIAL SUMMARY

Financial Summary as at 29 February 2024

Capital funding is provided by five Constituent Councils – the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens - and the Stormwater Management Authority. In addition, $21m in Commonwealth Government funding has been committed to the project, including:

- $10m under the Preparing Australian Communities Program toward delivery of Lower Brown Hill Creek Upgrades
- $6.1m under round 1 of the Disaster Ready Fund toward delivery of capacity upgrades in Upper Brown Hill Creek, Forestville and Hawthorn
- $4.9m under round 1 of the Urban Rivers and Catchments Program toward delivery of creek upgrades to Forestville Reserve, Orphanage Park and Betty Long Gardens.



FY24 YTD Operating Summary

	Actual YTD	Budget YTD	Variance $
Income	$1,027,538	$890,860	$136,678
Expenses	($681,539)	($578,892)	($102,647)
Net Surplus	**$345,999**	**$311,968**	**$34,031**
Depreciation	($112,348)	($112,352)	$4

The only notable variance between budgeted and actual operating expenses relates to asset maintenance. Maintenance works are reported separately herein.



Grant funding applications have been submitted in recent weeks, including:

- $1.66m under round 2 of the Disaster Ready Fund toward delivery of capacity upgrades in Upper Brown Hill Creek, Millswood along with design services and flood modelling
- $3.6m under round 2 of the Urban Rivers and Catchments Program toward delivery of capacity upgrades in Upper Brown Hill Creek, Hawthorn





In November 2023, the Department for Infrastructure and Transport committed to progressing Stage 3 – Flow Diversions through to detailed design. Delivery of the Flow Diversions will provide significant flood protection benefits to critical assets including Adelaide Airport, Keswick Army Barracks, Ashford Hospital, ARTC rail network and the North South Corridor Project. Board representatives continue to engage with DIT to provide assistance where required and advocate for delivery of the works.

PROJECT DELIVERY

The Stormwater Management Plan outlines a whole of catchment flood mitigation strategy that comprises 4 stages:

Stage 1 – Flood detention (Complete)
Detention storages in the upper catchment that will reduce the downstream flow rates.

Stage 2 – Lower Brown Hill Creek **(In Progress)**
Upgrading the flow capacity of Lower Brown Hill Creek so that it can receive the diverted flows from Keswick Creek.

Stage 3 – Flow Diversions **(On Hold and Unfunded)**
Diversion of flows from Keswick Creek to Brown Hill Creek before they can 'break-out' of the channel.

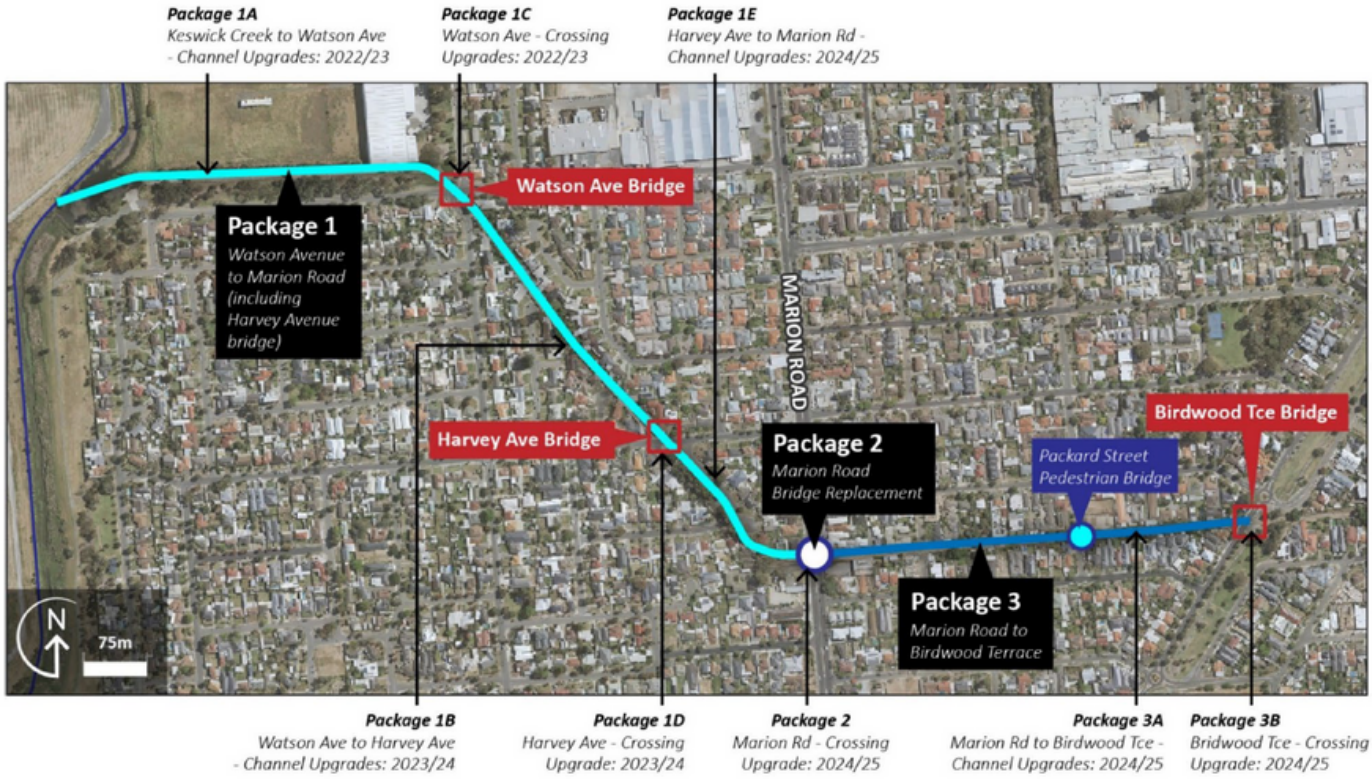
Stage 4 – Upper Brown Hill Creek **(In Progress)**
Upgrading the flow capacity of Upper Brown Hill Creek and Glen Osmond Creek to prevent 'break-outs' and flooding of private property.

While the Board continues to prioritise the pursuit for additional project funding, the current delivery schedule focusses on completion of Lower Brown Hill Creek upgrades and targeted priority areas within Upper Brown Hill Creek.

The significant flow event in November 2023 provided a recent reminder of the impact of flooding in the catchment with extensive damage in some locations. This event also highlighted the previously flood affected properties that are now protected following recent creek upgrades in their location.

LOWER BROWN HILL CREEK PACKAGES 1 -3

Packages 1 to 3 of the Lower Brown Hill Creek Upgrade involves doubling the flow capacity of a 1.7-kilometre-long section of channel between the south-eastern corner of Adelaide Airport and Birdwood Terrace. The channel is primarily situated within a 12-metre-wide drainage corridor owned by City of West Torrens.



Key Messages

A major flow event occurred in the catchment on 28 November 2023 resulting in relatively short-term impacts to construction progress for Packages 1A and 1C.

Package 1A

The new outfall to Keswick Creek has just commenced (having been scheduled to follow Green Adelaide's clean-out of the sediment basin).

Package 1B

Construction commenced for Package 1B in January 2024. Rapid progress has been made since, aided by both the period of dry weather and the occupation (under Licence Agreement) of vacant privately owned land next to the channel. An accelerated delivery program is now being pursued for this package.

Package 1D

Construction commenced for Package 1D in January 2024. Harvey Avenue was closed on 12 February 2024. The precast culverts for this package are being stored at a nearby Council facility ready for deployment.

Package 1C - Has reached Practical Completion.

LOWER BROWN HILL CREEK PACKAGES 1 -3 CONTINUED

Recent Works and Focus Areas

November 2023 to February 2024 activities included:

- Substantial completion of construction for Package 1A and completion of construction for Package 1C.
- Completion of gas and telecommunication relocations at Harvey Avenue (Package 1D).
- Commencement of construction for Package 1B and Package 1D.
- One-on-one engagement with property owners that are directly affected by Packages 2, 3A and 3B for construction in 2024/25.
- Detailed design of remaining work packages, including the relocation of the SA Water trunk main in Marion Road.



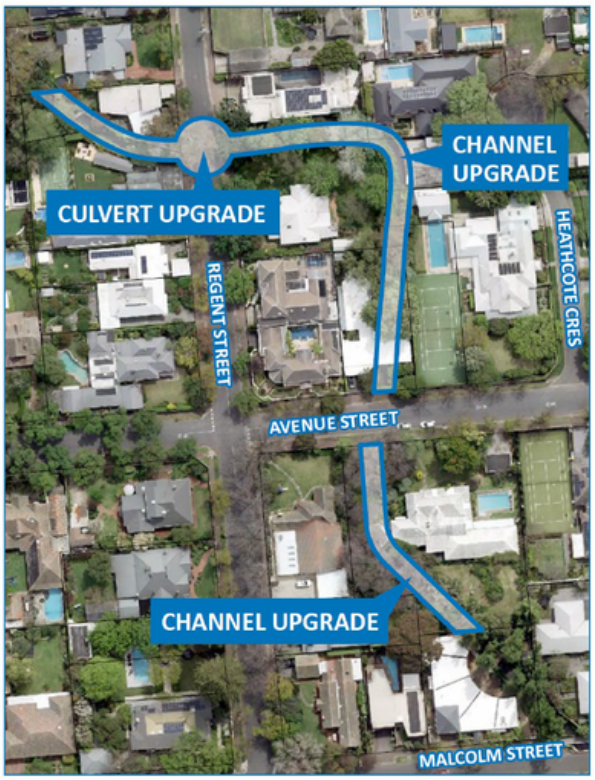


March and April activities will include:

- Completion of construction for Package 1A.
- Continuation of channel works for Package 1B.
- Culvert installation for Package 1D.
- Progress detailed design and approvals with DIT and SA Water for Package 2.
- Prepare tender documents for Packages 3A and 3B.
- One-on-one engagement with property owners that are directly affected by Packages 2, 3A and 3B for construction in 2024/25.

UPPER BROWN HILL CREEK AREA 3, MILLSWOOD

The capacity of the section of Brown Hill Creek from just downstream of Regent Street to just upstream of Avenue Street Millswood is being upgraded, including upgrade of the Regent Street culvert. The creek passes through several privately owned properties and the project team have been engaging closely with owners over the course of the design development and during construction.



Key Messages

- Substantial progress has been made on-site since works resumed in January 2024 and the channel upgrades are nearing completion, including the stone veneer amenity finish.
- The focus is now on completing the pavement and kerb reinstatement in Regent Street and the installation of fences and safety barriers.
- Camco expect to demobilise from the Licence Area at Regent Street by the end of March 2024,
- Camco will retain a small presence on the Licence Area at Avenue Street while the remaining landscape reinstatement works are completed (mostly plantings scheduled for April and May 2024).

A major flow event occurred in the catchment on 28 November 2023, followed by a high wind event on 11 December 2023 resulting in significant impacts to construction progress in the lead-up to the Christmas shut-down.





UPPER BROWN HILL CREEK AREA 3, MILLSWOOD CONTINUED

Recent Works and Focus Areas

November 2023 to February 2024 activities included:

- Completed culvert installation at Regent Street.
- Substantially completed the remaining block walls for Avenue Street to Regent Street – Channel Upgrades and the stone veneer installation for properties that have opted for high amenity finishes.
- Commenced replenishment of cobbles to the creek base and landscape reinstatement works for overbank areas.
- Continued liaison with the affected property owners regarding construction scheduling, site matters and landscape reinstatement.





March and April activities will include:

- Reinstate road pavement and kerbs and re-open Regent Street to through traffic.
- Reinstate boundary fences that were removed to facilitate construction access and install new safety fences and barriers alongside the channel.
- Continue landscape reinstatement on private property including irrigation and plantings.
- Clean up and demobilise from the Regent Street Licence Area.
- Continue liaison with the affected property owners regarding construction scheduling, site matters and landscape reinstatement.

MAINTENANCE AND OPERATING REPORT FOR COMPLETED WORKS

Summary of Completed Works		as at 29 February 2024
Stage	**Sub-project**	**Responsibility for Maintenance[1]**
Flood Detention	Ridge Park Flood Control Dam	City of Unley
	Glenside Flood Detention Basin	BHKCSB – stormwater infrastructure delivered under the plan. City of Burnside – all non-stormwater assets located on site.
	South Park Lands Pakapakanthi Wetland & Creek Works	BHKCSB – stormwater infrastructure delivered under the plan. City of Adelaide – all existing infrastructure and non-stormwater assets located on site.
LBHC	LBHC – Daly Street Bridge	BHKCSB – stormwater infrastructure delivered under the plan. City of West Torrens – road components of the project.
UBHC	UBHC Area 1 Everard Park	BHKCSB – stormwater infrastructure delivered under the plan (culvert). City of Unley – ground level improvements associated with the shared use path.
	UBHC Diversion – DPTI Culvert	DPTI
	UBHC Hawthorn Reserve	BHKCSB – stormwater infrastructure delivered under the plan. City of Mitcham – all existing infrastructure and non-stormwater assets located on site

[1] *Responsibility for clearing blockages within the creek is always the responsibility of the property owner.*



1 Ridge Park Dam



2 Glenside Detention Basin-Channel



3 Pakapakanthi Wetland



4 LBHC Daly Street Bridge



5 UBHC Everard Park



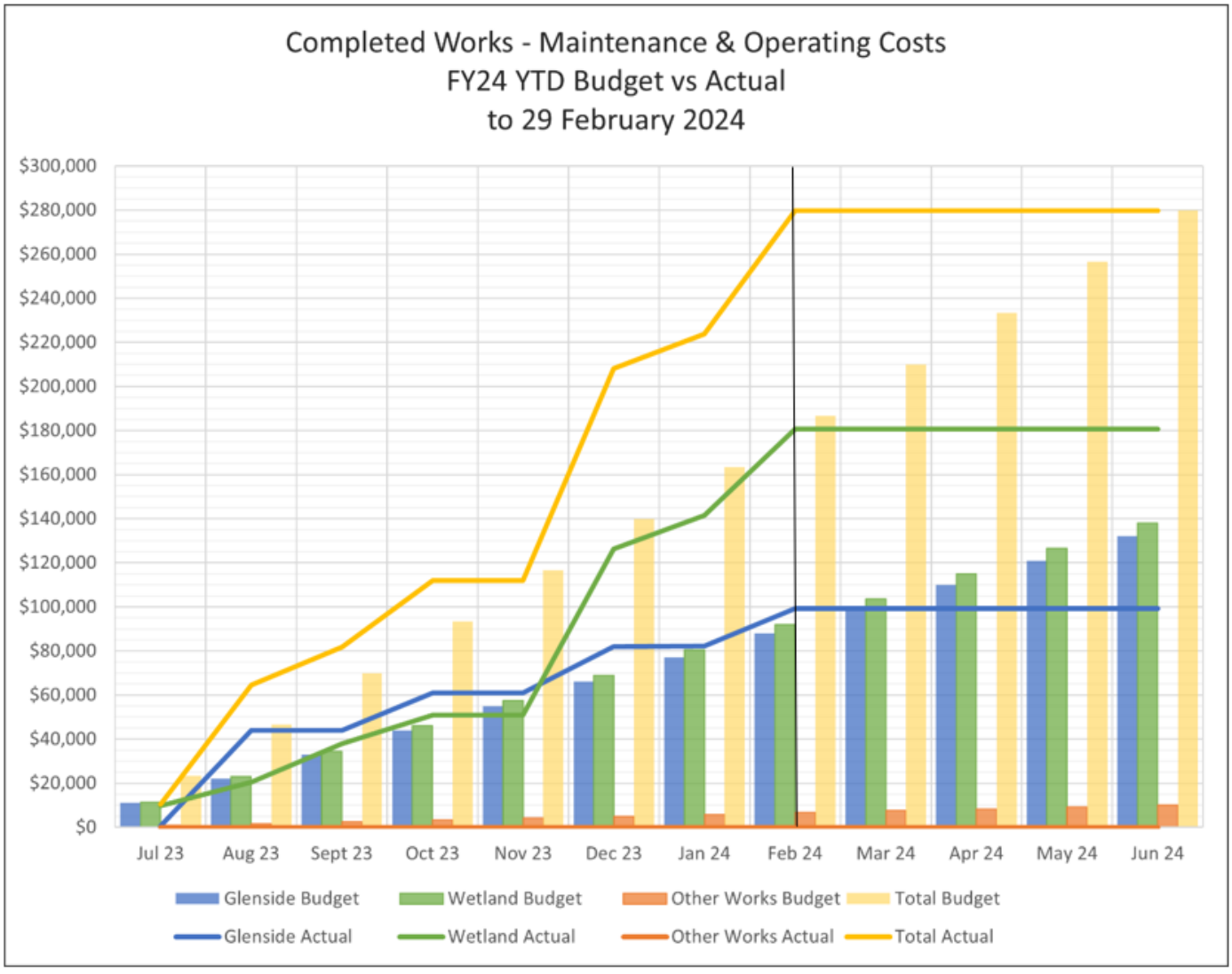
6 UBHC Hawthorn Reserve

MAINTENANCE AND OPERATING REPORT FOR COMPLETED WORKS CONTINUED

YTD Annual Maintenance Budget vs Actual

	Actual to 29 February 2024	Budget to 29 February 2024	Variance $
Glenside Detention Basin[1]	$99,150	$88,000	$11,150
Pakapakanthi Wetland[2]	$180,643	$92,000	$88,643
Other Works	$0	$6,667	($6,667)
Total	**$279,793**	**$186,667**	**$93,126**

[1] Glenside actuals include once a year clean behind screens which was undertaken in August 2023.
[2] Wetland actuals include targeted algae and weed (Eragrostis and Kikuyu) removal in October-November. This requirement is likely to reduce as the wetland establishes. The defects period expires in May 2024 and discussions are underway regarding FY25 maintenance costs with the proposal to include a set monthly fee. This will provide increased certainty regarding expected costs and will remove the need for multiple layers of administrative oversight. The wetland maintenance expense overrun is being funded using surplus operating funds held by the Board.



Draft 2024/25 Business Plan & Budget

Wednesday, 15 May 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Nicole Van Berkel, A/Manager Finance & Procurement

Public

Approving Officer:
Anthony Spartalis, Acting Chief Operating Officer

EXECUTIVE SUMMARY

The Draft 2024/25 Business Plan and Budget (BP&B) is currently out for public consultation in accordance with Section 123 of the *Local Government Act 1999 (SA)*. Community engagement is being undertaken for the required three week period, seeking input on the proposed priorities and projects to ensure our community understands the proposed expenditure and services to be delivered in 2024/25.

This feedback will then be used to inform the final BP&B, due to Council for consideration and adoption in June. **The BP&B outlines the priorities, programs, services and projects that we plan to deliver, our sources of revenue, financial levers, long term sustainability targets and how we propose to allocate our budget.** It is the second BP&B for this term of Council and the first to deliver on the new City of Adelaide Strategic Plan 2024-2028 and our new vision for the future, “Our Adelaide. Bold. Aspirational. Innovative.”

Highlights of the Draft BP&B include:

- Investing more than $110m into our Capital Works Program including over $56m for asset renewal for the $2 billion plus Council-owned assets (including roads, footpaths, parks, buildings).
- Committing 1.5% of our rate income to upgrading Park Lands Buildings ensuring sporting clubs and our community have the facilities they need now and for future generations.
- Implementing the Mainstreet Revitalisation Program, starting upgrades in Hindley Street and designing upgrades with community input for Gouger, O’Connell and Hutt Streets.
- Investing $2.5m to drive affordable, safe and quality housing outcomes including partnerships to support homelessness and initiatives to attract and retain residents.
- Stimulating growth in the city’s economy through major investments such as 88 O’Connell, Market Square and the Council-led development at 218-232 Flinders Street.
- Focusing on core community services including investing $22.889m on Park Lands and open space maintenance, $8.325m on road renewals, $5.377m into libraries and $5.832m on waste management.
- Leading Adelaide into a Climate Resilient future with $3.531m spent on implementing initiatives from our Integrated Climate Strategy.
- Funding through the Annual Business Plan principles of responsible financial sustainability reflecting a general rates revenue increase of 5.9%.

To drive the delivery of our new Strategic Plan, Council will continue to focus on repairing our budget after historical financial pressures associated with growth in rate revenue from new properties only and the COVID-19 pandemic impacted our ability to renew assets, upgrade infrastructure and provide core community services. For 2024/25 Council is proposing to do this through:

- A focus on delivery of the first year of the new Strategic Plan with key projects and infrastructure upgrades.
- Understanding what our community expects and delivering core council services.
- Delivery of a financially sustainable budget with an equitable approach to income generation, in line with our Long Term Financial Plan (LTFP).

- Delivery of an operating position to meet the ongoing cost requirements of our Asset Management Plans, working towards a target of 100% Asset Renewal Funding Ratio.
- An increase to rate revenue comparable to the sector, while re-introducing a rate rebate to support pensioners in our community.
- Prioritising our operational budget, grants and sponsorships and seeking co-funding where there are opportunities to partner with other levels of Government.

The Draft budget delivers a surplus budget position of $9.367m, made possible through reviewing ongoing operating activities to identify $4.558m in savings and opportunities. Total borrowings are projected to be $72.190m at the end of the financial year, however Council's financially sustainable decisions provide a structured pathway to repaying the debt required to deliver the new and upgraded capital program.

At its meeting of 23 April 2024, Council made adjustments to budget and projects for inclusion in the Draft 2024/25 Business Plan and Budget, which differed from what was presented to Audit and Risk Committee (ARC) on 12 April 2024. Items that Council resolved at this meeting which changed the budget and projects include:

- Approves the reinstatement of the Pensioner Rate Rebate of $100 per household for eligible concession card holders, accessed by application only, to be incorporated into Council's Rate Rebate Policy.
- Notes an allocation of 1.5% of rates revenue to upgrade Park Lands Buildings. This amount of $2.027m for 2024/25 is to be funded through a minor increase in rates revenue of $0.164m and operating savings of $1.863m to be identified during the consultation period. Council requests the Administration to fund the design of the initiatives identified for Park 27B and Park 21W pending the presentation to Council of a strategy by which Council is able to:
    - prioritise the funding for the upgrade of buildings to deliver fit for purpose toilet, shower and change facilities, with an emphasis on supporting inclusive community-based lease holders offering sport and recreation.
    - devise an equitable means of providing support for the same facilities for community based lease holders contributing their own funding to upgrade Park Lands buildings.
- Requests the Administration, by the 18 June 2024 meeting of the City Finance and Governance Committee (CFG), to recommend to Council adjustments to the 2024/25 Business Plan and Budget to lower the proposed increase in rates to 5.9% or less through a re-assessment of External Grant, Sponsorship and Strategic Partnerships programs.

As a result of the above decisions, a savings target of $3.159m is included in the draft budget for consultation, to be identified during the consultation period. Council has directed Administration to look into the various grant programs provided to the Community, among other savings opportunities. The final budget for adoption will provide details of these savings. Administration will provide an update to the City Finance and Governance Committee (CFG) on 21 May 2024 outlining the savings identified.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Draft 2024/25 Business Plan & Budget document set out in Attachments A, B, C and D to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.
2. Notes the Draft 2024/25 Business Plan & Budget document is currently out for consultation, which concludes on midnight Sunday 19 May 2024.
3. Receives the Draft 2024/25 Business Plan & Budget document set out in Attachments A, B, C and D to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024 and provides the following advice:

    3.1. _____

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Focus on budget repair and ensure responsible financial management through the principle of intergenerational equity while delivering quality services.
Policy	The Draft 2024/25 BP&B has been prepared in accordance with Council's current Long Term Financial Plan (LTFP) assumptions and endorsed Financial Policies and Principles. The approved public consultation will be undertaken in accordance with Council's Public Communication and Consultation Policy.
Consultation	A public consultation process on the Draft 2024/25 BP&B commenced at 9.00am on Friday 26 April 2024 and will conclude midnight Sunday 19 May 2024.
Resource	The Draft 2024/25 BP&B identifies how Council's resources will be allocated in meeting the 2024/25 deliverables and objectives of the Strategic Plan and other related plans and strategies.
Risk / Legal / Legislative	Council's Draft 2024/25 BP&B is developed in accordance with section 123 of the *Local Government Act 1999 (SA)* (the Act), and sections 6 and 7 of the *Local Government (Financial Management) Regulations 2011* (the Regulations).
Opportunities	Public consultation is a key part of the BP&B process providing the community with an opportunity to provide feedback on the draft. Community members can provide feedback on issues that affect them with the commitment of Council to provide pathways for their input.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	The Draft 2024/25 BP&B provides the proposed budget for 2024/25 financial year.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Context

1. As the Capital City Council for all South Australians, we play a key role in ensuring that Adelaide continues to be a cultural, civic and economic hub where our residents, students, visitors, workers and businesses can thrive. To shape this future requires bold thinking, long-term planning and a vision and in December 2023, Council adopted the City of Adelaide Strategic Plan 2024-2028 with a long-term vision of: "Our Adelaide. Bold. Aspirational. Innovative."
2. The Draft 2024/25 Business Plan & Budget (BP&B) (**Attachment A**) has been developed to ensure that Council can deliver on this vision and the key actions outlined in the Strategic Plan 2024-2028.
3. Council's suite of Strategic Management Plans – the LTFP adopted, draft Asset Management Plans and draft City Plan, as well as recent Council decisions, newly developed Strategies and recent community engagements, have also been taken into consideration in developing this plan and budget.
4. This is the second BP&B for this term of Council and continues the work done in 2023/24 to reinvest in City streets through such initiatives as Mainstreet revitalisation, greening and tree planting, and footpath and street maintenance.
5. Council Members participated in a series of briefings and workshops to further develop the projects, priorities and budget for 2024/25.
6. In accordance with section 123(3)(b) of the *Local Government Act 1999 (SA)* (the Act), Council will follow the relevant steps in our public consultation policy to facilitate community feedback on the Draft 2024/25 BP&B.
7. The consultation process will seek feedback from the community including our residents, ratepayers, businesses and other key stakeholders.
8. Consultation opened 9.00am Friday 26 April 2024 and will close midnight Sunday 19 May 2024.
9. Notification of public consultation is provided through channels including but not limited to a public notice in the Government Gazette and Advertiser newspaper, advertisements through Social Media and in our Libraries, Community Centres and Customer Centre, and direct emails to key stakeholders and residents.
10. Feedback will be received through Council's Your Say Adelaide online engagement platform, email, post and facilitated by a range of in person (face-to-face) opportunities.
11. Whilst ideally the Audit and Risk Committee feedback would occur prior to Council adopting the Draft BP&B, due to the timing and cycles of meetings, the feedback from the Audit and Risk Committee will be incorporated into the report to Council in June 2024 presenting the draft document at the end of the consultation period.

Priorities for 2024/25

12. The Act requires council to articulate priorities for the financial year within an Annual Business Plan and Budget. The Draft 2024/25 BP&B proposes the following priorities for 2024/25:
    - 12.1 Implementing the Housing Strategy, by actively seeking partnership opportunities with private, public and community developers to increase supply of affordable housing.
    - 12.2 Establish a new Stretch Reconciliation Action Plan, a Disability, Access and Inclusion Plan and a Cultural Policy.
    - 12.3 Deliver the Sustainability Incentive Scheme, which supports our partners and community to implement changes to enable a reduction in community carbon emissions.
    - 12.4 Partnering with the State Government to undertake a Master Plan for Helen Mayo Park, to improve community access.
    - 12.5 Delivery of an investment attraction program as per the AEDA Business Plan.
    - 12.6 Deliver the Adaptive Reuse City Housing Initiative, which will identify building stock suitable for adaptive reuse.
    - 12.7 Commence construction of the Hindley Street Revitalisation project and progress designs for Gouger Street, O'Connell Street and Hutt Street Revitalisation projects.
    - 12.8 Deliver the 2024/25 BP&B within Council adopted parameters and within the parameters of the LTFP, and associated asset management plans.

Financial principles

13. Throughout this process, it was clear that a need to undertake budget repair is required – supporting Council's drive to re-invest appropriately in public realm infrastructure, asset renewals and core community services.

14. As a result this Draft 2024/25 BP&B was built on an agreed set of financial principles to ensure that the projects, services and budget repair are accomplished in a financially sustainable, fair and equitable manner and includes:

    14.1 Our approach to rates, fees and charges is fair and equitable.

    14.2 Transparency in decision making.

    14.3 Continue to deliver a minimum of the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI).

    14.4 Fees and charges reflect cost of services provided.

    14.5 Maintain the current rating system.

    14.6 Maintain an operating surplus.

    14.7 Capitalise on external funding, fast-tracking projects that attract such funding, recognising the potential need for increased borrowings in order to respond to external funding opportunities.

    14.8 Consider new and different revenue streams and the approach to commercial businesses to reduce reliance on existing revenue sources.

    14.9 Adjust rate revenue after consideration of all other budget components and use growth in rate revenue to partly fund servicing new rateable properties and to service new borrowings.

    14.10 Capital renewal expenditure will be based on asset management plans.

    14.11 New or enhanced services, assets or maintenance requiring an increase in operating costs are to be funded from the adjustment of priorities, rate revenue or other revenue increases and/or through savings.

    14.12 Consider the disposal, purchase and/or repurposing of property assets to unlock the potential and future prosperity of the City, without incurring a financial loss Proposed Budget Position.

15. Consistent with these principles of responsible financial management, the Draft 2024/25 BP&B delivers an operating surplus position of $9.367m from our core operating budget, enabling the generation of sufficient cash flow from operations to fund our Asset Renewal Program at 92.5% of our Asset Management Plans, as well as 1.5% rates revenue allocated to upgrade Park Lands Buildings, ensuring that sporting clubs and our community have the facilities they need now and for future generations.

16. A proposed capital program of $112.831m is outlined within the plan, inclusive of a $56.022m asset renewal program, and $56.809m on New and Upgraded Assets which will deliver on the priorities set by Council.

17. In order to fund the New and Upgraded assets, additional borrowings of $30.084m is required. The total projected borrowings to 30 June 2025 is $72.190m.

Operational Budget 2024/25.

18. The operating surplus of $9.367m is a $7.364m improvement from quarter 2 2023/24. This is representative of the need to generate adequate cash flow from operations to fund the Asset Renewal Program, as well as the upgrade of Park Lands Buildings.

19. The Draft 2024/25 BP&B included in **Attachment A** includes a savings target of $3.159m. The savings will be identified during the consultation period. Council at its meeting on 23 April 2024 directed Administration to look into the various grant programs provided to the Community, among other savings opportunities. The final budget for adoption will provide details of these savings. Administration will provide a report to City Finance and Governance Committee (CFG) on 21 May 2024 outlining the savings identified.

Statement of Comprehensive Income ($'000s)	2023/24 Q2 Budget	2024/25 Budget
Income		
Rates Revenues	135,131	144,908
Statutory Charges	14,613	16,893
User Charges	70,365	67,399
Grants, Subsidies and Contributions	8,891	4,842
Investment Income	734	166
Reimbursements	338	150
Other Income	465	866
Total Income	**230,537**	**235,225**
Expenses		
Employee Costs	82,443	86,237
Materials, Contracts and Other Expenses	88,731	81,955
Depreciation, Amortisation and Impairment	56,473	56,857
Finance Costs	887	808
Total Expenses	**228,534**	**225,858**
Operating Surplus / (Deficit)	**2,003**	**9,367**

20. Borrowings are projected to cap at $72.190m for 2024/25 as a result of the capital program delivery. This remains within prudential limits articulated through the suite of ratios Council uses to attest prudential borrowings being:

    20.1 Net Financial Liabilities below 80% (2024/25 budget 26%).

    20.2 Asset Test ratio below 50% (2024/25 budget 22%).

    20.3 Interest Expense ratio below 10% (2024/25 budget 1.9%).

    20.4 Leverage Test ratio below 1.5 years (2024/25 budget 0.5 years).

Rates Revenue

21. Income from rates is forecast to increase by $9.777m which equates to a 5.9% increase plus 1% in addition to growth from new developments. This rate revenue will be generated through the revaluation of properties, combined with amendment to the Rate in the Dollar. External valuations are currently well underway and are expected to be received ahead of the adoption of the final budget in June.

Short Stay Accommodation update

22. Legal advice obtained in relation to addressing short-stay accommodation identified that changing the land use from residential to commercial-other is the most appropriate option, whereby a higher rate in the dollar would be applied.

23. Administration is liaising with a third party organisation to obtain data on short-stay properties and their current availability i.e. number of nights advertised as short-stay.

24. Anticipated additional income associated with a higher rate in the dollar has been factored into the opportunities identified and a net increase in revenue of $0.172m has been incorporated into the Draft 2024/25 BP&B.

25. Should Council support the change of land use from residential to Commercial-other, the Rating Policy will be updated to reflect this.

Pension Rebate

26. At its meeting on 9 April 2024, Council resolved to reintroduce the Pensioner Rates Rebate at $100 per household for eligible concession card holders, accessed by application only, up to a total value of $50,000.

27. The most recent Bureau of Statistics data (2023) suggest there are 1,174 recipients of the Aged Pension within the City of Adelaide area, implying total rebates of $117,400 if all eligible applications are received.

28. Anticipated additional rates rebates of $0.050m have been incorporated into the Draft 2024/25 BP&B.

Fees and charges

29. Council has experienced a significant increase in costs in recent years and Council has reviewed its fees and charges consistent with increased costs to deliver services and meet inflation. As a base position, Council is increasing fees by 3.25% in 2024/25 to meet rising costs and inflation.

30. Total proposed fees and charges increases are expected to be around $323k.

31. Fees reviewed include:

    31.1 A change to the fee model to public realm e-Scooters, aiming to reduce e-Scooter clutter and increase revenue ($80k).

    31.2 An increase the City Works permit daily fee cap, initially introduced in 2021 ($156k).

    31.3 Reinstatement of fees for initial inspections for food premises, to cover costs of the service ($75k).

    31.4 Introduction of a fee for Local Nuisance Exemptions applications, to cover costs of the service ($8k).

    31.5 Introduction of a minimum fee City Works permit, to cover costs of the service ($3k).

    31.6 An increase in encroachment fee ($1k).

Capital Budget 2024/25

32. The Draft 2024/24 BP&B includes a capital budget of $112.831m, including:

    32.1 $56.022m for asset renewal for the $2 billion plus Council-owned assets (roads, footpaths, parks, buildings etc).

    32.2 $56.809m of New and Upgrade capital projects, including proposed Quarter 3 carry forwards of $5.509m.

    32.3 Grant funding confirmed to be received specifically for New and Upgrade capital projects is $7.026m.

$'000s	Proposed Draft Position
Capital Expenditure	
Capital Expenditure on Renewal & Replacement of Existing Assets	(56,022)
Capital Expenditure on New and Upgraded Assets	(56,809)
Total Capital Expenditure	**(112,831)**
Amounts received specifically for New and Upgraded Assets	7,026
Net Capital Expenditure	**(105,805)**

Key Financial Indicators 2024/25

33. A suite of financial sustainability indicators (KFIs) is used to measure Council's financial performance, to guide decision-making on major projects and significant components in the LTFP, and to secure its continued financial sustainability. The Financial Indicators for 2024/25 expressed in the table below are within target ranges, indicating the Council is financially sustainable for 2024/25.

	Target	2023/24 Q2 Budget	2024/25
OPERATING SURPLUS RATIO This ratio expresses the Operating Surplus as a percentage of Total Operating Revenue.	0%-20%	0.9%	4.0%
NET FINANCIAL LIABILITIES This ratio expresses the Financial Liabilities as a percentage of Operating Income.	Less than 80%	7.6%	26%
ASSET SUSTAINABILITY RATIO This ratio expresses the expenditure on Asset Renewals as a percentage of forecast required expenditure according to the Asset Management Plans.	90%-110%	97%	92.5%
ASSET TEST RATIO The ratio expresses Borrowings as a percentage of Saleable Property Assets.	Maximum 50%	14%	22%
INTEREST EXPENSE RATIO Interest expense as a percentage of General Rates Revenue (less Landscape Levy).	Maximum 10%	1.4%	1.9%
LEVERAGE TEST RATIO The ratio expresses total Borrowings relative to General Rates Revenue (less the Landscape Levy).	Maximum 1.5 years	0.3	0.5
CASH FLOW FROM OPERATIONS RATIO The ratio expresses Operating Income as a percentage of Operating Expenditure plus expenditure on Renewal/ Replacement of assets.	Greater than 100%	99%	103%
BORROWINGS The ratio expresses Borrowings as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Within Prudential Limits	28%	45%
BORROWINGS The ratio expresses Borrowings (Gross of Future Fund) as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Within Prudential Limits	48%	66%

Opportunities and Risks

34. The Draft 2024/25 BP&B presents an investment program to deliver for our city and community. Appropriate consideration has been given to a range of delivery risks. A non-exhaustive list of risks includes:

    34.1 Challenging procurement market.

    34.2 Challenging recruitment market.

    34.3 Materials and contractor availability.

    34.4 Capacity of existing resources to address an infrastructure focus.

35. It is also important to note the Draft 2024/25 BP&B does not list every item Council will focus on in the coming year. To ensure effective delivery and community value, Council will continue to focus on:

    35.1 Building strategic relationships and partnerships to improve access to funding opportunities that support community outcomes.

    35.2 Investing in community engagement to build trusting relationships.

    35.3 Continuous improvement and efficiencies in the planning and delivery of services, programs and assets and improve our procurement lifecycle.

35.4 Service reviews to identify service changes based on community need and meeting Council's strategic intent.

35.5 Pursuing revenue opportunities and grants which reduce the reliance on rates.

35.6 Attracting businesses, workers and visitors to the city through economic opportunities, arts, culture and events.

35.7 Encouraging investment and development through partnerships.

Subsidiaries

36. Council owns and operates three subsidiaries as a part of its operations. They are included in the Draft 2024/25 BP&B as follows:

36.1 Adelaide Central Market Authority (ACMA) has prepared a budget with an overall operating deficit of $0.738m which includes expenditure for preparedness activities associated with the market expansion. Further detail on the activities and detailed budget can be found in ACMA's Draft 2024/25 Business Plan and Budget (**Attachment B**).

36.2 Adelaide Economic Development Agency (AEDA) has prepared a budget to deliver a range of programs designed to stimulate the city's economic growth. The income generated from Rundle Mall will be utilised specifically to support and promote the Rundle Mall Precinct. The remaining services delivered by AEDA are funded through the City of Adelaide through an appropriation of funds. Further detail on the activities and detailed budget can be found in AEDA's Draft 2024/25 Business Plan and Budget (**Attachment C**).

36.3 At the meeting of the City Finance and Governance Committee on 19 March 2024, feedback was sought from Council Members on planned actions that the Adelaide Central Market Authority (ACMA) and Adelaide Economic Development Agency (AEDA) had included in their respective Draft 2024/25 Business Plans and Budgets. Following that meeting, there have been some minor refinements to the budgets, including the revision of CPI to 3.25%.

36.4 Kadaltilla / Adelaide Park Lands Authority has prepared a break-even budget, largely funded through an external grant. Further detail on the activities and detailed budget can be found in Kadaltilla's Draft 2024/25 Business Plan and Budget (**Attachment D**).

36.5 In addition to the owned and operated subsidiaries, contributions to the Brown Hill Keswick Creek Stormwater Board include minor operational $0.162m and capital $0.320m budgets.

Next Steps

37. Council will receive copies of the community feedback on the Draft 2024/25 BP&B at its meeting scheduled for 11 June 2024.

38. At a Council meeting proposed for 25 June 2024 (and presented to the City Finance and Governance Committee 18 June 2024), Council will be asked to adopt:

38.1 The City of Adelaide 2024/25 BP&B.

38.2 Adelaide Central Market Authority 2024/25 BP&B.

38.3 Adelaide Economic Development Agency 2024/25 BP&B.

38.4 Kadaltilla 2024/25 BP&B.

38.5 Rating Policy, Valuations, Declaration of Rates and Rundle Mall Special Rate.

38.6 Fees and Charges Schedule (including Statutory Fees as set by the State Government, subject to these being gazetted).

DATA AND SUPPORTING INFORMATION

Link 1 - Public Consultation Policy

ATTACHMENTS

Attachment A – Draft 2024/25 Business Plan & Budget

Attachment B – Draft 2024/25 ACMA Business Plan & Budget

Attachment C – Draft 2024/25 AEDA Business Plan & Budget

Attachment D – Draft 2024/25 Kadaltilla / Park Lands Authority Business Plan & Budget

- END OF REPORT -

Draft 2024/25
Business Plan & Budget
for Public Consultation



Our Adelaide.
Bold.
Aspirational.
Innovative.

CITY OF ADELAIDE

Our Adelaide.
Bold. Aspirational. Innovative.

The 2024/25 Business Plan and Budget (BP&B) is the key annual operational and financial planning document for the City of Adelaide. It describes the priorities, programs, services and projects that we plan to deliver, our sources of revenue, financial levers, long term sustainability and how we propose to allocate our budget.

It is the second BP&B for this Council and the first to deliver on the Strategic Plan 2024-2028 and our new vision for the future.

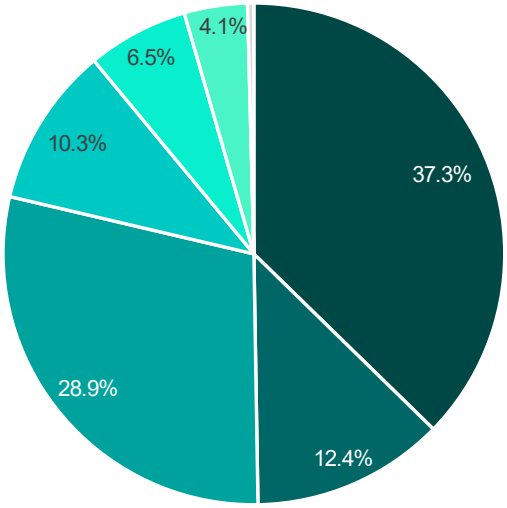
Our budgeted expenditure of $291.335 million across operating and capital budgets focuses on the prioritisation of community and civic services, activities that support the city's cultural and economic development, and projects that maintain and upgrade infrastructure within the city and Park Lands.

To drive the delivery of our new Strategic Plan, Council will continue to focus on repairing our budget after historical financial pressures associated with frozen rates and the COVID-19 pandemic impacted our ability to renew assets, upgrade infrastructure and provide core community services

For 2024/25 Council is proposing to do this through:

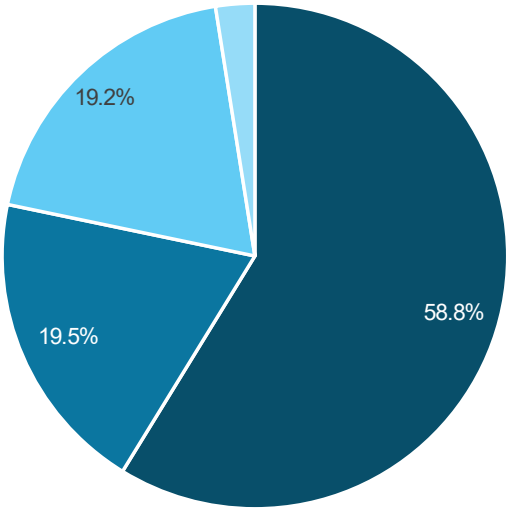
- A focus on delivery of the new Strategic Plan with key projects and infrastructure upgrades
- Understanding what our community expects and delivering core council services
- Delivery of a financially sustainable budget with an equitable approach to income generation, in line with our Long Term Financial Plan
- Delivery of an operating position to meet the ongoing cost requirements of our Asset Management Plans, working towards a target of 100% asset renewals
- An increase to rate revenue comparable to the sector, while re-introducing a rate rebate to support pensioners in our community
- Prioritising our operational budget, grants and sponsorships and where there are opportunities to partner with other levels of Government to seek co-funding.

Where our funds come from:



Rates - Non Residential	$108.681m (37.3%)
Rates - Residential	$36.277m (12.4%)
Fees and Charges (Statutory and User Charges)	$84.292m (28.9%)
Borrowings	$30.084m (10.3%)
Proceeds from the Sale of Assets	$19.000m (6.5%)
External Funding	$11.868m (4.1%)
Other	$1.183m (0.4%)
TOTAL:	**$291.335m**

How funds are spent:



Service Delivery	$171.222m (58.8%)
New and Upgraded Assets	$56.809m (19.5%)
Renewal/Replacement of Assets	$56.022m (19.2%)
Strategic Projects	$7.282m (2.5%)
TOTAL:	**$291.335m**

Investing more than $110m into our Capital Works Program

including over $56m for asset renewal for the $2 billion plus owned Council assets (including roads, footpaths, parks, buildings)

Committing 1.5% of our rate income to upgrading Park Lands Buildings

ensuring sporting clubs and our community have the facilities they need now and for future generations

Implementing the Mainstreet Revitalisation Program

starting upgrades in Hindley Street and designing with community input upgrades for Gouger, O'Connell and Hutt Streets

Investing $2.5m to drive affordable, safe and quality housing outcomes

including partnerships to support homelessness and initiatives to attract and retain residents

Stimulating growth in the city's economy

through major investments such as 88 O'Connell, Market Square and the Council-led development at 218-232 Flinders Street

Focusing on core community services

including investing $22.889m on Park Lands and open space maintenance, $8.325m on road renewals, $5.377m into libraries and $5.832m on waste management

Leading Adelaide into a Climate Resilient future

with $3.531m spent on implementing initiatives from our Integrated Climate Strategy

Funding through responsible principles of financial sustainability

reflecting a general rates revenue increase of 5.9%



Our City.

12,265
local businesses

15.6sqkm
total land area

157,498
local jobs

27,901
city residents

47%
aged 18 to 34

20%
aged 60 and over

$22billion
contribution to State Economy (18%)

$4.6billion
local spend (March '23 - February '24)

4,937
lone person households (41%)

2.4million
local and overseas tourists

50%
rentals (of all private households)

300,000+
people visit the city daily

Sources:
Australian Bureau of Statistics, Census of Population and Housing 2021. Compiled and presented by .id (informed decisions); National Institute of Economic and Industry Research (NIEIR) 2023. Compiled and presented in economy.id by .id (informed decisions); Spendmapp by Geografia; Tourism Research Australian, unpublished data; City of Adelaide data



The City of Adelaide is the heart of the state's civic, cultural and commercial life.

First shaped by the Kaurna People of the Adelaide Plains, then by Colonel William Light, Adelaide is known for being progressive, resilient, bold, trailblazing and enterprising.

From the Nationally Heritage Listed Park Lands that breathe life to our city, to our culturally diverse neighbourhoods and unique and easy to get around precincts, with year round events and activations, a vibrant outdoor dining scene and international recognition as a UNESCO City of Music, all these factors offer an unparalleled quality of life.

The City of Adelaide boasts a bustling business landscape, accommodating over 12,000 enterprises and fostering approximately 157,000 local jobs, contributing nearly 18% to the State's economic prosperity. Leading industries include financial and insurance services, professional and scientific sectors, health, education, and public administration and safety, reflecting the city's economic vitality and diversity.

The city accommodates approximately 26,000 residents and over 300,000 daily visitors. Adelaide's allure extends globally, attracting over two million tourists annually. The city's vibrant atmosphere is unmistakable, nurturing inclusivity and connectivity within its diverse population, which includes individuals of all ages, from the young to the young-at-heart. Adelaide's appeal extends far and wide, inviting everyone to be a part of its rich tapestry of experiences.

We aspire to strengthen what we know makes Adelaide one of the world's most liveable cities. The City of Adelaide's great liveability is created not just through our layout and world-class infrastructure, but also through the breadth of our heritage, festivals, residents, businesses, students and visitors.



Kaurna Acknowledgement

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

Parnako yailtya, parnuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kaurna meyunna itto yailtya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi.

Kumarta yaitya miyurna iyangka yalaka ngadlu tampinthi.

City of Adelaide acknowledges the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations.

Lord Mayor introduction



The City of Adelaide has released its draft Budget for 2024/25.

This Budget focuses on revitalising and improving our main streets, combating the effects of climate change through increased greenery, and undertaking urgent infrastructure upgrades.

A $112 million capital works program is the centrepiece of this Budget, allowing us to deliver important upgrades to Hindley, Hutt, and Gouger streets, a new Experience Adelaide Centre for tourists, and urgent asset renewals.

This Budget also proposes spending almost $7 million towards strategic initiatives such as the Adaptive Reuse Housing Project, Integrated Climate Strategy and City Activation.

However, the Council remains focused on post-COVID-19 budget repair following a period of reduced income and extensive fee remissions.

Over those pandemic years, the Council spent $22 million through rent relief, activation grants, and hardship assistance shielding our city ratepayers from the full force of the pandemic.

That period was on the back of a period where the rate in the dollar had also been frozen for nine years and charges for Park Lands rental and on-street dining waived for five years.

On top of this, the Council has been affected by rising costs. As many businesses would understand, the price of materials and resources for councils has increased by 25 per cent.

Through a more modest increase in rates and charges than the preceding decade of deferred ambient CPI increases, we are committed to making a significant investment in improving the look and feel of the city.

The feedback from our ratepayers is a vital part of our budget process. I would encourage you to take the time to review our Budget documents, make some suggestions, and provide us with your feedback.



Dr Jane Lomax-Smith

Lord Mayor City of Adelaide



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This Business Plan and Budget sets out the Council's priorities, services, programs, projects and budget for 2024/25.

This plan delivers on Year 1 of the Strategic Plan 2024-2028 and Council has provided a list of priorities, highlights and measures for the year ahead (Our Strategy and Plan).

What the community can expect to see delivered throughout the year has been provided under each Program of the Organisation, alongside a Capital Works Program (Our Programs and Projects).

The financial information, including our financial framework and new Resource Plan 2024-2028, that underpins this plan, is provided at the end of this document (Our Resources and Plan).

Further information, including a copy of Council's subsidiary plans and budgets, is available online at cityofadelaide.com.au/budget

Frequently used terms within this document:

Budget views: Within this document we have presented Operational budgets within each Portfolio and Program of Council (being the administrative structure). Each budget table presents two views – being an operating view, which is a summary of the nature of the income and expenditure consistent with the financial statements; and the activity view, which provides the budget by the services and deliverables of each Program.

Note: the Operating View and Activity View are different views of the same budget information of programs.

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

FTE: Full Time Equivalent (1.0) employee

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

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

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

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

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

Our Strategy and Plan

Our Strategy
Spotlight on key Projects
Our Community
Our Environment
Our Economy
Our Places
Our Corporation
Performance
How we Plan
Grants and Partnerships



Our Strategy

As the Capital City Council for all South Australians, we play a key role in ensuring that Adelaide continues to be a cultural, civic and economic hub where our residents, students, visitors, workers and businesses can thrive.

To shape this future requires bold thinking, long-term planning and a vision. In December 2023, Council adopted a new Strategic Plan with a long-term vision of:

Our Adelaide.
Bold.
Aspirational.
Innovative.

The Strategic Plan was developed in a time of change and uncertainty for our city and community – the post pandemic environment, inflation forecasts, housing crisis and climate change resilience are at the top of Council's agenda.

By acknowledging these important areas of focus and the issues our city and community face, we need to focus our resources over the next four years to deliver bold, aspirational and innovative projects and services.

The Strategic Plan is not only for Council, it is a plan for our ratepayers, residents, visitors, workers and all key stakeholders. To drive the immediate actions that will be delivered to achieve Council's vision we know we need to be bold in how we respond to the challenges that will unfold over the coming years, and we will create new opportunities that will have a transformative impact on our city, community and businesses.

The 2024/25 Business Plan and Budget commits Council's resources and budget to delivering Year 1 of the new Strategic Plan 2024-2028.

To focus on strategic delivery, five aspirations have been developed:

Our Community:
Vibrant, connected and inclusive

Our Environment:
Resilient, protected and sustainable

Our Economy:
Growing, innovative and responsive

Our Places:
Interesting, purposeful and safe

Our Corporation:
High performing, customer-centric and bold

Each aspiration has objectives that guide delivery, key actions which tell the community what we'll do and indicators of success, which will tell us how well we delivered. Across all five aspirations Council has articulated 70 Key Actions to focus on delivering over the next four years.

Consultation on the Draft Strategic Plan occurred across October and November 2023, following several months of internal research, workshops with Council Members and discussions with key stakeholders.

Over 10,000 members of the community interacted in some way with our consultation on the Draft Plan – with almost 100 providing us direct feedback. From online, to in-person, we heard from the community that there is a lot of pride in Adelaide. We heard clearly that climate change and the environment, housing supply and affordability and transport and moving people around the City are all important areas for the future.

"I like the green belt around the inner city & note the new trees plantings around. Love the street canopies in where I live.....More trees please."

"The tram is enjoyable to ride - more tram lines. The city is compact and easy to get out of, hope it stays that way. Keep new buildings in the style of existing architecture"

"Adelaide is a great landscape and climate for walking"

"Accessible EV charging"

"Keep the green spaces/ parklands free for all wildlife to continue to thrive"

"Open up side streets & lanes so that they are pedestrian friendly"

"Incentive for tech businesses to create more jobs"

"More events or nightlife - Experiences to keep the city awake but not everyday"

"More green sustainable spaces, establish neighbourhood vegie gardens where people can grow and share produce"

"Cheaper housing, homelessness support, funding for art projects"

"Mixed of old & new buildings. Good interesting design. Mix of activities, spaces of discovery, more pedestrian friendly please"

Select quotes from our Strategic Plan consultation



Spotlight on key projects

A brief look at some of the key projects we're delivering this year:



Hindley Street revitalisation

The first major upgrade in 25 years will commence on Hindley Street, with a total of $15.000m to be invested to make Adelaide's premier entertainment mainstreet a destination for all, improving accessibility, safety and urban design.



South Terrace Asset renewal

Over $2.000m will be spent on renewing South Terrace from King William Street to Morphett Street, with a focus on road resurfacing, kerb and water table renewal and footpath renewal ($1.200m on footpaths alone).



City Square improvements

Over $0.500m being spent on lighting and footpaths in Wellington Square / Kudnartu renewals and $0.250m for detailed design of the Light Square / Wauwi Master Plan.



Market Square

Council continues, with its partner ICD Property, the once-in-a-generation redevelopment of the Central Market Arcade. Market Square will incorporate new residences, commercial offices, retail, a premium hotel and an expansion of the Adelaide Central Markets.



Increase greening in the City

Council is investing over $1.800m to make Adelaide a greener city. This will see increased tree planting through the Public Realm Greening Program and the Greener City Streets Program, beautifying city streets and increasing climate resilience.



Housing and Homelessness

An almost $2.500m investment will see Council continuing to support the Adelaide Zero Project through ongoing resourcing, delivering property investigations for future housing and partnering with the State Government to investigate, drive and advocate for re-adaptive housing initiatives, to convert vacant offices, and above-retail spaces, into residential accommodation in the city.



ESCOSA review

Undertaken by the Essential Services Commission of South Australia (ESCOSA) advisory body, Council will participate in the ESCOSA review in the 2024/25 financial year. The review will provide independent, risk-based advice to assist councils when making long-term financial and investment decisions for the benefit of ratepayers.

Our Community

Vibrant, connected and inclusive

Outcomes:

Drive affordable, safe and quality housing outcomes that attract and retain residents in our city.

An interesting and engaging place to live, learn and visit.

An inclusive, equitable and welcoming community where people feel a sense of belonging.

Strategic Plan Key Actions to prioritise this year:

- Support increased residential growth and housing affordability through partnerships and advocacy;
- Reduce rental pressures by increasing housing supply and unlocking properties for long- term tenants.
- Support belonging through an inclusive and welcoming community that recognises diversity and enables people of all abilities living, working and visiting the city.

We will deliver on these priorities by:

- Implementing the Housing Strategy, by actively seeking partnership opportunities with private, public and community developers to increase supply of affordable housing.
- Establishing a new Stretch Reconciliation Action Plan, a Disability, Access and Inclusion Plan and a Cultural Policy.



Projects that deliver on this outcome:

- 218 - 232 Flinders Street Master Plan Investigations ($150,000)
- Adaptive Re-use Housing ($290,000)
- Bonython Park / Tulya Wardli (Park 27B) - Community Sports Building (Detailed Design) ($100,000)
- City Activation ($650,000)
- City of Music Laneways - The Angels Artwork ($45,000)
- Commercial Events Funding Program ($500,000)
- Delivering the Planning and Design Code Amendment Program 23-26 (Year 2) ($240,000)
- DHS Community Neighbourhood Development Funding ($99,038)
- Disability Access and Inclusion Plan 2024-2028 Implementation ($315,000)
- Golden Wattle Park / Mirnu Wirra (Park 21 West) - New Community Sports Building (Detailed Design) ($100,000)
- Honouring Women in the Chamber – Portrait Commissions ($12,000)
- Ippariyti Commission for Whitmore Square ($140,000)
- Melbourne Street Public Art ($200,000)
- Place of Courage ($90,000)
- Public Art Action Plan Deliverables ($250,000)
- Reconciliation Action Plan 2024-2027 Implementation ($150,000)
- Ruby Hunter & Archie Roach Laneway Artwork ($25,000)
- Social Planning Homelessness and Adelaide Zero Project Resourcing ($248,000)
- South West Community Centre ($1,500,000)

Measures within our Strategic Plan to deliver in 2024/25:

- Review the Active City Strategy by 2025
- Develop an overarching grants policy to support diversity in arts, culture, community development, recreation & wellbeing by 2025
- Review library and community centre service delivery model to better meet the evolving community's need by 2025
- Establish and deliver a new Stretch Reconciliation Action Plan by 2024
- Establish a new Diversity, Access and Inclusion Plan by 2024
- Develop a Social Infrastructure Policy by 2024 to support our current and emerging community needs
- Develop a Cultural Policy by 2024 that promotes and supports the City's unique cultural identity and opportunities

Our Environment

Resilient, protected and sustainable

Outcomes:

Lead as a Low Carbon Emissions City.

A sustainable city where climate resilience is embedded in all that we do.

The status, attributes and character of our green spaces and the Park Lands are protected and strengthened.

Strategic Plan Key Actions to prioritise this year:

- Work with our partners to plan for, lead and educate our community on a climate resilient future.
- Work with partners to create innovative ways to create or convert underutilised areas to green space.

We will deliver on these priorities by:

- Delivering the Sustainability Incentive Scheme, which supports our partners and community to implement changes to enable a reduction in community carbon emissions.
- Partnering with the State Government undertake a Master Plan for Helen Mayo Park, to improve community access.



Projects that deliver on this outcome:

- Adelaide Park Lands Strategic Water Resources Study ($50,000)
- Botanic Catchment Water Course Rehabilitation ($340,000)
- Brown Hill Keswick Creek (Financial Contribution) ($320,000)
- Feasibility Studies - Waste and Recycling Collection ($100,000)
- Greener City Streets Program (heat and tree canopy mapping) ($122,500)
- Light Square / Wauwi – Master Plan (Detailed Design) ($250,000)
- National Heritage Management Plan Implementation ($100,000)
- Public Realm Greening Program (street tree planting) ($1,700,000)
- Resilient Flood Mapping ($1,722,500)
- SA Power Networks (SAPN) Luminaire Upgrades ($50,000)
- Victoria Park / Pakapakapanthi (Park 16) Master Plan (Detailed Design) ($250,000)

Measures within our Strategic Plan to deliver in 2024/25:

- Review Procurement Policies and Guidelines by 2024 to include requirements that support Circular Economy outcomes
- Develop a Sustainability Governance and Reporting Framework by 2025 and capture and share data and learnings
- 50 dwellings are delivered annually through adaptive reuse of underutilised buildings
- All new dwellings built from 2025 are fully electric (no internal gas supply)
- Support a net increase in street trees annually, aligned to heat island data within Council's Climate Strategy

Our Economy

Growing, innovative and responsive

Outcomes:

Adelaide's unique experiences and opportunities attract visitors to our city.

Achieve a critical mass of jobs and investment and attract and retain businesses by growing a dynamic, holistic economy.

Council is driving development opportunities for our community via diverse commercial activities.

Strategic Plan Key Actions to prioritise this year:

- Work with partners, universities and businesses to attract investment and improve employment opportunities.

We will deliver on these priorities by:

- Delivery of investment attraction program as per the AEDA Business Plan.



Projects that deliver on this outcome:

- 88 O'Connell Project Delivery ($80,000)
- Adelaide Central Market Expansion Operational Preparedness ($220,000)
- Central Market Arcade Options ($285,000)
- Central Market Arcade Redevelopment ($15,917,570)
- Economic Development Strategy Implementation ($106,000)
- Experience Adelaide Centre ($3,954,000)
- Rundle Mall Live Music Program ($100,000)
- Tourism and Business attraction ($133,000)

Measures within our Strategic Plan to deliver in 2024/25:

- Increase in foot traffic in key and emerging precincts annually in line with the Council's Economic Development Strategy
- Develop a City of Adelaide Economic Development Strategy by 2024 to drive growth
- Review the Strategic Property Action Plan by 2024 to manage opportunities including car parks and other commercial assets for our community

Our Places

Interesting, purposeful and safe

Outcomes:

Community assets are adaptable and responsibly maintained.

Encourage bold, interesting and purposeful development that supports the changing needs of our community and city.

Create safe, inclusive and healthy places for our community.

Strategic Plan Key Actions to prioritise this year:

- Encourage repurposing, adaptive reuse and improvement of buildings and facilities.
- Deliver quality street and laneway upgrades, mainstreets, precincts, and neighbourhood revitalisation and improvements that make Adelaide well-designed, safe and unique.

We will deliver on these priorities by:

- Delivering the Adaptive Reuse City Housing Initiative, which will identify building stock suitable for adaptive reuse.
- Commencing construction of the Hindley Street Revitalisation project and progress designs for Gouger Street, O'Connell Street and Hutt Street Revitalisation projects.



Projects that deliver on this outcome:

- Asset Condition Audit ($595,000)
- Bikeways (North-South) ($1,250,000)
- Bridge Maintenance Program ($400,000)
- Charles Street – Streetscape Upgrade Major Project ($5,925,000)
- Conservation Management Plans - Bridges ($60,000)
- Frome Street - Footpath Upgrades ($550,000)
- Glen Osmond Road / Hutt Road and Carriageway Park / Tuthangga (Park 17) - Improvements (Detailed Design) ($42,000)
- Golf Links - Building Compliance Upgrades and Commercial Offering ($80,000)
- Hutt Street and South Terrace – Stormwater Improvements ($115,000)
- Hutt Street Entry Statement Project ($730,000)
- James Place – Upgrade ($100,000)
- Jeffcott Street – Pavement and Stormwater Upgrades (Concept Design) ($10,000)
- Local Heritage Assessments - 20th Century Buildings ($50,000)
- Main Street Revitalisation - Gouger Street (Detailed Design) ($1,250,000)
- Main Street Revitalisation - Hindley Street ($4,980,000)
- Main Street Revitalisation - Hutt Street (Detailed Design) ($1,250,000)
- Main Street Revitalisation - Melbourne Street (Planning) ($100,000)
- Main Street Revitalisation - Melbourne Street Improvements ($612,000)
- Main Street Revitalisation - O'Connell Street (Detailed Design) ($1,000,000)
- Mistletoe Park/ Tainmuntilla (Park 11) Shared Use Path Renewal & Public Lighting Upgrade ($149,000)
- New Parents Room with store room (Central Markets) ($55,000)
- Park Land Buildings Upgrades ($1,763,000)
- Plant and Fleet Replacement program ($108,000)
- Royal Avenue – Improvements ($100,000)
- Rymill Park / Murlawirrapurka (Park 14) – Master Plan Safety and accessibility works ($822,000)
- School Safety Implementation Project ($250,000)
- Torrens retaining structure ($1,600,000)
- Transport Strategy ($200,000)
- Vincent Street and Vincent Place – Improvements ($1,203,000)

Measures within our Strategic Plan to deliver in 2024/25:

- Commence the design of the O'Connell Street upgrade project by 2024/25
- Commence the design of the Hutt Street upgrade project by 2024/25
- Develop the City Plan by 2024
- Review the heritage overlays to ensure our heritage places are known and accommodated during development by 2025
- Deliver conservation management plans for heritage assets by 2025
- Review the Disability Access and Inclusion Plan by 2024
- Review the Dog and Cat Management Plan by 2024
- Review and implement by-laws which respond to community needs by 2025

Our Corporation

High performing, customer-centric and bold

Outcomes:

Effective Leadership and Governance

Exceptional Customer Experience

Financial Sustainability

People Engagement

Strategy, Value and Efficiency

Technology and Information

Strategic Plan Key Actions to prioritise this year:

- Focus on budget repair and ensure responsible financial management through the principle of intergenerational equity while delivering quality services.

We will deliver on these priorities by:

- Delivering the 2024/25 BP&B within Council adopted parameters and within the parameters of the Long Term Financial Plan, and associated Asset Management Plans.

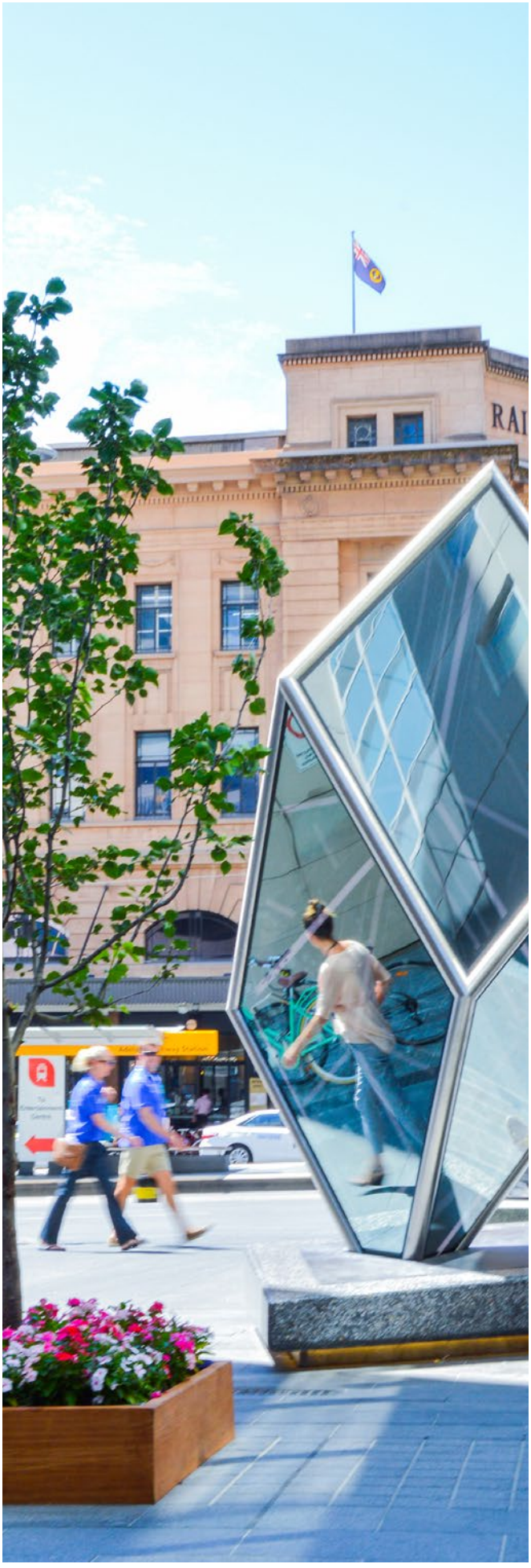
Projects that deliver on this outcome:

- Communication Server Relocation and Associated Services (Central Markets) ($300,000)
- Contact Centre Software Replacement ($450,000)
- Cyber Security Enhancement ($85,000)
- ESCOSA Review ($40,000)
- On-Street Parking Compliance Technology and Customer Analytics Reform ($148,200)

Measures within our Strategic Plan to deliver in 2024/25:

- Review Emergency Management Plans and response by 2025
- Review the Rating system to ensure optimum outcomes by 2024
- Review the Procurement Policy and Guidelines to support circular economy, climate resilience, Aboriginal and Torres Strait Islander employment and local sourcing by 2024
- Financial indicators are in line with annual targets (as outlined in the LTFP) with a focus on Asset Renewal Funding Ratio between 90% and 110%
- Deliver and maintain a Workforce Strategy by 2024
- Deliver a City of Adelaide Graduate Program by 2025
- Develop and implement a Strategic Partnership Framework to achieve best practice outcomes including benchmarking opportunities by 2024
- Complete a review of the Strategic Planning framework by 2024
- Strategic and Capital Projects are delivered on time and on budget (target 75%)
- Review the Community Engagement approach by 2025
- Develop baseline data for relevant measures in the Strategic Plan by 2024

Performance



The Strategic Plan 2024-2028 includes a range of indicators of success to ensure Council is on a path to deliver our long-term vision. These were built based on conversations with Council, our community and consideration of external influences and other Government Strategies and Plans. While many of these are for the life of the Strategic Plan or beyond, the following measures are specific to 2024/25.

The assessment of performance and progress against the BP&B, including the Services, Projects, Commercial Businesses and Budget of Council are provided through Quarterly Updates. It also outlines how events in the past quarter have shaped our financial forecast going forward and any changes in scope and budget to deliverables. Careful consideration is given to key financial indicators and ratios, and cash flow estimates to guide decision making that supports Council's financial sustainability through these updates. This reporting supports Council to respond to emerging challenges while continuing to support and deliver for our community. Quarterly reviews provide an opportunity for Council to re-prioritise services, projects and budgets as required.

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

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

How we plan

Strategic Planning Framework

From July 2023, the City of Adelaide finalised a new Strategic Plan while initiating discussions on the 2024/25 Business Plan and Budget – bringing long term and short term planning discussions together. To ensure the delivery of a Strategic Plan long term vision and the short term objectives and actions, it is essential to plan so that long-term aspirations are embedded into the everyday business of Council.

Under the *Local Government Act (SA) 1999*, Council must develop and adopt 'strategic management plans' which identify Council's objectives, how Council intends to achieve its objectives, how these fit with the objectives of other levels of government, performance measures and estimates of revenue and expenses. These plans must cover at least four years and are revisited after every Council election.

The Strategic Plan 2024-2028 confirmed the approach as:

Strategic Plan (community)*:

Long term with a four year delivery focus. Planning for vision and aspirations.

Long Term Financial Plan (Financial)

Ten-year plan, revised annually to ensure a ten year view is maintained. Planning for long term financial sustainability.

Asset Management Plans (Infrastructure)

Suite of ten year plans. Planning for the sustainable renewal and maintenance of assets.

City Plan (Development / Built Form)

Ten year spatial plan. Planning for future land uses and built form.

**The Strategic Plan is supported by a Resource Plan – the financial, and non-financial resources required for the Administration to enable and support the Strategic Plan's four year delivery over 2024–2028.*

Operating environment

In developing the new Strategic Plan, Council undertook a large scale community engagement as well as an operating environment scan into a range of political, environmental, social, local and global influences, all of which provided insights into what is impacting our City and community.

This information has further supported the build of this Business Plan and Budget and includes the following considerations:

- Global and domestic economic conditions, which continue to impact the cost of delivery, resource availability and visitation and expenditure trends
- An increase in our Council area's population alongside changing demographics, including an ageing population, cultural diversity and a more mobile population
- Climate change, environmental sustainability and our community's resilience to these impacts
- State and Federal Government policy positions (including but not limited to development assessment and planning regulations, transport regulations and immigration)
- Housing supply and affordability to support growing, safe and inclusive communities

2024/25 delivery

Council continues to demonstrate its credentials as a safe and liveable city. The city is continuing to grow and move forward from the post-COVID-19 recovery period with Council's financial responsiveness to the early impacts of the pandemic delivering much needed support and investment in local businesses and our community.

In 2024/25 Council will focus on repairing our budget, after historical financial pressures associated with frozen rates and the COVID-19 pandemic, impacted our ability to renew assets, upgrade infrastructure and provide core community services. Council recognises our current financial position, and the need to make financially sustainable decisions throughout the Business Plan and Budget process, so revenue can be redirected to urgent upgrades of our basic city infrastructure, while continuing to deliver valued outcomes for the community. This includes rethinking Council's core revenue bases and our asset management levels of service.

This annual plan provides a commitment to the community to deliver on the Strategic Plan and provide services and projects within our budget and resources to achieve:

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

Grants and partnerships

The Strategic Plan 2024-2028 reflects Council's commitment to working with others to shape the future of our city for the benefit of the whole state.

To ensure that we can deliver on our long-term vision and short term strategic plan actions, we need to be outward looking and work collaboratively with Federal, State and Local Governments to demonstrate excellence, innovation and exceptional service provision.

We will continue to advocate, build strong partnerships and leverage our relationships, to seek co-investment, grants and contributions for the benefit of the city and our community.

Key partnerships include those with the Federal, State and Local Government sectors and strategic non-government (private sector, community groups and not-for-profit) organisations.

Our partnerships include:

Capital City Committee:

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

Council of Capital City Lord Mayors (CCCLM):

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

Local Government Collaboration:

These collaborations typically support the delivery of sector-wide policies and best practice, improved community services, greater Council efficiency and sharing of resources.

Strategic Partnerships:

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

External Funding 2024/25 ($'000)			
Federal Grant Funding	**Operating**	**Capital**	**Total**
City Deals		3,954	3,954
Commonwealth Home Support Program (CHSP)	300		300
Financial Assistance – Roads to Recovery		255	255
Local Government Financial Assistance Grant	697	358	1,055
Local Roads and Community Infrastructure Program (LRCI Phase 4)		338	338
Supplementary Local Roads		126	126
State Government Funding	**Operating**	**Capital**	**Total**
Botanic Catchment Water Course Rehabilitation		170	170
Charles Street Streetscape		212	212
Cycling Infrastructure		638	638
DHS Community Neighbourhood Development	99		99
Greener City Streets Program		82	82
Hutt Street Revitalisation Project		730	730
Library Grant	506		506
Main Street Revitalisation – Melbourne Street Improvements		612	612
Mary Lee Park (Park 27b) Community Sports Building Redevelopment		100	100
Golden Wattle Park / Mirnu Wirra (Park 21 West) New Community Sports Building		100	100
Park Lands Related Activity	1,998		1,998
Place of Courage		90	90
Re-Adaptive Housing	290		290
School Immunisation Program	105		105
Vulnerable and Homeless People Project	44		44
Other	**Operating**	**Capital**	**Total**
Sponsorships and Donations	64		64
Total:	**4,103**	**7,765**	**11,868**

Our Programs and Projects

Our Organisation
2024/25 Budget
City Shaping Portfolio
City Services Portfolio
Corporate Portfolio
(including subsidiaries)
Office of the CEO
Office of the Lord Mayor
Capital Works Program



Our Organisation

City Shaping

Director City Shaping

City Culture

Park Lands, Policy and Sustainability

Regulatory Services

City Services

Director City Services

City Operations

Infrastructure

Strategic Property and Commercial

Corporate Services

Chief Operating Officer

Customer and Marketing

Finance and Procurement

Governance

Information Management

People

Strategy, Insights and Performance

Subsidiaries

Adelaide Central Market Authority (ACMA)

Adelaide Economic Development Agency (AEDA)

Kadaltilla / Adelaide Park Lands Authority

Offices

Office of the Chief Executive Officer

Office of the Lord Mayor

The City of Adelaide will deliver the 2024/25 Business Plan and Budget through our Organisational Structure, including our Portfolios, Offices and Subsidiaries.

Each Portfolio has key focus areas which will support our priorities for the year. A detailed view of our supported functions, strategic projects and budgets across these Programs, Subsidiaries and Offices is provided in this section.

Notes for this section:

Subsidiaries report through to the Chief Operating Officer, within the Corporate Services Portfolio

Where shown in finances tables, the below applies:

- FTE: Full Time Equivalent (1.0) - staffing levels
- Inc.: Means incomes
- Exp.: Means expenditure
- Total(N): Means Total (net)
- Materials and other: means Materials, contracts and other expenses
- Sponsorship: means Sponsorship, contributions and dontations
- Depreciation: means Depreciation, Amorisation and Impairment

2024/25 Budget

The table below provides a snapshot of the City of Adelaide's Budget for 2024/25 compared against the previous financial year, across our organisational structure and outlining the proposed Strategic (non-Capital) Projects for each Portfolio:

	23/24 Q2 Budget		24/25 Budget	
$'000	Income	Expenditure	Income	Expenditure
City Shaping				
Director City Shaping	-	(652)	-	(707)
City Culture	11,956	(27,370)	6,108	(20,089)
Park Lands, Policy and Sustainability	43	(7,554)	44	(7,888)
Regulatory Services	14,984	(9,943)	16,712	(10,481)
Strategic Projects	218	(2,612)	389	(2,347)
City Services				
Director City Services	-	(677)	-	(709)
City Operations	2,483	(43,389)	2,715	(44,701)
Infrastructure	722	(44,602)	-	(47,476)
Strategic Property and Commercial	53,302	(32,810)	56,362	(33,445)
Strategic Projects	3,020	(5,212)	-	(3,408)
Corporate Services (including Subsidiaries)				
Chief Operating Officer	-	(939)	-	(1,064)
Customer and Marketing	1	(6,499)	2	(6,712)
Finance and Procurement	134	(4,283)	138	(4,600)
Governance	-	(4,213)	-	(4,526)
Information Management	1,430	(13,312)	31	(14,119)
People	-	(3,741)	-	(4,700)
Strategy, Insights and Performance	-	(1,474)	-	(1,628)
Corporate Activities*	132,323	3,949	143,926	5,019
Adelaide Central Market Authority	4,914	(5,310)	5,343	(6,081)
Adelaide Economic Development Agency	4,354	(12,809)	4,417	(12,509)
Kadaltilla / Adelaide Park Lands Authority	253	(253)	333	(333)
Strategic Projects	400	(1,775)	-	(1,528)
Offices				
Office of the CEO	-	(1,470)	-	(1,457)
Office of the Lord Mayor	-	(1,584)	-	(1,664)
Total	**230,357**	**(228,534)**	**236,520**	**(227,153)**
Operating Surplus/(Deficit)		**2,003**		**9,367**

**includes Rates Revenue, Corporation grants (e.g. Financial Assistance Grants), vacancy management Target, and capital overhead*


Reebok

City Shaping Portfolio

The City Shaping Portfolio leverages and celebrates our role as a Capital City Council and delivers the services that lead, shape and enable a creative, dynamic, resilient and diverse city both now and into the future.

The Portfolio contains the City Culture; Park Lands, Policy and Sustainability; and Regulatory Services Programs.

Key Focus areas

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

		23/24 Q2 Budget			24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget								
Revenue	-	27,201	-	27,201	-	23,253	-	23,253
Employee Costs	219.1	-	(27,776)	(27,776)	193.4	-	(24,958)	(24,958)
Materials	-	-	(13,396)	(13,396)	-	-	(9,941)	(9,941)
Sponsorships	-	-	(2,777)	(2,777)	-	-	(3,731)	(3,731)
Depreciation	-	-	(3,866)	(3,866)	-	-	(2,587)	(2,587)
Finance Costs	-	-	(316)	(316)	-	-	(295)	(295)
TOTAL	**219.1**	**27,201**	**(48,131)**	**(20,930)**	**193.4**	**23,253**	**(41,512)**	**(18,259)**
Program Budget								
Office of the Director	3.0	-	(652)	(652)	3.0	-	(707)	(707)
City Culture	95.0	11,956	(27,370)	(15,414)	68.0	6,108	(20,089)	(13,981)
Park Lands, Policy and Sustainability	34.1	43	(7,555)	(7,512)	36.6	44	(7,888)	(7,844)
Regulatory Services	83.0	14,984	(9,943)	5,041	82.0	16,712	(10,481)	6,231
Strategic Projects	4.0	218	(2,611)	(2,393)	3.8	389	(2,347)	(1,938)
TOTAL	**219.1**	**27,201**	**(48,131)**	**(20,930)**	**193.4**	**23,253**	**(41,512)**	**(18,259)**

City Culture

Strategic Plan link:
Our Community , Our Places

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

Functions supported:

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

Outputs for the year ahead

- Enable community-led services which increase wellbeing, social connections and participation in active lifestyles, leisure, recreation and sport
- Drive social change and strengthen communities through locally-led arts, cultural and recreational activities
- Elevate the City's reputation for exceptional and unique arts and cultural experiences by encouraging and providing arts, culture and events partnerships, grants and sponsorship opportunities
- Lead and create opportunities for people to expand knowledge, learn, and master new skills
- Celebrate and elevate our community culture including the profiles of multicultural communities and create welcoming programs and services
- Support belonging through an inclusive and welcoming community that recognises diversity and enables people of all abilities living, working and visiting the city
- Create sustained, respectful, and inclusive opportunities that encourage full participation of people from diverse backgrounds in the cultural and social life of the City by ensuring our services and projects are accessible and inclusive for all

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	11,956	-	11,956	-	6,108	-	6,108
Employee Costs	95.0	-	(12,797)	(12,797)	68.0	-	(8,750)	(8,750)
Materials	-	-	(9,368)	(9,368)	-	-	(7,192)	(7,192)
Sponsorships	-	-	(1,023)	(1,023)	-	-	(1,265)	(1,265)
Depreciation	-	-	(3,866)	(3,866)	-	-	(2,587)	(2,587)
Finance Costs	-	-	(316)	(316)	-	-	(295)	(295)
TOTAL	**95.0**	**11,956**	**(27,370)**	**(15,414)**	**68.0**	**6,108**	**(20,089)**	**(13,981)**
Activity view								
Associate Director (office)	2.0	-	(385)	(385)	2.0	-	(387)	(387)
Adelaide Town Hall	5.0	2,863	(2,941)	(78)	5.0	3,130	(3,265)	(135)
Aquatic Centre	26.2	6,593	(7,430)	(837)	-	130	(373)	(243)
City Experience	15.1	616	(4,080)	(3,464)	15.1	717	(4,052)	(3,335)
City Lifestyle	10.8	1,246	(4,654)	(3,408)	10.8	1,556	(4,202)	(2,646)
Creative City	12.4	112	(2,833)	(2,721)	11.6	33	(2,761)	(2,728)
Libraries	23.5	525	(5,046)	(4,521)	23.5	542	(5,050)	(4,508)
TOTAL	**95.0**	**11,956**	**(27,370)**	**(15,414)**	**68.0**	**6,108**	**(20,089)**	**(13,981)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Aboriginal Protocol Grant	-	(51)	-	(51)
Adelaide's New Year's Eve	-	(650)	63	(568)
Annual Delivery of Kaurna Initiatives	-	(51)	-	(53)
ANZAC Day Service - March & Related Activities	-	(59)	-	(61)
Arts and Cultural Grants	-	(321)	-	(327)
Business Activation and Support	-	(3)	-	-
Christmas Festival Action Plan	-	(513)	-	(529)
City Activation – West End Precinct	-	(50)	-	(52)
City Activation – East End Unleashed	-	(140)	-	(145)
City Activation – Gouger Street Precinct	-	(50)	-	(52)
City Activation – Hutt Street Precinct	-	(77)	-	(79)
City Activation – North Adelaide Precinct	-	(103)	-	(106)
City Activation – Precinct Support	-	(114)	-	(118)
Community Capacity Development	-	(40)	-	(40)
Community Impact Grants	-	(816)	-	(839)
Cultural Entrepreneurs Incubator Program	-	(41)	-	(41)
Fashion Industry Support	-	(35)	-	-
Live Music Industry and Venues Support	-	(56)	-	(58)
UNESCO Adelaide City of Music Ltd Partnership	-	(52)	-	(54)
Winter Weekends	-	(200)	-	(207)
TOTAL	**-**	**(3,422)**	**63**	**(3,379)**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
City Activation	-	(400)	-	(650)
DHS Community Neighbourhood Development Funding	-	-	99	(99)
Aquatic Centre Investigations	-	(75)	-	-
Cultural Mapping of the Adelaide Park Lands	-	(75)	-	-
Golden Wattle Park / Mirnu Wirra (Park 21 West) – Community Sport Building	-	(32)	-	-
TOTAL	**-**	**(582)**	**99**	**(749)**

			24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	(1,242)	190	(862)
Renewal	-	(246)	-	-
TOTAL	**-**	**(1,488)**	**190**	**(862)**

Park Lands, Policy and Sustainability

Strategic Plan link:
Our Community , Our Places, Our Environment, Our Economy

Establishes clear and integrated policies and plans to shape a well designed, planned and developed city, to protect and enhance our unique Park Lands, and support a welcoming and resilient community that demonstrates environmental leadership.

Functions supported:

- Adelaide Park Lands Strategy and Planning
- Economic Policy
- Heritage Management, Promotion and Events
- Housing and Homelessness
- Planning Policy
- Reconciliation
- Social Planning and Disability Access and Inclusion
- Sustainability and Climate Action
- Waste Policy Education

Outputs for the year ahead

- Deliver meaningful climate action, circular economy and sustainability programs and embed environment, social and economic strategic policy objectives into project management and procurement processes
- Use the City Plan to inform the future urban form of Adelaide and the State Government's update of the 30-Year Plan for Greater Adelaide, including a rolling program of Council-lead amendments to the State Government's Planning and Design Code
- Deliver heritage action and programs relating to local, state, national and world heritage
- Deliver Council policies and approaches for climate, homelessness, housing, disability access and inclusion and economic development and review Council strategies
- Deliver the Adelaide Park Lands Management Strategy on behalf of Kadaltilla / Adelaide Park Lands Authority and maintain the Community Land Management Plans for the Adelaide Park Lands

The following table provides a view of this Programs budget by both operations and activity:

		23/24 Q2 Budget				24/25 Budget		
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	43	-	43	-	44	-	44
Employee Costs	34.1	-	(4,821)	(4,821)	36.6	-	(5,376)	(5,376)
Materials	-	-	(1,181)	(1,181)	-	-	(944)	(944)
Sponsorships	-	-	(1,554)	(1,554)	-	-	(1,568)	(1,568)
Depreciation	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**34.1**	**43**	**(7,554)**	**(7,511)**	**36.6**	**44**	**(7,888)**	**(7,844)**
Activity view								
Associate Director (office)	2.0	-	(356)	(356)	3.0	-	(485)	(485)
City Planning and Heritage	14.2	43	(3,651)	(3,608)	19.2	44	(4,528)	(4,484)
Low Carbon & Circular Economy	7.0	-	(1,909)	(1,909)	7.0	-	(1,639)	(1,639)
Park Lands, Policy & Sustainability	10.9	-	(1,639)	(1,639)	7.4	-	(1,236)	(1,236)
TOTAL	**34.1**	**43**	**(7,554)**	**(7,511)**	**36.6**	**44**	**(7,888)**	**(7,844)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Carbon Neutral Adelaide (CCAIF)	-	(232)	-	(240)
City of Adelaide Prize	-	(30)	-	(31)
Climate Change Action Initiatives (CCAIF)	-	(784)	-	(475)
Economic Policy	-	(41)	-	(42)
Heritage Incentive Scheme	-	(1,162)	-	(1,200)
Heritage Promotion Program	-	(212)	-	(194)
History Festival	-	(32)	-	(32)
Homelessness – Social and Affordable Housing	-	(114)	-	(488)
Homeless and Vulnerable People project	43	(43)	44	(44)
NAIDOC Week Celebrations	-	(51)	-	(54)
Noise Management Program Incentive Scheme	-	(39)	-	(39)
Safer City Program	-	(267)	-	(261)
TOTAL	**43**	**(3,007)**	**44**	**(3,100)**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
Delivering the Planning and Design Code Amendment Program 23-26 (Year 2)	-	-	-	(240)
Disability Access and Inclusion Plan 2024-2028 Implementation	-	-	-	(215)
Economic Development Strategy Implementation	-	-	-	(106)
Homelessness Strategy Implementation	-	-	-	(50)
Local Heritage Assessments – 20th Century Buildings	-	(70)	-	(50)
National Heritage Management Plan Implementation	-	-	-	(100)
Re-Adaptive Housing	218	(218)	290	(290)
Reconciliation Action Plan 2024-2027 Implementation	-	-	-	(150)
Social Planning Homelessness and Adelaide Zero Project resourcing	-	(208)	-	(248)
City Wide Waste and Recycling Program	-	(788)	-	-
Delivery the City Plan	-	(390)	-	-
Master Plan of Light Square	-	(90)	-	-
Park Lands Biodiversity Survey	-	(150)	-	-
Park Lands Greening	-	(15)	-	-
TOTAL	**218**	**(1,929)**	**290**	**(1,449)**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	118	(768)	-	(2,300)
Renewal	-	-	-	-
TOTAL	**118**	**(768)**	**-**	**(2,300)**

Regulatory Services

Strategic Plan link:
Our Places, Our Environment

Facilitates high-quality development and activation, provides safer places for all to enjoy, and enables easy access for those who visit, move around, and experience our city.

Functions supported:

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

Outputs for the year ahead

- Facilitate high-quality built form outcomes through the assessment of Development Applications and engagement with the State Commission Assessment Panel
- Provide safer spaces and places through delivering Council's legislative obligations regarding public health, building compliance, permit management, related legislation and by-laws
- Enable stakeholders to activate public space for a variety of purposes, maintaining a balanced and risk-based approach to safety and community impacts
- Enable access to on-street parking through monitoring compliance and encouraging kerbside turnover
- Enhance the use of data and intelligence in making evidence-based decisions to improve service delivery

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	14,984	-	14,984	-	16,712	-	16,712
Employee Costs	83.0	-	(9,038)	(9,038)	82.0	-	(9,663)	(9,663)
Materials	-	-	(905)	(905)	-	-	(818)	(818)
Sponsorships	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**83.0**	**14,984**	**(9,943)**	**5,041**	**82.0**	**16,712**	**(10,481)**	**6,231**
Activity view								
Associate Director (of-fice)	5.0	-	(843)	(843)	5.0	-	(867)	(867)
City Development	23.0	3,270	(2,733)	537	21.9	3,630	(2,826)	804
City Safety	19.0	458	(1,641)	(1,183)	19.1	521	(1,854)	(1,332)
On-Street Parking Com-pliance	36.0	11,256	(4,725)	6,531	36	12,560	(4,934)	7,626
TOTAL	**83.0**	**14,984**	**(9,943)**	**5,041**	**82.0**	**16,712**	**(10,481)**	**6,231**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
On-Street Parking Compliance Technology and Customer Analytics Reform	-	(100)	-	(148)
TOTAL	**-**	**(100)**	**-**	**(148)**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	(119)	-	-
Renewal	-	-	-	-
TOTAL	**-**	**(119)**	**-**	**-**





City Services Portfolio

The City Services Portfolio delivers essential local government services for our community, making it easier to conduct business in our city, and providing a safe and attractive urban environment.

The Portfolio contains the City Operations; Infrastructure; and Strategic Property and Commercial Programs

Key Focus areas

- Capital Works Program, including New and Upgrades and Renewals
- Main street revitalisation and improvements
- Maintenance of public realm and city presentation

		23/24 Q2 Budget			24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget								
Revenue	-	59,527	-	59,527	-	59,077	-	59,077
Employee Costs	344.2	-	(33,371)	(33,371)	345.1	-	(36,786)	(36,786)
Materials	-	-	(39,693)	(39,693)	-	-	(39,078)	(39,078)
Sponsorships	-	-	(140)	(140)	-	-	(162)	(162)
Depreciation	-	-	(52,916)	(52,916)	-	-	(53,207)	(53,207)
Finance Costs	-	-	(570)	(570)	-	-	(506)	(506)
TOTAL	**344.2**	**59,527**	**(126,690)**	**(67,163)**	**345.1**	**59,077**	**(129,739)**	**(70,662)**
Program Budget								
Office of the Director	3.0	-	(677)	(677)	3.0	-	(709)	(709)
City Operations	226.4	2,482	(43,389)	(40,907)	227.9	2,715	(44,701)	(41,986)
Infrastructure	70.9	722	(44,602)	(43,880)	69.3	-	(47,476)	(47,476)
Strategic Property and Commercial	43.9	53,303	(32,810)	20,493	43.9	56,362	(33,445)	22,917
Strategic Projects	-	3,020	(5,212)	(2,192)	1.0	-	(3,408)	(3,408)
TOTAL	**344.2**	**59,527**	**(126,690)**	**(67,163)**	**345.1**	**59,077**	**(129,739)**	**(70,662)**

City Operations

Strategic Plan link:
Our Community , Our Places, Our Environment, Our Economy

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

Functions supported:

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

Outputs for the year ahead

- Plan and deliver work for all Council's assets i.e. infrastructure, buildings, urban elements, horticulture, arboriculture, cleansing, waste and fleet through planned programs and responsive work
- Supporting the Strategic Outcome of an increase in canopy cover through delivering an accelerated greening program
- Provide safer spaces and places through delivering Council's legislative obligations regarding cleansing, waste collection and processing, building compliance, tree risk management and community lighting
- Contribute to the reduction of Council's greenhouse gas emissions through an increase in electric plant and fleet ownership, while providing a safe contemporary fleet for council's operations.
- Undertake innovative trials across the city to improve customer experience in the public realm
- Provide out of hours service to respond to emerging issues within the public realm
- Delivery of Minor Capital Works to support Councils capital works program

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	2,482	-	2,482	-	2,715	-	2,715
Employee Costs	226.4	-	(22,721)	(22,721)	227.9	-	(24,753|)	(24,753)
Materials	-	-	(18,722)	(18,722)	-	-	(17,985)	(17,985)
Sponsorships	-	-	-	-	-	-	-	-
Depreciation	-	-	(1,946)	(1,946)	-	-	(1,963)	(1,963)
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**226.4**	**2,482**	**(43,389)**	**(40,907)**	**227.9**	**2,715**	**(44,701)**	**(41,986)**
Activity view								
Associate Director (office)	17.8	-	(2,964)	(2,964)	17.8	12	(3,075)	(3,075)
Mgr., City Maintenance	1.0	-	(384)	(384)	1.0	-	(200)	(200)
Mgr., City Presentation	1.0	-	(199)	(199)	1.0	-	(190)	(190)
Cleansing	49.0	7	(7,075)	(7,068)	48.5	7	(7,402)	(7,402)
Facilities	4.0	-	(4,522)	(4,522)	5.0	-	(3,269)	(3,269)
Horticulture	83.2	2,334	(13,697)	(11,363)	84.7	2,424	(14,998)	(12,574)
Infrastruct. Maintenance	33.0	-	(5,831)	(5,831)	33.0	-	(6,104)	(6,104)
Trades	26.0	107	(4,890)	(4,783)	25.0	253	(5,840)	(5,587)
Waste	1.0	29	(3,603)	(3,574)	1.5	20	(3,175)	(3,155)
Workshops	10.4	6	(224)	(218)	10.4	-	(447)	(447)
TOTAL	**226.4**	**2,482**	**(43,389)**	**(40,907)**	**227.9**	**2,715**	**(44,701)**	**(41,986)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Safer City Program	-	(120)	-	(91)
Trainees and Apprentices	-	(1,043)	-	(1,074)
TOTAL	**-**	**(1,163)**	**-**	**(1,165)**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
Feasibility Studies - Waste and Recycling Collection	-	-	-	(100)
Private Laneways Fee-for-Service Trial	20	(50)	-	-
TOTAL	**20**	**(50)**	**-**	**(100)**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	(132)	-	(108)
Renewal	630	(2,700)	-	(1,492)
TOTAL	**630**	**(2,832)**	**-**	**(1600)**

Infrastructure

Strategic Plan link:
Our Environment, Our Places

Provides effective whole of life planning, design, delivery and management of our diverse community infrastructure assets and seeks partnerships with government bodies to deliver on Council's strategic plans, supporting community needs and future growth.

Functions supported:

- Asset Planning and Management
- Geographic Information Systems
- Infrastructure Delivery Plans
- Park Lands and Open Space Management
- Road and Footpath Management
- Sustainable and Climate Resilient City
- Traffic and Transport Management

Outputs for the year ahead

- Develop and manage Asset Management Plans, including reviews, maintenance advice and condition audits
- Provide the community with the agreed levels of service, through the management and delivery of efficient and effective infrastructure assets at the lowest whole of life costs
- Provide excellent community outcomes through whole of project delivery of asset renewal, and new and upgrade projects
- Support people movement through the development of key strategy and policy, designed public realm and strategic partnerships
- Support private development through the provision of support coordination services

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	722	-	722	-	-	-	-
Employee Costs	70.9	-	(3,675)	(3,675)	69.3	-	(3,937)	(3,937)
Materials	-	-	(4,866)	(4,866)	-	-	(5,228)	(5,228)
Sponsorships	-	-	(140)	(140)	-	-	(162)	(162)
Depreciation	-	-	(35,921)	(35,921)	-	-	(38,149)	(38,149)
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**70.9**	**722**	**(44,602)**	**(43,880)**	**69.3**	**-**	**(47,476)**	**(47,476)**
Activity view								
Associate Director (office)	3.9	-	(713)	(713)	1.9	-	(374)	(674)
Infrastructure Planning and Delivery	45.2	722	(43,380)	(42,658)	45.6	-	(46,102)	(46,102)
Technical Services	21.8	-	(509)	(509)	21.8	-	(664)	(664)
TOTAL	**70.9**	**722**	**(44,602)**	**(43,880)**	**69.3**	**-**	**(47,476)**	**(47,476)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Free City Connector	-	(1,162)	-	(1,359)
TOTAL	**-**	**(1,162)**	**-**	**(1,359)**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
Adelaide Park Lands Strategic Water Resources Study	-	-	-	(50)
Asset Condition Audit	-	(199)	-	(595)
Bridge Maintenance Program	-	-	-	(400)
Conservation Management Plans – Bridges	-	-	-	(60)
Resilient Flood Mapping	3,000	(2,325)	-	(1,723)
SA Power Networks (SAPN) Luminaire Upgrades	-	(100)	-	(50)
Transport Strategy	-	(350)	-	(200)
Adelaide Central Market – Telecommunications Infrastructure	-	(229)	-	-
Climate Change Risk Adaptation Actions Year 2	-	(160)	-	-
Conservation Management Plans for Heritage Assets	-	(200)	-	-
Lighting and Electrical Data Collection	-	(300)	-	-
North Terrace West Master Plan	-	(100)	-	-
Stormwater Network Cleaning	-	(500)	-	-
West Pallant Street Improvements (Construction)	-	(239)	-	-
TOTAL	**3,000**	**(4,702)**	**-**	**(3,078)**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	7,410	(22,225)	2,882	(25,118)
Renewal	722	(41,973)	-	(47,076)
TOTAL	**8,132**	**(64,198)**	**2,882**	**(72,194)**

Note: Some of the new and upgrade budget reflected in 2023/24 income and expenditure, which has been retimed into 2024/25, is incorporated in the 2024/25 income and expenditure.

Strategic Property and Commercial

Strategic Plan link:
Our Environment, Our Places, Our Economy

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

Functions supported:

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

Outputs for the year ahead

- Effectively manage Commercial Operations (Paid Parking and Golf) to grow visitation and net contribution
- Implement ticketless, frictionless parking solutions across all UPark locations to deliver an improved customer experience
- Procure and implement a best practice, ticketless, cashless on-street parking solution
- Review and update the City of Adelaide Property Strategy
- Progress with approved property development projects including Market Square, 88 O'Connell, and the Former Bus Station site
- Progress master planning of the Flinders Street land acquisition for future housing.
- Effectively manage CoA property leasing portfolio
- Prepare a golf strategy and action plan to increase visitation, improve service offering, and increase revenue

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	53,303	-	53,303	-	56,362	-	56,362
Employee Costs	43.9	-	(6,341)	(6,341)	43.9	-	(7,271)	(7,271)
Materials	-	-	(10,849)	(10,849)	-	-	(12,573)	(12,573)
Sponsorships	-	-	-	-	-	-	-	-
Depreciation	-	-	(15,050)	(15,050)	-	-	(13,095)	(13,095)
Finance Costs	-	-	(570)	(570)	-	-	(506)	(506)
TOTAL	**43.9**	**53,303**	**(32,810)**	**20,493**	**43.9**	**56,362**	**(33,445)**	**22,917**
Activity view								
Associate Director (office)	1.8	-	(473)	(473)	1.8	-	(461)	(461)
Commercial	4.0	221	(918)	(697)	4.0	308	(876)	(569)
Parking	17.8	42,775	(14,060)	28,715	17.8	44,490	(14,483)	29,932
North Adelaide Golf Course	12.1	3,443	(3,606)	(163)	12.1	4,950	(5,100)	(150)
Strategic Property Development	4.0	584	(765)	(181)	4.0	-	(916)	(916)
Strategic Property Management	4.2	6,280	(12,988)	(6,708)	4.2	6,615	(11,610)	(4,995)
TOTAL	**43.9**	**53,303**	**(32,810)**	**20,493**	**43.9**	**56,362**	**(33,445)**	**22,917**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
88 O'Connell Project Delivery	-	(30)	-	(80)
218 - 232 Flinders Street Master Plan Investigations	-	-	-	(150)
Central Market Arcade Redevelopment	-	(280)	-	-
Strategic Property Action Plan Implementation	-	(150)	-	-
TOTAL	**-**	**(460)**	**-**	**(230)**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	(25,509)	-	(17,703)
Renewal	-	(731)	-	(198)
TOTAL	**-**	**(26,240)**	**-**	**(17,901)**



Corporate Services
(including subsidiaries)

The Corporate Services Portfolio provides effective and efficient services and insights to strengthen and grow our organisational capability, and support a culture of accountability, transparency, and innovation.

The Portfolio contains the Customer & Marketing; Finance & Procurement; Governance; Information Management; People; and the Strategy, Insights & Performance Programs.

Additionally the Portfolio includes Council subsidiaries: Adelaide Central Market Authority, Adelaide Economic Development Agency; and Kadaltilla / Adelaide Park Lands Authority.

Key Focus areas

- Revised Strategic Management Framework and new Strategic Plan
- New and different ways to engage our community
- City of Adelaide Graduate Program
- Update Long Term Financial Plan
- Development of Program Plans

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget								
Revenue	-	143,809	-	143,055	-	152,895	-	152,895
Employee Costs	192.4	-	(20,129)	(20,129)	212.0	-	(22,933)	(22,933)
Materials	-	-	(26,784)	(26,784)	-	-	(25,077)	(25,077)
Sponsorships	-	-	(3,300)	(3,300)	-	-	(2,406)	(2,406)
Depreciation	-	-	309	309	-	-	(1,063)	(1,063)
Finance Costs	-	-	(1)	(1)	-	-	(7)	(7)
TOTAL	**192.4**	**143,809**	**(50,659)**	**93,150**	**212.0**	**152,895**	**(51,486)**	**101,409**
Program Budget								
Office of the COO	5.0	-	(939)	(939)	5.0	-	(1,064)	(1,064)
Customer and Marketing	42.0	1	(6,499)	(6,498)	40.0	2	(6,712)	(6,710)
Finance and Procurement	30.8	134	(4,283)	(4,149)	30.8	138	(4,600)	(4,462)
Governance	11.3	-	(4,213)	(4,213)	11.3	-	(4,526)	(4,526)
Information Management	31.0	1,430	(13,312)	(11,882)	35.0	31	(14,119)	(14,088)
People^	18.0	-	(3,741)	(3,741)	28.8	-	(4,700)	(4,700)
Strategy, Insights and Performance	13.0	-	(1,473)	(1,473)	13.0	-	(1,628)	(1,628)
Corporate Activities*	-	132,323	3,949	136,272	3.0	142,631	6,314	148,945
ACMA	7.7	4,914	(5,310)	(396)	10.7	5,343	(6,081)	(738)
AEDA	32.6	4,354	(12,809)	(8,455)	32.6	4,417	(12,509)	(8,092)
Kadaltilla	1.0	253	(253)	-	1.3	333	(333)	-
Strategic Projects	-	400	(1,775)	(1,375)	0.5	-	(1,528)	(1,528)
TOTAL	**192.4**	**143,809**	**(50,659)**	**93,150**	**212.0**	**152,895**	**(51,486)**	**101,409**

**includes Rates Revenue, Corporation grants (e.g. Financial Assistance Grants), vacancy management Target, and capital overhead.*
^ includes 10.0 FTE Graduates allocated in business units across the Administration

Customer and Marketing

Strategic Plan link:
Our Corporation

Supports extraordinary customer experiences, celebrates our city through the delivery of creative and digital services, and enhances our reputation by promoting our achievements and initiatives.

Functions supported:

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

Outputs for the year ahead

- Consolidate implementation of brand architecture program and continue marketing and media relations strategies that strengthen the City of Adelaide's reputation and celebrate our city by promoting achievements and initiatives
- Support the development and delivery of data driven customer experience programs including a revised channel strategy, comprehensive customer surveying, consolidation of customer service processes and by effectively closing the communications loop with customers
- Provide a customer centric business partnering service which provides expert advice and guidance for effective marketing, external communications, media relations, digital services and customer experience strategies and initiatives
- Support the improvement of customer experience for residents, businesses, city users, the Lord Mayor and Councillors by embedding the Customer Experience Strategy and measuring success through an expanded Voice of Customer Program
- Design and implement website and digital services platforms, processes and quality assurance initiatives which strengthen the City of Adelaide's commitment to demonstrating best practice in access, inclusion and diversity needs
- Provide brilliant customer experiences through first point of contact resolution of Council enquiries and information through a variety of channels and in accordance with relevant legislative/ regulatory requirements and council objectives

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	1	-	1	-	2	-	2
Employee Costs	42.0	-	(4,739)	(4,739)	40.0	-	(4,832)	(4,832)
Materials	-	-	(1,760)	(1,760)	-	-	(1,881)	(1,881)
Sponsorships	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**42.0**	**1**	**(6,499)**	**(6,498)**	**40.0**	**2**	**(6,712)**	**(6,710)**
Activity view								
Manager	1.0	-	(213)	(213)	1.0	-	(213)	(213)
Customer Experience	28.0	1	(3,978)	(3,977)	28.0	2	(4,280)	(4,278)
Marketing & Communications	13.0	-	(2,310)	(2,310)	11.0	-	(2,220)	(2,220)
TOTAL	**42.0**	**1**	**(6,499)**	**(6,498)**	**40.0**	**2**	**(6,712)**	**(6,710)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	-	-	-
Renewal	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Finance and Procurement

Strategic Plan link:
Our Corporation

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

Functions supported:

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

Outputs for the year ahead

- Implement Phase II of the Procurement and Contract Management System
- Implement KPI/dashboard reporting for Procurement
- Consider including divestment, energy transition and carbon pricing within financial planning documents
- Institute monthly financial reporting to Council
- Update the LTFP Model to a scenario-based model
- Continue to review valuations and rates modelling systems
- Continue to review rating structure and approach

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	134	-	134	-	138	-	138
Employee Costs	30.8	-	(3,912)	(3,912)	30.8	-	(4,223)	(4,223)
Materials	-	-	(372)	(372)	-	-	(377)	(377)
Sponsorships	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**30.8**	**134**	**(4,283)**	**(4,149)**	**30.8**	**138**	**(4,600)**	**(4,462)**
Activity view								
Manager	1.0	-	(265)	(265)	1.0	-	(286)	(286)
Financial Planning & Reporting	13.0	-	(1,811)	(1,811)	13.0	-	(1,984)	(1,984)
Procurement & Contract Management	7.8	-	(990)	(990)	7.8	-	(1,063)	(1,063)
Rates & Receivables	9.0	134	(1,217)	(1,083)	9.0	138	(1,267)	(1,129)
TOTAL	**30.8**	**134**	**(4,283)**	**(4,149)**	**30.8**	**138**	**(4,600)**	**(4,462)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
Banking Transition	-	(225)	-	-
External Property Valuations	-	(240)	-	-
TOTAL	**-**	**(465)**	**-**	**-**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	-	-	-
Renewal	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Governance

Strategic Plan link:
Our Corporation

Focused expertise and effort to ensure the organisation balances rigour, excellence, accountability, innovation and transparency in delivering results for Council and our city. Maximising opportunities through responsible risk management.

Functions supported:

- Compliance and Freedom of Information
- Council Governance
- Council administration
- Corporate Governance
- Enterprise Risk
- Legal Services
- Security and Emergency Management

Outputs for the year ahead

- Provide a customer centric service to the organisation which delivers expert advice and guidance in relation to council governance, Kadaltilla / Adelaide Park Lands Authority, corporate governance, internal controls, insurance, internal audit, emergency management, enterprise and legal risk
- Design and implement initiatives which support an organisational approach to risk and opportunity
- Support the delivery of reporting outcomes to Committees, Council and Kadaltilla / Adelaide Park Lands Authority, and the making of transparent decisions, through the availability of an accessible and reliable meeting and agenda management system
- Monitor and maintain operational management systems and processes to support the organisation's compliance with legislative requirements
- Provision of effective, accurate and timely legal services
- Design and deliver a strategic internal audit plan which provides assurance on the effectiveness of governance, risk management and internal controls
- Monitor and maintain an appropriate suite of insurance and perform claims management
- Provide high-level administrative support and appropriate advice to ensure Council Members fulfill their roles and responsibilities

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	-	-	-	-	-	-	-
Employee Costs	11.3	-	(1,602)	(1,602)	11.3	-	(1,624)	(1,624)
Materials	-	-	(2,611)	(2,611)	-	-	(2,902)	(2,902)
Sponsorships	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**11.3**	**-**	**(4,213)**	**(4,213)**	**11.3**	**-**	**(4,526)**	**(4,526)**
Activity view								
Manager	1.0	-	(209)	(209)	1	-	(215)	(215)
Corporate Governance	4.4	-	(1,972)	(1,972)	5.2	-	(3,201)	(3,201)
Council Governance	5.1	-	(1,045)	(1,045)	5.1	-	(1,110)	(1,110)
Legal Governance	0.8	-	(987)	(987)	-	-	-	-
TOTAL	**11.3**	**-**	**(4,213)**	**(4,213)**	**11.3**	**-**	**(4,526)**	**(4,526)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
ESCOSA review	-	-	-	(40)
TOTAL	**-**	**-**	**-**	**(40)**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	-	-	-
Renewal	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Information Management

Strategic Plan link:
Our Corporation

To enable delivery of customer focused services to our community IM delivers integrated technology solutions that improve access to information, streamline processes, safeguard our information and systems, and encourage collaboration across the organisation.

Functions supported:

- Archives and Civic Collection Management
- Corporate Records Management
- Projects and partnering
- Service Desk
- Technology, Infrastructure and Platforms

Outputs for the year ahead

- Provide a customer-centric business partnering service with expert advice and guidance consistent with our enterprise architecture principles
- Support the delivery of business outcomes and making data-driven decisions through accessible and user-friendly systems, processes, and data
- Design and implement strategic and operational planning processes to ensure the ongoing management and safekeeping of corporate information and data assets.
- Digitise records and archival materials to manage, find and store the backlog materials physically stored in the organisation more effectively
- Manage collecting and preserving historical and culturally significant archive materials and artifacts
- Support and deliver enterprise records management systems and guidance
- Provide simple, modern, and efficient customer focussed service delivery capability for IM and the wider Corporation
- Design and implement activities and initiatives from the cybersecurity roadmap to uplift the organisation's maturity in cyber resilience
- Deliver the planned initiatives of the business systems roadmap, including the delivery of customer insights, workforce management and enterprise analytics

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	1,430		1,430	-	31	-	31
Employee Costs	31.0	-	(4,553)	(4,553)	35.0	-	(4,660)	(4,660)
Materials	-	-	(7,958)	(7,958)	-	-	(8,519)	(8,519)
Sponsorships	-	-	-	-	-	-	-	-
Depreciation	-	-	(801)	(801)	-	-	(935)	(935)
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**31.0**	**1,430**	**(13,312)**	**(11,882)**	**35.0**	**31**	**(14,119)**	**(14,088)**
Activity view								
Manager	10.0	8	(1,379)	(1,372)	10.0	8	(1,420)	(1,412)
Project Delivery	7.0	1,400	(2,553)	(1,153)	11.0	-	(2,603)	(2,603)
Service Desk	8.0	-	(1,111)	(1,111)	8.0	-	(1,168)	(1,168)
Technology, Infrastructure and Platforms	6.0	23	(8,268)	(8,245)	6.0	23	(8,928)	(8,905)
TOTAL	**31.0**	**1,430**	**(13,312)**	**(11,882)**	**35.0**	**31**	**(14,119)**	**(14,088)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Business Systems Roadmap	-	(1,600)	-	(1,600)
TOTAL	**-**	**(1,600)**	**-**	**(1,600)**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
Contact Centre Software Replacement	-	-	-	(450)
Cyber Security Enhancement	-	(100)	-	(85)
Adelaide Free Wi-Fi	400	(98)	-	-
Archives Digitisation	-	(80)	-	-
TOTAL	**400**	**(278)**	**-**	**(535)**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	(181)	-	-
Renewal	1,400	(3,003)	-	(1,591)
TOTAL	**1,400**	**(3,184)**	**-**	**(1,591)**

People

Strategic Plan link:
Our Corporation

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

Functions supported:

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

Outputs for the year ahead

- Provide a customer centric business partnering service which provides expert advice and guidance consistent with terms and conditions of employment and applicable work health and safety, payroll and industrial relations legislation
- Design and implement initiatives which support an organisational environment and culture which is engaged, diverse and inclusive
- Support the delivery of business outcomes and the making of data driven workforce decisions through the availability of accessible and user-friendly workforce management systems, processes, and data
- Design and implement strategic and operational workforce planning processes to support the development of employees and enable the identification of future workforce needs
- Design and implement attraction and retention strategies and initiatives that strengthen the City of Adelaide'ss employer brand and position Council as an employer of choice
- Design and implement safety and wellbeing systems, processes and initiatives which provide a holistic approach to workplace safety and wellbeing

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	-	-	-	-	-	-	-
Employee Costs	18.0	-	(2,565)	(2,565)	28.8	-	(3,499)	(3,499)
Materials	-	-	(1,175)	(1,175)	-	-	(1,201)	(1,201)
Sponsorships	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**18.0**	**-**	**(3,741)**	**(3,741)**	**28.8**	**-**	**(4,700)**	**(4,700)**
Activity view								
Manager	3.0	-	(493)	(493)	3.0	-	(471)	(471)
People Experience	5.0	-	(1,355)	(1,355)	15.8^	-	(2,271)	(2,271)
People Safety and Wellbeing	4.0	-	(751)	(751)	4.0	-	(773)	(773)
People Services	6.0	-	(1,141)	(1,141)	6.0	-	(1,186)	(1,186)
TOTAL	**18.0**	**-**	**(3,741)**	**(3,741)**	**28.8**	**-**	**(4,700)**	**(4,700)**

^ includes 10.0 FTE Graduates allocated in business units across the Administration

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Graduate Employment Program	-	(203)	-	(883)
TOTAL	**-**	**(203)**	**-**	**(883)**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	-	-	-
Renewal	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Strategy, Insights and Performance

Strategic Plan link:
Our Corporation

Enable our organisation to effectively implement Council's services in response to community needs and anticipate and adapt to a changing environment, by delivering on Council's visions and priorities through strategic, service and corporate planning, project management governance, and research and insights development.

Functions supported:

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

Outputs for the year ahead

- Produce the Strategic Management Framework to deliver the Strategic Plan and associated governing policies, plans and documents that address risks and opportunities for our community
- Coordinate corporate planning activities including the BP&B and Program Plans to ensure that current and future services for our community are planned and resourced appropriately
- Provision of policy review schedules, Annual and Quarterly reports and the production of achievement focused data such as the Corporate and Elected Member Dashboards, to support transparency, monitor, review, analyse and report on key corporate activities to ensure effective performance and legislative compliance
- Provide ongoing advice and support for Council's engagement and research efforts and produce meaningful data and insights about our city and community to inform decision making
- Support the organisation in decision making by providing project management framework, tools and resources to support optimum capital and strategic project delivery whilst providing robust project governance, risk management, analysis and reporting
- To maximise community outcomes, coordinate access to external grant opportunities that enhance the delivery of Council's Strategic Plan, projects, programs and services

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	-	-	-	-	-	-	-
Employee Costs	13.0	-	(1,328)	(1,328)	13.0	-	(1,478)	(1,478)
Materials	-	-	(145)	(145)	-	-	(150)	(150)
Sponsorships	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**13.0**	**-**	**(1,474)**	**(1,474)**	**13.0**	**-**	**(1,628)**	**(1,628)**
Activity view								
Manager	1.0	-	(187)	(187)	1.0	-	(199)	(199)
Project Management Office	5.0	-	(155)	(155)	5.0	-	(258)	(258)
Strategy & Insights	7.0	-	(1,131)	(1,131)	7.0	-	(1,171)	(1,171)
TOTAL	**13.0**	**-**	**(1,474)**	**(1,474)**	**13.0**	**-**	**(1,628)**	**(1,628)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	-	-	-
Renewal	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Adelaide Central Market Authority

Strategic Plan link:
Our Economy

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



Functions supported:

- Commercial Leasing including Market Expansion
- Property management
- Trader engagement and support
- Customer Service & Visitor Information
- Events & Activations
- Management of the Adelaide Central Market Authority Board
- Market Operations (incl. Security, Cleaning, waste)
- Marketing, Social Media, Website Management
- Media and Public Relations
- Online Market Operations
- Wider Precinct contribution

Outputs for the year ahead

- Ensure customer experiences at the heart of all decisions every day
- Enable and partner with our traders to support them in the delivery of an exceptional shopping experience
- We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results
- Contribute to the economic, social and cultural wellbeing of our precinct and community
- Plan and deliver programs that address the current and emerging needs of our customers and traders
- Implement retail leasing strategy and transition to One Market

The following table provides a view of this Programs budget by both operations and activity:

$'000	23/24 Q2 Budget FTE	Inc.	Exp.	Total(N)	24/25 Budget FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	4,914	-	4,914	-	5,343	-	5,343
Employee Costs	7.7	-	(1,288)	(1,288)	10.7	-	(1,860)	(1,860)
Materials	-	-	(3,982)	(3,982)	-	-	(4,184)	(4,184)
Sponsorships	-	-	-	-	-	-	-	-
Depreciation	-	-	(39)	(39)	-	-	(36)	(36)
Finance Costs	-	-	(1)	(1)	-	-	(1)	(1)
TOTAL	**7.7**	**4,914**	**(5,310)**	**(396)**	**10.7**	**5,343**	**(6,081)**	**(738)**
Activity view								
Manager	7.7	4,820	(5,073)	(253)	7.7	5,257	(5,250)	7
Market Expansion	-	-	-	-	3.0	-	(600)	(600)
Online Market Platform	-	94	(236)	(142)	-	86	(231)	(145)
TOTAL	**7.7**	**4,914**	**(5,310)**	**(396)**	**10.7**	**5,343**	**(6,081)**	**(738)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

$'000	23/24 Q2 Budget Inc.	Exp.	24/25 Budget Inc.	Exp.
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

$'000	23/24 Q2 Budget Inc.	Exp.	24/25 Budget Inc.	Exp.
Strategic Projects				
Adelaide Central Market Expansion Operational Preparedness	-	-	-	(220)
TOTAL	**-**	**-**	**-**	**(220)**

$'000	23/24 Q2 Budget Inc.	Exp.	24/25 Budget Inc.	Exp.
Capital Projects				
New and Upgrade	-	-	-	-
Renewal	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Adelaide Economic Development Agency

Strategic Plan link:
Our Economy

Accelerate economic growth in the City of Adelaide, by attracting investment, supporting businesses to grow, funding festivals, growing the visitor economy, supporting residential growth, managing Rundle Mall and marketing the city as a destination and 'magnet city'.

Functions supported:

- Business Support and Investment
- Economic Data and Insights
- Event and Festival Sponsorship
- Marketing the City
- Precinct Group Funding
- Residential Growth
- Rundle Mall Management, Activations and Marketing
- Funding for strategic partnerships
- Visitor Economy
- Visitor Information Services



Outputs for the year ahead

- Rundle Mall management, marketing and attraction of new brands
- Provision of $3 million+ of sponsorship to event organisers and partner organisations
- Events and data that stimulate thinking about the City's economy and investment into the economy
- Initiatives that increase the number of workers in the City by supporting businesses to grow or locate in the City
- Marketing campaigns that position the City as a place to work, invest and visit
- Delivery of Visitor Information Services to more than 35,000 people and an increase in tourism products to grow the visitor economy

The following table provides a view of this Programs budget by both operations and activity:

$'000	23/24 Q2 Budget FTE	Inc.	Exp.	Total(N)	24/25 Budget FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	4,354	-	4,354	-	4,417	-	4,417
Employee Costs	32.6	-	(4,620)	(4,620)	32.6	-	(4,782)	(4,782)
Materials	-	-	(4,960)	(4,960)	-	-	(4,451)	(4,451)
Sponsorships	-	-	(3,187)	(3,187)	-	-	(3,182)	(3,182)
Depreciation	-	-	(42)	(42)	-	-	(88)	(88)
Finance Costs	-	-	-	-	-	-	(6)	(6)
TOTAL	**32.6**	**4,354**	**(12,809)**	**(8,455)**	**32.6**	**4,417**	**(12,509)**	**(8,092)**
Activity view								
General Manager AEDA	3.0	-	(748)	(748)	3.0	-	(635)	(635)
Business and Investment	7.0	50	(2,519)	(2,469)	7.0	-	(2,629)	(2,629)
Marketing	8.0	35	(1,882)	(1,847)	8.0	-	(1,917)	(1,917)
Rundle Mall Management	9.6	4,250	(4,468)	(218)	9.6	4,397	(4,439)	(42)
Visitor Economy	5.0	19	(3,191)	(3,173)	5.0	20	(2,889)	(2,869)
TOTAL	**32.6**	**4,354**	**(12,809)**	**(8,455)**	**32.6**	**4,417**	**(12,509)**	**(8,092)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

$'000	23/24 Q2 Budget Inc.	Exp.	24/25 Budget Inc.	Exp.
Adelaide Fashion Week	35	(335)	-	(310)
Business Growth - Business Support	-	(179)	-	(174)
Data and insights	-	-	-	(213)
Event and Festival Sponsorship	-	(1,810)	-	(1,864)
General Marketing	-	(397)	-	(408)
Main streets Development Grants	-	(179)	-	(184)
Strategic Partnerships	-	(1,073)	-	(1,103)
Visitor Growth – Tourism Projects	-	(174)	-	(180)
WellFest	-	(400)	-	-
TOTAL	**35**	**(4,647)**	**-**	**(4,436)**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

$'000	23/24 Q2 Budget Inc.	Exp.	24/25 Budget Inc.	Exp.
Strategic Projects				
Commercial Events Funding Program	-	(600)	-	(500)
Rundle Mall Live Music Program	-	-	-	(100)
Tourism and Business attraction	-	-	-	(133)
Destination Adelaide Promotion	-	(300)	-	-
Promoting the City during Adelaide 500	-	(75)	-	-
Welcome to Adelaide	-	(120)	-	-
TOTAL	**-**	**(1,095)**	**-**	**(733)**

$'000	23/24 Q2 Budget Inc.	Exp.	24/25 Budget Inc.	Exp.
Capital Projects				
New and Upgrade	614	(870)	3,954	(3,954)
Renewal	-	-	-	-
TOTAL	**614**	**(870)**	**3,954**	**(3,954)**

Note: Some of the new and upgrade budget reflected in 2023/24 income and expenditure, which has been retimed into 2024/25, is incorporated in the 2024/25 income and expenditure.

Kadaltilla / Adelaide Park Lands Authority

Strategic Plan link:
Our Environment

To be the trusted voice on the Adelaide Park Lands which actively conserves, promotes, and enhances the environmental, economic, cultural, recreational, and social importance value of the Adelaide Park Lands.



Functions supported:

- Advocacy, advice and policy governance
- Adelaide Park Lands Management Strategy
- Stakeholder and intergovernmental relations
- Brand and Marketing

Outputs for the year ahead

- Promote the cultural values of the Park Lands including Kaurna culture, heritage, and wellbeing
- Maintain and improve climate resilience and the landscape values of the Park Lands
- Treat the Park Lands holistically with an adaptive future focused approach
- Function as the peak advisory body for policy, development, heritage, and management of the Park Lands based on sound data and evidence

The following table provides a view of this Programs budget by both operations and activity:

	23/24 Q2 Budget				24/25 Budget			
$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	253	-	253	-	333	-	333
Employee Costs	1.0	-	(143)	(143)	1.3	-	(175)	(175)
Materials	-	-	(95)	(95)	-	-	(138)	(138)
Sponsorships	-	-	(15)	(15)	-	-	(20)	(20)
Depreciation	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**1.0**	**253**	**(253)**	**-**	**1.3**	**333**	**(333)**	**-**
Activity view								
Kadaltilla	1.0	253	(253)	-	1.3	333	(333)	-
TOTAL	**1.0**	**253**	**(253)**	**-**	**1.3**	**333**	**(333)**	**-**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

	23/24 Q2 Budget		24/25 Budget	
$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	-	-	-
Renewal	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Office of the Chief Executive Officer

Office of the Lord Mayor

Strategic Plan link:
Our Community, Our Environment,
Our Economy, Our Places, Our Corporation

Supports the CEO to lead a sustainable, successful organisation, to make well informed decisions to deliver on Council's priorities, and to foster productive partnerships both with industry, and local government and other government bodies through the delivery of effective intergovernmental relations.

Supports the Lord Mayor and Council Members to foster productive relationships with peak bodies, other government bodies and the community, to deliver our Strategic Plan, and fulfill our capital city leadership responsibilities.

Functions supported by these offices:

- Advocacy, partnerships and intergovernmental relations
- Capital city oversight
- Civic protocols and events
- Communication and public relations
- Executive support and administration
- International and Sister City relationships
- Lord Mayor and Council administration

Outputs for the year ahead

- Participate and advocate to Federal, State and Local Governments
- Manage stakeholder relationships that support city, community and Civic development
- Facilitate strong connections through Civic Events, forums, local, national and international partnerships
- Ensure that the organisation is providing transparent and professional advice and delivering statutory requirements
- Provide high-level administrative support and appropriate advice to ensure the Lord Mayor, Council Members and Executive can fulfill their roles and responsibilities

The following table provides a view of this Programs budget by both operations and activity:

$'000	23/24 Q2 Budget FTE	Inc.	Exp.	Total(N)	24/25 Budget FTE	Inc.	Exp.	Total(N)
Operating View								
Revenue	-	-	-	-	-	-	-	-
Employee Costs	10.3	-	(1,750)	(1,750)	10.3	-	(1,815)	(1,815)
Materials	-	-	(1,299)	(1,299)		-	(1,301)	(1,301)
Sponsorships	-	-	(5)	(5)	-	-	(5)	(5)
Depreciation	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-
TOTAL	**10.3**	**-**	**(3,054)**	**(3,054)**	**10.3**	**-**	**(3,121)**	**(3,121)**
Activity view								
Civic Events, Partnerships, and Other Events	-	-	(467)	(467)	-	-	(506)	(506)
Lord Mayor's Office Administration	6.3	-	(1,117)	(1,117)	6.3	-	(1,158)	(1,158)
Office of the Chief Executive	4.0	-	(1,470)	(1,470)	4.0	-	(1,457)	(1,457)
TOTAL	**10.3**	**-**	**(3,054)**	**(3,054)**	**10.3**	**-**	**(3,121)**	**(3,121)**

Operating Activities that this Program delivers (cost embedded in the Program Budget):

$'000	23/24 Q2 Budget Inc.	Exp.	24/25 Budget Inc.	Exp.
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Strategic and Capital Projects that this Program delivers (cost in addition to the Program Budget):

$'000	23/24 Q2 Budget Inc.	Exp.	24/25 Budget Inc.	Exp.
Strategic Projects				
N/A	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

$'000	23/24 Q2 Budget Inc.	Exp.	24/25 Budget Inc.	Exp.
Capital Projects				
New and Upgrade	-	-	-	-
Renewal	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Capital Works

Council owns and is responsible for the management, operations and maintenance of a diverse asset portfolio that provides services and facilities for city users.

To ensure existing assets are maintained, renewed and upgraded, and that we identify appropriate opportunities for new assets, Capital Projects are assessed and prioritised with asset sustainability and the organisation's capacity to deliver in mind. Whilst capital projects can be funded by borrowings, we consider asset depreciation, cost of the life of an asset and responsible borrowing capacity.

$'000	23/24 Q2 Budget	24/25 Budget
New and Upgrades	56,183	56,809
Renewal	54,153	56,022
TOTAL	**110,336**	**112,831**

A detailed breakdown of our Capital Works Program is provided on the following pages.

We categorise our Capital Projects expenditure to provide a better understanding of what is being delivered as:

NEW AND UPGRADES:

These projects are identified through Council's Strategies and Plans and defined as:

- complex in nature
- installation of new infrastructure
- upgrades to existing infrastructure

Note: Some projects have been retimed from 2023/24 and will continue to be delivered into 2024/25

RENEWALS

These projects are grouped against multiple categories and are directly aligned to maintenance service levels contained within Council's Asset Management Plans.

New and Upgrades

$'000	2024/25 Budget
City Shaping Portfolio	
City Culture	
City of Music Laneways - The Angels Artwork	45
Golden Wattle Park / Mirnu Wirra (Park 21 West) – Community Sports Building (Detailed Design)	100**
Honouring Women in the Chamber - Portrait Commissions	12
Ippariyti Commission for Whitmore Square	140
Melbourne Street Public Art	200
Place of Courage	90**
Public Art Action Plan Deliverables	250
Ruby Hunter & Archie Roach Laneway Artwork	25
Park Lands, Policy and Sustainability	
Disability Access and Inclusion Plan 2024-2028 Implementation	100
Light Square / Wauwi – Master Plan (Detailed Design)	250
Public Realm Greening Program	1,700
Victoria Park / Pakapakapanthi (Park 16) – Master Plan (Detailed Design)	250
City Services Portfolio	
City Operations	
Plant and Fleet Replacement program	108
Infrastructure	
Bikeways (North-South)	1,250^
Bonython Park / Tulya Wardli (Park 27B) – Community Sports Building (Detailed Design)	100**
Botanic Catchment Water Course Rehabilitation	340*^
Brown Hill Keswick Creek (Financial Contribution)	320
Charles Street - Streetscape Upgrade Major Project	5,925^
Communication Server Relocation and Associated Services (Central Markets)	300
Frome Street - Footpath Upgrades	550
Glen Osmond Road / Hutt Road and Carriageway Park / Tuthangga (Park 17) -Improvements (Detailed Design)	42*
Golf Links - Building Compliance Upgrades and Commercial Offering	80*
Greener City Streets Program	122^
Hutt Street and South Terrace – Stormwater Improvements	115*
Hutt Street Entry Statement Project	730**
James Place – Upgrade	100*
Jeffcott Street – Pavement and Stormwater Upgrades (Concept Design)	10*
Main Street Revitalisation – Gouger Street (Detailed Design)	1,250
Main Street Revitalisation – Hindley Street	4,980*
Main Street Revitalisation – Hutt Street (Detailed Design)	1,250
Main Street Revitalisation – Melbourne Street Improvements	612**
Main Street Revitalisation – Melbourne Street (Planning)	100
Main Street Revitalisation – O'Connell Street (Detailed Design)	1,000
Mistletoe Park / Tainmuntilla (Park 11) Shared Use Path Renewal & Public Lighting Upgrade	149

continued on next page

**in addition to this budget there is a renewal amount which is reflected separately in the Renewal Program table*
*** fully grant funded / ^ partially grant funded*

$'000	2024/25 Budget
City Services Portfolio (continued)	
Infrastructure (continued)	
New Parents Room with store room	55
Park Land Buildings Upgrades	1,763
Royal Avenue - Improvements	100*
Rymill Park / Murlawirrapurka (Park 14) – Master Plan Safety and accessibility works	822*^
School Safety Implementation Project	250
Torrens retaining structure	1,600
Vincent Street and Vincent Place - Improvements	1,203*
Strategic Property and Commercial	
Central Market Arcade Options	285
Central Market Arcade Redevelopment	15,918
South West Community Centre	1,500
Corporate Services Portfolio	
Corporate Activities	
Project Delivery Management Costs (Overheads)	6,764
Adelaide Economic Development Agency	
Experience Adelaide Centre	3,954**
Total New and Upgrade Program	**56,809**

**in addition to this budget there is a renewal amount which is reflected separately in the Renewal Program table*
*** fully grant funded / ^ partially grant funded*

Renewals

$'000	2024/25 Budget
Infrastructure	
Bridges	694
Buildings	11,205
Pathways	7,863
Kerb and Water Table	1,711
Lighting & Electrical	2,233
Park Lands & Open Space	1,938
Roads	8,325
Water Infrastructure	5,735
Traffic Signal	3,931
Urban Elements	3,441
Total Infrastructure	**47,076**
Plant, Fleet & Equipment Replacement	1,492
Commercial Plant, Fleet & Equipment	198
IT Renewals	1,591
Delivery Resources	5,665
Total Renewal Program	**56,022**



Our Resources and Budget

Resource Plan 2024-2028

How we Budget

Financial framework and indicators

Rates, Borrowings, Fees and Charges

Detailed financial overview

Financial Statements



Resource Plan 2024 - 2028

Council's Strategic Plan 2024 – 2028 included a four year Resource Plan, which with the Long-Term Financial Plan (LTFP), Asset Management Plans and City Plan have all informed the development of this business plan and budget.

The Resource Plan supports the delivery of the Strategic Plan and outlines the financial and non-financial resources required to deliver our objectives and actions over the next four years.

Financial

The financial aspect of the Resource Plan is based on principles to ensure that Council has the capacity to be financially sustainable in the medium and long term.

Financial sustainability also helps to ensure intergenerational equity so that costs associated with expenditure are spread over time relevant to the communities that will draw benefit. Financial principles include but are not limited to:

- Fees and charges are equitable and respond to the community's needs
- Ensuring an effective rating system
- Considering new and different revenue streams
- Using borrowings to fund new and upgrade projects
- Fund operations and expenses from within the operating budget

Council's LTFP has assumed that existing service levels will be maintained, while seeking efficiency improvements in line with appropriate planning, measures and benchmarks. The four year financial view embedded in the Resource Plan is taken from Council's LTFP and provides the funding for the Strategic Plan.

This period sees significant investment in Council priorities, including upgrades to main streets, partnerships with the State Government on major projects, strategic property developments and ongoing delivery of core services. Rates will continue to be an important source of revenue, accounting for approximately 60% of total annual revenue. In line with the LTFP, over the four year period Council assumes growth in future rate income aligned to CPI, in addition to rates from new properties, assumed at 1% per annum.

Factors that could impact on Council's finances over the next four years include increases to the Local Government Price Index on relevant goods and services, having a stronger focus on renewals and maintenance, changing service and infrastructure needs with a growing population, and interest rate impacts on Council's borrowings.

Infrastructure and Property

Asset Management Plans (AMPs) help Council to manage the assets that provide services and facilities for our community. The AMPs provide guidance for the effective management of Council's assets and are reviewed every three years to ensure we deliver the required levels of services and meet strategic and legislative requirements. The AMP's then inform Council's yearly Capital Works Program, as identified in the Business Plan and Budget.

The Resource Plan outlines the need to manage Infrastructure (Capital) expenditure in a way which avoids disruptive adjustments to activities, programs and event raising efforts. Over the life of the plan, the Capital expenditure for Council is forecast to be approximately $300m (which is subject to an increase or decrease depending on each yearly review, through the Business Plan and Budget process).

The Strategic Property portfolio that Council manages seeks to address strategic objectives for growth in the City, while providing additional net revenue. It promotes a partnership approach to acquire or repurpose property assets with the private sector and other tiers of government.

Resources

We also need to ensure we have appropriate resourcing from a people perspective so that we can deliver on the Strategic Plan and be responsive to emerging challenges. Workforce planning enables the corporation to attract, develop and retain the skills, knowledge and experience required to meet our strategic objectives and create a high performing culture. A focus on efficiencies and continuous improvement will enable resourcing numbers to be maintained at current levels over the four-year period.

Delivery of the Strategic Plan will also be facilitated by integrated technology solutions that improve access to information, streamline processes, and safeguard information and systems. The Business Systems Roadmap sets out the program of works over the next four years with a focus on four key themes – customers at the centre, secure and reliable, data driven, and seamless.

How we Budget

Councils are often referred to as 'long-term businesses' with ongoing service provision obligations and long-lived assets. From an overall community perspective, it is important that council rates are set at levels as low as sustainably possible while:

- **providing the standard and breadth of services that ratepayers value**
- **ensuring that council has robust, long-term asset management, and**
- **financing and operational plans which allow management of assets efficiently and effectively over the long term, so as to sustain the delivery of those services and minimise their lifetime cost.**

The LTFP is used as base to guide Council's financial planning and includes a range of assumptions. In building the 2024/25 BP&B the core assumptions from the LTFP were:

- Continue Budget Repair
- Rates Revenue in line with forecast inflation (excludes growth from new developments)
- Fees and charges in line with forecast inflation
- Salaries and wages forecasts based on enterprise agreements; once expired, Wage Price Index (WPI) for SA applied
- Other revenue and expenditure growth, in general, in line with forecast inflation
- Interest rates relative to market expectations
- Capital renewal expenditure in line with Infrastructure and Asset Management Plans
- Capital enhancements (new and upgrade) in line with the Council decision to fund the Central Market Arcade Redevelopment, Mainstreets ($15m per year) in addition to other items identified as a priority.

For 2024/25, to make sure that the budget repair required is done in a financially sustainable manner, Council also used the following principles to guide the BP&B build:

- Continue to deliver a minimum of the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI)
- Fees and charges reflect the cost of services provided
- Maintain an operating surplus
- Capitalise on external funding, fast-tracking projects that attract such funding, recognising the potential need for increased borrowings in order to respond to external funding opportunities
- Adjust rate revenue after consideration of all other budget components and use growth in rate revenue to partly fund servicing new rateable properties and to service new borrowings
- Capital renewal expenditure will be based on Asset Management Plans
- Changes to services, assets or maintenance requiring an increase in operating costs are to be funded from the adjustment of priorities, rate revenue or other revenue increases and/ or through savings
- Borrowings will be used to fund new and upgrade projects and not used to fund operations, expenses or renewal projects

Financial framework and indicators

The budget process began by maintaining the 2023/24 Operating Budget throughout the year, updating the Base Budget to incorporate permanent changes to inform the following year's budget. The various parts of the organisation then built upon the Base Budget, from the ground up, to develop the budget required to deliver the same services at the same levels for the 2024/25 year. This effectively sets the required 2024/25 Base Budget, consistent with the approach of previous years.

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

Council has also committed to a capital program of $112.831m of which $56.809m will deliver new and upgraded infrastructure. To do so, Council may have to utilise borrowings.

Council is budgeting to generate an operating surplus of $9.367m in the 2024/25 financial year, in order to ensure investment at a level to achieve Council's Asset Renewal Funding Ratio target for 2024/25. This surplus will ensure our existing infrastructure is renewed in line with approved Asset Management Plans and funded via Operations for which $7.340m is required. In addition, from 2024/25, 1.5% or $2.027m of rates revenue has been quarantined and allocated to upgrade Park Lands Buildings.

Funding Pathway		Expenditure	
Operations ($000's)			
Rates	144,908	Services	171,222
Fees and Charges	84,292	Strategic Projects	7,282
Grants and Subsidies	4,842	Renewal or replacement of existing assets	56,022
Other	1,183		
Net Capital ($000's)			
Borrowings	30,084	New income generating assets	15,918
Capital Grants and Proceeds	7,026	New Community assets	40,891
Proceeds from the sale of assets	19,000		

Operating Budget

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

Capital Budget

Council's capital budget provides for project-based delivery of new/upgraded assets as well as renewal/replacement of existing city assets. Renewal costs are funded via cashflows generated from operations and new/upgraded costs are funded from operational cashflows and borrowings.

Borrowings are mainly utilised for major infrastructure projects and major city shaping projects such as the development of Market Square (Central Market Arcade) and Main Street Upgrades, or commercially focused projects with a financial return on investment.

Implications for Future Years

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

Borrowings at the end of 2023/24 will be impacted by the timing of cash inflows and cash outflows, and timing of when projects are delivered. The projected year-end position, monitored through the quarterly review forecast process, flows through to form the 2024/25 opening balance for borrowings. Any impact affecting the year-end balance of borrowings and the cumulative funding position will be considered to ensure that borrowings remain within our current Prudential Borrowing Limits.

Financial indicators for 2024/25	Target	2023/24 Q2 Budget	2024/25
OPERATING SURPLUS RATIO This ratio expresses the Operating Surplus as a percentage of Total Operating Revenue.	0%-20%	0.9%	4.0%
NET FINANCIAL LIABILITIES This ratio expresses the Financial Liabilities as a percentage of Operating Income.	Less than 80%	7.6%	26%
ASSET SUSTAINABILITY RATIO This ratio expresses the expenditure on Asset Renewals as a percentage of forecast required expenditure according to the Asset Management Plans.	90%-110%	97%	92.5%
ASSET TEST RATIO The ratio expresses Borrowings as a percentage of Saleable Property Assets.	Maximum 50%	14%	22%
INTEREST EXPENSE RATIO Interest expense as a percentage of General Rates Revenue (less Landscape Levy)	Maximum 10%	1.4%	1.9%
LEVERAGE TEST RATIO The ratio expresses total Borrowings relative to General Rates Revenue (less the Landscape Levy).	Maximum 1.5 years	0.3	0.5
CASH FLOW FROM OPERATIONS RATIO The ratio expresses Operating Income as a percentage of Operating Expenditure plus expenditure on Renewal/ Replacement of assets.	Greater than 100%	99%	103%
BORROWINGS The ratio expresses Borrowings as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Within Prudential Limits	28%	45%
BORROWINGS The ratio expresses Borrowings (Gross of Future Fund) as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Within Prudential Limits	48%	66%

Rates, Borrowings, Fees and Charges

Rate structure

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

- The taxation principles of equity, benefit, ability-to-pay, efficiency and simplicity have been identified and applied as guiding principles to our Rating Policy
- Our commitment 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
- Our continuing 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 (SA)*. Differentiation factors previously endorsed by Council are 'Residential', 'Non-Residential' and 'Vacant Land' land uses
- For 2024/25, residential properties identified as predominately used for short stay accommodation will incur the non-residential differential rate of Commercial-Other
- 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 2024/25, and consistent with prior years, it is expected non-residential rates will represent approximately 75% of general rates revenue
- To protect ratepayers from large movements in property valuations a 10% cap on annual increases in general rates payable specific to individual ratepayers will be applied, subject to specific criteria.
- The reinstatement of a $100 per household rebate for pensioners.

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

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

Statement on Expected Rate Revenue

The 2022 Local Government reforms resulted in financial regulation changes requiring councils in South Australia to consistently show a statement on expected rate revenue. For the City of Adelaide, this information is provided below. Approximately 75% of the City of Adelaide's rateable properties are non-residential (i.e., commercial), which results in a skewed average rateable amount, when compared to suburban and regional Local Governments.

Please note: *These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Business Plan and Budget (BP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the BP&B.*

Expected Rates Revenue ($000's)	2023/24 (as adopted)	2024/25 (estimated)	Change
General Rates Revenue			
General Rates (existing properties)	136,637	146,380	5.9%
General Rates (new properties)	1,524	1,380	1.0%
General Rates revenue (GROSS)	**138,161**	**147,760**	**6.9%**
Less: Mandatory Rebates (a)	(5,955)	(6,193)	-
Total	**132,206**	**141,567**	

The percentage relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

Other Rates (including service charges)	2023/24 (as adopted)	2024/25 (estimated)	Change
General Rates Revenue (net of rebates)			
Regional Landscape Levy	1,772	1,873	5.7%
*The Regional Landscape Levy is a State tax, it is **not retained** by council.*			
Rundle Mall Management Levy	3,920	4,066	3.7%
The Rundle Mall Management Levy is collected for the advertising and promotion of the Rundle Mall precinct			
	137,898	**148,889**	**8.0%**
Less: Discretionary Rebates	(2,853)	(3,100)	
Includes the special discretionary rebate of 10% cap on general rates payable (excluding growth)			
Expected Total Rates Revenue	**133,273**	**142,533**	**6.9%**

Excluding the Regional Landscape Levy

Summary of rateable properties	2023/24 (as adopted)	2024/25 (estimated)	Change
General Rates Revenue (net of rebates)			
Number of rateable properties	26,920	27,189	1.0%
Estimated growth in number of rateable properties			
Estimated average General Rates per rateable property	5,132	5,435	5.9%

The average per rateable property is calculated on all rateable properties from the different land use categories, and are therefore not reflective of the $ rate or % change that an individual ratepayer will experience.

Notes

(a) Councils are required under the *Local Government Act 1999 (SA)* to provide a rebate to qualifying properties under a number of categories: Health Services - 100 per cent; Community Services - 75 per cent; Religious purposes - 100 per cent; Public Cemeteries - 100 per cent; Royal Zoological Society of SA - 100 per cent; Educational purposes - 75 per cent. The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

Expected Rate Revenue ($000's)	Total expected revenue			Rateable properties		Average per rateable property				Rate in the $ 24/25
	23/24	24/25	change	23/24	24/25	23/24	24/25		change	
Land Use (General Rates - GROSS)										
Residential	35,251	**37,700**	**6.9%**	16,870	**17,039**	$2,090	$2,213	(b)	**123**	**0.1149**
Commercial - Shop	20,304	**21,714**	**6.9%**	2,386	**2,410**	$8,510	$9,011	(b)	**501**	**0.1408**
Commercial - Office	43,126	**46,122**	**6.9%**	3,901	**3,940**	$11,055	$11,706	(b)	**651**	**0.1408**
Commercial - Other	34,036	**36,401**	**6.9%**	3,457	**3,492**	$9,846	$10,425	(b)	**580**	**0.1408**
Industry - Light	544	**582**	**6.9%**	101	**102**	$5,389	$5,706	(b)	**317**	**0.1408**
Industry - Other	4	**4**	**6.9%**	1	**1**	$3,520	$3,727	(b)	**207**	**0.1408**
Vacant Land	532	**568**	**6.9%**	36	**36**	$14,765	$15,634	(b)	**869**	**0.2298**
Other	4,364	**4,668**	**6.9%**	168	**170**	$25,979	$27,509	(b)	**1,530**	**0.1408**
Total Land Use	**138,161**	**147,760**	**6.9%**	**26,920**	**27,189**	**$5,132**	**5,435**	**(b)**	**302**	
Grand Total (gross)	**138,161**	**147,760**	**6.9%**	**26,920**	**27,189**	**$5,132**	**5,435**	**(b)**	**302**	

The general rate increase is based on net rates, which is gross rates less rebates applied.

Adopted valuation method

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

Capital Value – the value of the land and all improvements on the land;

Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value ceased to be an option from 1 Sept 2023); or

Annual Value – a valuation of the rental potential of the property.

Council adopts the use of Annual Value as the basis for valuing land within the council area. This method is considered consistent with the equity, ability to pay, efficiency and simplicity principles of taxation. The majority of residential and non-residential properties in the City are leased (ie are not owner occupied), therefore it is a suitable valuation measure considering the ability to pay according to the income earning potential of the property.

Notes

(b) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.

Borrowings

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

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



Fees and Charges

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

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

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

Statutory Fees, set by the State Government, will be updated in line with the State Government Gazette and included in the Fees and Charges Schedule available online and for public inspection at Council's Customer Centre, 25 Pirie Street, from July 2024.

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

- Fees and charges are determined by resolution of Council either as a direct resolution, through a 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, like any other organisation or household, has experienced a significant increase in costs in recent years and needs to respond accordingly.

Council recognises the need to repair its budget position in 2024/25 if it is to invest in the required public infrastructure and delivery of services, which align to the Strategic Plan, that our community needs both now and into the future.

As such, Council has reviewed its fees and charges, reinstating, making increases and introducing two new fees, in line with other capital city and Adelaide metropolitan councils and consistent with increased costs to deliver services and meet inflation.

As a base position, Council is increasing fees by 3.25% in 2024/25 to meet rising costs and inflation.

Fees reviewed include:

- A change to the fee model to public realm e-Scooters, aiming to reduce e-Scooter clutter and increase revenue
- An increase the City Works permit daily fee cap, initially introduced in 2021
- Reinstatement of fees for initial inspections for food premises, to cover costs of the service
- Introduction of a fee for Local Nuisance Exemptions applications, to cover costs of the service
- Introduction of a minimum fee City Works permit, to cover costs of the service
- An increase in encroachment fee

A complete list of Council's fees and charges for 2024/25 is available online from July 2024.

Detailed financial overview

Income ($'000s)	2023/24 Q2	2024/25	Variance
Rates Revenues	135,131	144,908	9,777
Statutory Charges	14,613	16,893	2,280
User Charges	70,365	67,399	(2,966)
Grants, Subsidies and Contributions	8,891	4,842	(4,049)
Investment Income	734	166	(568)
Reimbursements	338	150	(188)
Other Income	465	866	401
Total Income	**230,537**	**235,225**	**4,688**

Rates income - $144.908m

In 2024/25 Council has determined that rates revenue of $144.908m is required to fund the increase in Renewals as per the Asset Management Plans, which is a increase of 5.9% (plus growth) compared to 2023/24.

Property revaluations are currently being undertaken; the result of this valuation will amend the Rate in the Dollar to ensure Council generates the required level of rates revenue only.

Council anticipates 1% growth in revenue from new developments and additions. For the Rundle Mall Separate Levy, the revenue generated is used to directly advertise and promote Rundle Mall. The expected revenue for 2024/25 will, on average, increase in line with the inflation assumption of 3.25%.

Statutory charges - $16.893m

Statutory charges are fees for the provision of regulatory services. They are associated with the granting of a permit or license or with the regulation of an activity, including Development Act fees, parking fines and dog registration fees. Most fees are set by State Government legislation and administered by Council. Council is notified of the fee amounts in late June of each year and these will be adopted by Council in June 2024, once gazetted.

User charges - $67.399m

User charges income is received from individuals, sporting groups and various other bodies that utilise user pay services and hire or lease Council-owned property. Fees have in general increased by 3.25%. Council also receives income from commercial aspects of the business through the operation of the UParks and Town Hall. The commercial revenue budgets have been based on historical performance overlayed with current market conditions and projections of activity. From 1 August 2024, the Adelaide Aquatic Centre is set to close. As a result, associated income is forecast to reduce by $6.463m to $0.130m. In addition, Council intends to reinstate and introduce new fees, and increase fees generally in line with other capital city and Adelaide metropolitan councils and consistent with increased costs to deliver services and meet inflation.

Grants, subsidies and contributions - $4.842m

Grants, subsidies and contributions are income received from Federal and State governments. Operating grants, subsidies and contribution income has decreased due to a higher level of once-off grants received in 2023/24. Over $4.5m was received for the undertaking of a project to ensure Resilient Flood Planning, as well as for Adelaide Free Wi-Fi and City Safe CCTV Network.

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

Investment Income - $0.166m

Investment income is income derived from an asset, such as interest on bank accounts and Investments Properties. The 2024/25 budget has decreased by $0.568m due to the unwinding of Non-Current Receivables in 2023/24. Receipts are expected in 2024/25.

Reimbursement - $0.150m

Reimbursement income consists of all reimbursements paid to Council by insurance companies, ratepayers, developers and other tiers of government.

Other income - $0.866m

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

Expenses ($'000s)	2023/24 Q2	2024/25	Variance
Employee Costs	82,443	86,237	3,794
Materials, Contracts & Other Expenses	81,086	75,651	(5,435)
Sponsorships, Contributions and Donations	7,645	6,304	(1,341)
Depreciation, Amortisation & Impairment	56,473	56,857	384
Finance Costs	887	808	(79)
Total Expenses	**228,534**	**225,858**	**(2,676)**

Employee costs - $86.237m

Employee costs include base salary and all relevant on-costs, such as superannuation and work cover, as well as agency labour costs. The budget covers recurrent labour, project labour and externally funded labour. Employee costs are budgeted to increase by $3.794m, from $82.443m to $86.237m.

As a result of the expansion of services delivered to our community, an additional 9.9 FTE from 769.6 to 759.7, have been included in the 2024/25 budget.

Employee costs for 2024/25 also include the combined application of increases aligned with Enterprise Agreements, level changes required under the Enterprise Agreement and 0.5% increase in Superannuation Guarantee Charge.

Materials, contracts and other - $75.651m

Materials cover many different expenses of Council including utility payments for water and electricity, library books, and consumable materials.

Contracts covers costs such as contractors, waste collection, equipment hire, software license fees and consultants.

Other Expenses include audit and legal fees, communication expenses, insurance and registration, levies paid to other organisations, elected member allowances, advertising, fringe benefits tax, training and travel expenses.

Materials, contracts and other expenses are budgeted to decrease by $5.435m from $81.086m. This is largely due to the closure of the Adelaide Aquatic Centre on 1 August 2024, whereby expenditure will reduce by $7.057m to $0.373m. Offsetting this decrease is the expansion of services delivered to our community including new strategies, maintenance, greening, graduate programs, and the readiness for the expansion of the One Market footprint.

The existing expenditure base is generally indexed by 3.25% (forecast CPI) with additional increases for expenditure imposed on Council such as Waste Management, Gas, Security Services and Operating Leases.

To fund the 1.5% allocation of rates to Parklands Building Upgrades and maintain the rate revenue increase at 5.9%, a reduction in expenses of been factored into the 2024/25 Budget of $1.863m.

Sponsorships, Contributions and Donations $6.304m

Sponsorships, Contributions and Donations are paid to community groups and organisations. As Council considers a strategic view to partnerships, our funding allocation for 2024/25 has remained in line with 2023/24 funding allocation.

In order to minimise the rate revenue increase at 5.9%, a reduction in expenses of $1.296m been factored into the 2024/25. Council's intent is to reduce sponsorships and grants by this amount.

Depreciation - $56.857m

Depreciation is a non-cash expense that recognises the systematic allocation of the service potential (cost or replacement value) of an asset over its useful life. Over the long term, depreciation represents the minimum amount which, on average, Council needs to allocate each year towards asset replacement. This is a different concept from maintenance expenditure, which is the amount Council needs to spend each year to ensure that its assets last as long as planned. Depreciation is increasing by $0.384m from the 2023/24 budgeted depreciation. This is a result of indexation and the completion of key projects.

Finance costs - $0.808m

Finance costs include interest payable on borrowings and finance leases and other banking charges. Council is budgeting for a decrease of $0.079m in 2024/25 largely due to the impact of finance leases.

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



Financial Statements

Cash flow statement

Proceeds from borrowings (new draw downs) show $30.084m to be provided in 2024/25. This is a result of the delivery of new and upgraded capital program in 2024/25 offset by proceeds from surplus assets.

Balance sheet

Total Assets are projected to rise to $1,988.050m in 2024/25. This is an increase of $34.228m, largely the result of the capital expenditure program, contributed assets and revaluation of assets.

Total borrowings are projected to increase to $72.190m as at June 2025. This level of borrowings is within Council's Prudential Borrowing limits. Please see the financial indicator section for more information.

The Future Fund Reserve is a result of Strategic Property Sales. This fund is to be utilised to purchase or construct income generating assets. The Future Fund is projected to increase to $33.854m in 2024/25.

Uniform Presentation of Finances

Operating surplus / (deficit)

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

Net outlays on existing assets

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

Net outlays on new and upgraded assets

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

Net lending / (borrowing) for financial year

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

Statement of Comprehensive Income

$'000s	2022/23 Q3 Budget	2023/24 Budget
Income		
Rates Revenues	135,131	144,908
Statutory Charges	14,613	16,893
User Charges	70,365	67,399
Grants, Subsidies and Contributions	8,891	4,842
Investment Income	734	166
Reimbursements	338	150
Other Income	465	866
Total Income	**230,537**	**235,225**
Expenses		
Employee Costs	82,443	86,237
Materials, Contracts and Other Expenses	88,731	81,955
Depreciation, Amortisation and Impairment	56,473	56,857
Finance Costs	887	808
Total Expenses	**228,534**	**225,858**
Operating Surplus / (Deficit)	**2,003**	**9,367**
Asset Disposal & Fair Value Adjustments	1,125	-
Amounts Received Specifically for New or Upgraded Assets	8,053	7,026
Net Surplus / (Deficit)	**11,181**	**16,393**
Changes in Revaluation Surplus - I,PP&E	(13,843)	-
Total Other Comprehensive Income	**(13,843)**	**-**
Total Comprehensive Income	**(2,662)**	**16,393**

Statement of Financial Position

$'000s	2022/23 Q3 Budget	2023/24 Budget
ASSETS		
Current Assets		
Cash and Cash Equivalents	800	800
Trade & Other Receivables	42,081	46,160
Inventories	741	741
Total Current Assets	**43,622**	**47,701**
Non-Current Assets		
Financial Assets	754	679
Equity Accounted Investments in Council Businesses	1,938	2,258
Investment Property	2,939	2,968
Infrastructure, Property, Plant and Equipment	1,877,162	1,933,137
Other Non-Current Assets	1,306	1,306
Non-Current Receivable	26,100	-
Total Non-Current Assets	**1,910,200**	**1,940,349**
TOTAL ASSETS	**1,953,822**	**1,988,050**
LIABILITIES		
Current Liabilities		
Trade and Other Payables	14,966	14,015
Provisions	27,888	21,596
Other Current Liabilities	5,066	5,142
Total Current Liabilities	**47,920**	**40,752**
Non-Current Liabilities		
Trade and Other Payables	293	293
Borrowings	42,106	72,190
Provisions	2,036	2,098
Other Non-Current Liabilities	36,064	30,922
Total Non-Current Liabilities	**80,499**	**105,503**
TOTAL LIABILITIES	**128,420**	**146,255**
Net Assets	**1,825,402**	**1,841,795**
EQUITY		
Accumulated Surplus	789,449	803,559
Asset Revaluation Reserves	1,004,383	1,004,383
Future Fund Reserve	31,571	33,854
Total Council Equity	**1,825,402**	**1,841,795**

Statement of Changes in Equity

$'000s	2022/23 Q3 Budget	2023/24 Budget
Balance at the end of previous reporting period	**1,828,064**	**1,825,402**
a. Net Surplus / (Deficit) for Year	11,181	16,393
b. Other Comprehensive Income	(13,843)	-
Total Comprehensive Income	(2,662)	16,393
Balance at the end of period	**1,825,402**	**1,841,795**

Statement of Cash flows

$'000s	2022/23 Q3 Budget	2023/24 Budget
Cash Flows from Operating Activities		
Receipts		
Operating Receipts	227,550	232,390
Payments		
Operating Payments to Suppliers and Employees	(175,848)	(169,680)
Net Cash provided by (or used in) Operating Activities	**51,701**	**62,710**
Cash Flows from Investing Activities		
Receipts		
Amounts Received Specifically for New/Upgraded Assets	1,170	6,026
Proceeds from Surplus Assets	27,125	18,500
Sale of Replaced Assets	630	500
Payments		
Expenditure on Renewal/Replacement of Assets	(54,153)	(56,022)
Expenditure on New/Upgraded Assets	(55,863)	(56,489)
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)
Net Cash provided by (or used in) Investing Activities	**(81,412)**	**(87,805)**
Cash Flows from Financing Activities		
Receipts		
Proceeds from Borrowings	34,587	30,084
Payments		
Repayment from Borrowings	-	-
Repayment of Lease Liabilities	(4,877)	(4,989)
Net Cash provided by (or used in) Financing Activities	**29,710**	**20,095**
Net Increase (Decrease) in Cash Held	**-**	**-**
plus: Cash and Cash Equivalents at beginning of period	**800**	**800**
Cash & Cash Equivalents at end of period	**800**	**800**

Uniform Presentation of Finances

$'000s	2022/23 Q3 Budget	2023/24 Budget
Income		
Rates Revenues	135,131	144,908
Statutory Charges	14,613	16,893
User Charges	70,365	67,399
Grants, Subsidies and Contributions	8,891	4,842
Investment Income	734	166
Reimbursements	338	150
Other Income	465	866
Total Income	**230,537**	**235,225**
Expenses		
Employee Costs	82,443	86,237
Materials, Contracts and Other Expenses	88,731	81,955
Depreciation, Amortisation and Impairment	56,473	56,857
Finance Costs	887	808
Total Expenses	**228,534**	**225,858**
Operating Surplus / (Deficit)	**2,003**	**9,367**
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(54,153)	(56,022)
add back Depreciation, Amortisation and Impairment	56,473	56,857
add back Proceeds from Sale of Replaced Assets	630	500
Net Outlays on Existing Assets	**2,950**	**1,335**
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(56,183)	(56,809)
add back Amounts received specifically for New and Upgraded Assets	1,170	6,026
add back Proceeds from Sale of Surplus Assets	27,100	18,500
Net Outlays on New and Upgraded Assets	**(27,913)**	**(32,283)**
Net Lending / (Borrowing) for Financial Year	**(22,960)**	**(21,581)**

Notes

25 Pirie Street Adelaide
South Australia 5000
cityofadelaide.com.au

CITY OF ADELAIDE

Adelaide Central Market Authority

Draft Business Plan and Budget 2024/25



Adelaide Central Market Authority

ACMA OVERVIEW

ACMA Objects & Purposes

The objects and purposes as outlined in the ACMA Charter are:

- Oversee the management and operation of the Market
- Be responsible for maintaining and enhancing the iconic standing of the Market for the benefit of all stakeholders
- Be responsible for the Market being recognised locally and internationally as a vibrant, diverse and unique fresh produce market community that is commercially sustainable for traders and the City of Adelaide
- Contribute to the development of the wider market district
- Be financially self-sufficient in terms of its operations



STRATEGIC PLAN

The 2023-2028 Adelaide Central Market Authority Strategic Plan was developed by the ACMA Board in consultation with key stakeholders. Adopted by Council in May 2023 and in its second year of implementation, the ACMA Strategic Plan is based on the essential pillars that are Our Customers, Our Traders, Our Business, Our Community and Our Market.

BUSINESS PLAN

This Business Plan 2024/25 outlines the proposed actions within the strategic pillars and associated measures to progress the delivery of the Strategic Plan. It was endorsed by the ACMA Board on 22/02/2024.

BUDGET

All actions have been budgeted for in the Operating Budget or through a Strategic Project request.



OUR PURPOSE

To be a world leading food and produce market that shares an enduring connection with our community.

OUR PLAN

To operate sustainably as a thriving team of Traders, Board and Management who create unique, diverse and memorable customer experiences that enhance our precinct, city and state.

OUR AMBITION

To grow the market by attracting more residents, visitors and workers who shop regularly.

Strategic Pillars

OUR CUSTOMERS

We will keep customer experiences at the heart of all decisions, every day.

1.1 Know our customer

1.2 Engage our customer

1.3 Deliver extraordinary customer experience

OUR TRADERS

We will work with our traders to support them in the delivery of an exceptional shopping experience.

2.1 Support Trader success

2.2 Maintain & Grow Trader advocacy

OUR BUSINESS

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

3.1 Ensure our Market is financially self sufficient

3.2 Deliver Retail & Leasing Strategy

3.3 Deliver Marketing Strategy

3.4 Ensure the Market remains safe & secure environment

3.5 Treat Traders as business partners

3.6 Deliver brilliant basics

3.7 Focus on people and capability

OUR COMMUNITY

We will make a valuable contribution to the economic, social and cultural wellbeing of our precinct and community.

4.1 Connect with our community

4.2 Contribute to the wider Market precinct

OUR MARKET

We will deliver infrastructure and programs that address the current and emerging needs of our customers and traders.

5.1 Ensure quality outcomes for our Market

5.2 Review technology systems to inform decision making

Alignment of Strategic Goals

ACMA priorities are consistent with the strategic goals set out in the City of Adelaide Strategic Plan 2024-28.
The actions within each ACMA Strategic pillar align with the following CoA objectives and outcomes:

Our Community	An interesting and engaging place to live, learn and visit	Our Customers	Our Community	
	An inclusive, equitable and welcoming community where people feel a sense of belonging	Our Customers	Our Community	
Our Environment	A sustainable city where climate resilience is embedded in all that we do	Our Community	Our Market	
Our Economy	Adelaide's unique experiences and opportunities attract visitors to our city	Our Customers	Our Traders	
Our Places	Create safe, inclusive and healthy places for our community	Our Customers	Our Business	
Our Corporation	Exceptional Customer Service	Our Customers		
	Financial Sustainability	Our Business		
	People Engagement	Our Business		
	Strategy, Value and Efficiency	Our Business		
	Technology and Information	Our Customers	Our Business	Our Market

It is a Key Action within the Our Economy aspiration of the City of Adelaide Strategic Plan 2024-28 for the City of Adelaide to continue to support ACMA in its delivery of the Charter and Business Plans. (Our Economy, Strategic Plan 2024-2028).

Adelaide Central Market Authority

Detailed Business Plan
2024/25



Adelaide Central
Market Authority

Our Customers

We will keep customer experiences at the heart of all decisions, every day

1.1 KNOW OUR CUSTOMERS

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
1.1.1 Customer Experience Tracker Regularly update quantitative understanding of customer perception, barriers, pain points and delights.	• Identify and report on customer experience trends and satisfaction level through surveys • Report on customer trends	• Monthly tracking and biannual reporting • Action feedback as needed • 82% or more Market satisfied visitors. • Monitor and report general customer, F&B and fresh food trends. • Industry reports and trends
1.1.2 Customer Journey Evolve customer journey analysis to understand why customers haven't visited recently, bring more people to the Market and keep them coming back.	• Identify shopper segments. • Continue Customer perception and construction Impact research - reporting at each stage of building	• Report survey results and action as needed. • Retain over 82% satisfaction • Share information with traders.
1.1.3 Customer Insights Leverage customer feedback from socials and Market Stall to drive customer advocacy.	• Improve customer service digital tools to collate and manage customers' feedback. • Monthly report from customer feedback and enquiries at Market Stall	• Record and respond to customer complaints in timely manner • Inform traders when feedback is relevant to their stall • Track visitation to The Market Stall
1.1.4 Trading Hours Align trading hours to customer preferences.	• Commence process to align trading hours to customer preferences • Facilitate trader forum to come to consensus	• Traders actively participate in decision making (vote) • Customer survey results relevant to trading hours improve vs 23/24. • TRC consultation with traders



Our Customers

We will keep customer experiences at the heart of all decisions, every day

1.2 KNOW OUR CUSTOMERS

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
1.2.1 Market Vibrancy Elevate events and activations to drive Market vibrancy and celebrate cultural diversity.	• Collaborations with cultural organisations – Fringe delivery and Illuminate planning	• Social media engagement • Trader support
	• Deliver major annual events as per Marketing Plan including Bastille Day, Seafood and Sounds, Sauce Day, Lunar NY	• Visitation for major events is superior or equal to 2023/24
	• Deliver regular ongoing programs for school holidays and families	• Participation and ticket sales for school holiday activities is superior or equal to 2023/24
	• Develop music strategy for Market Expansion • Develop Christmas decorations design concept for Market Expansion	• Scoping & costing completed by Q3
	• Manage and promote Producer in Residence stall	• Producer in Residence occupancy >95% • A minimum of 50% new businesses activating PIR
1.2.2 Connected Customer Develop roadmap to connect with customers for entire journey, home to market to home.	• Work with CoA to improve car park experience and precinct wayfinding • Grow direct marketing database to own customer data	• Customer Experience survey • Market Lovers database growth 10%
1.2.3 Customer Service Expand Customer Service Desk offerings.	• Investigate more eco-friendly merchandise offering	• Reduce number of OS sourced products
	• Staff training and development	• 100% attendance at CoA courses
	• Investigate customer services location and new offerings for the Expansion	• Scope options Q1



Our Customers

We will keep customer experiences at the heart of all decisions, every day

1.3 DELIVER EXTRAORDINARY CUSTOMER EXPERIENCE

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
1.3.1 In Market Create compelling common areas for customers to play and stay.	• Advocate and plan for parents room as FY25/26 CoA capital works Q3	• Designs delivered to scope
1.3.2 Unique Experiences Create an enjoyable and unique shopping experience.	• Deliver cooking and products demonstration, tastings and community kitchen activations as per Marketing Plan	• Measure customer feedback and participation
1.3.3 Online Market Implement continuous improvements including personalised customer engagement journey; delivery and click & collect processes; customer rewards and leveraging online customer insights to address needs.	• Regular activity review to track trends • Develop Marketing plan including re-engagement strategy for lapsed customers • Investigate a review of delivery partners and tracking / implement change if benefits are identified	• Monthly activity analysis included in GM report • Measure customer satisfaction through annual survey • Customer retention over 60%



Our Traders

We will work with our traders to support them in the delivery of an exceptional shopping experience

2.1 SUPPORT TRADER SUCCESS

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
2.1.1 Unique Product Traders to identify unique products and showcase provenance stories.	• Trader improvement on social media focusing on unique products. Share content with ACMA to enable media and PR opportunities.	• Feature one unique product a month through ACMA social media • Showcase unique products in Market Lovers newsletter once per month • Trader social media training delivered by Q4
	• Trader improvements on labelling and signage to identify origin of produce.	• Develop VM guideline for signage and labelling
	• PIR unique offers promoted	• Social media engagement
2.1.2 Customer Experience Encourage 'story telling' at point of sale, highlighting the stalls history and tradition.	• Provide traders with an opportunity to spend time with a retail visual merchandiser to identify key areas for improvement, when required. • Encourage spruiking where possible. • Support tastings and demonstrations.	• Positive Trader & customer feedback
2.1.3 Visitor Revenue Encourage traders to find opportunities to cater for tourists. Promote trader connection with event customers.	• Encourage conversion of event customers to shoppers via marketing activities	• Market Trail participation levels
	• Support trader after hours events	• 4 traders events supported in kind by up to 20 hours of staff time & promotion support
	• Encourage ATDW sign ups	• Include in Market Talk 3 times per year
	• Nominate traders for AEDA tourism accelerator programs	• Take up by traders



Our Traders

We will work with our traders to support them in the delivery of an exceptional shopping experience

2.2 MAINTAIN & GROW TRADER ADVOCACY

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
2.2.1 Trader Skills Support trader engagement in business trends, retail and commercial business skills including marketing training needs as identified by traders.	• Provide traders with information on lessee obligations. • Share periodic market research and industry news.	• Market Talk open rate above 70% • 1 per quarter
2.2.2 Profile Leaders Utilise traders as ambassadors for general marketing activity.	• Create opportunities through the use of ACMA's creative, PR agencies and digital channels.	• Positive Trader & customer feedback
	• Media training for selected traders	• Feedback from training facilitator



Adelaide Central Market Authority

Our Business

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results

3.1 ENSURE THE MARKET IS FINANCIALLY SELF SUFFICIENT

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
3.1.1 Trader Skills Work with CoA Finance to update ACMA Long Term Financial Plan. Identify cost efficiencies and revenue generating opportunities.	• Annual financial results meet budget. • Financial audit performed at least once per year.	• As per budget and business plan • Financially self-sufficient operationally
	• Waste contract renewal	• Cost efficiency vs previous contract
3.1.2 Profile Leaders Manage Market and oversight of ACMA Strategic Plan in accordance with Charter, Council's Strategic Plan and Headlease.	• ACMA Board strategic planning. • AGM	• Compliance with Charter
	• Administer Board of Management and Committees • Regular reporting to CoA CEO and Council.	• Min biannual Governance sub committee meeting • Governance plan reviewed annually
	• Media training for selected traders	• Feedback from training facilitator
3.1.3 Lease Revenue Perform annual market rent reviews. Reduce close to open time for stalls. Maintain strong leasing occupancy	• 19 renewals FY 24/25. • Relocation of Data Servers to enable Federal Hall leasing • Progress the leasing of Market Expansion tenancies in line with CoA Strategic Plan	• Leasing occupancy above 96%. • Percentage of lease renewals. • Total income generated as per budget



Our Business

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results

3.2 DELIVER RETAIL & LEASING STRATEGY

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
3.2.1 Retail Mix Establish a holistic market review and future strategy to solidify the market as the destination for food and produce. Attract and retain traders.	• Actively curate and seek traders to stimulate market mix. • Continue to contribute significantly to total volume of spend in the city.	• Sourcing of Market Expansion tenants as per Leasing Strategy • High satisfaction rate in customer survey (diversity/variety criteria).
3.2.2 Fitout Upgrades Develop design and display guidelines for tenancies, Producer in Residence and casual leasing. Encourage tenancy upgrades through incentive program	• Implement new Design Guidelines.	• Annual measure of stalls benefiting from fitout incentive program, as per incentive program



Our Business

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results

3.3 DELIVER MARKETING STRATEGY

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
3.3.1 Marketing Purpose Ensure the market is recognised locally and internationally as a leading, vibrant, diverse and unique fresh produce market community.	• Using research data, develop an annual comprehensive, multi channel, cost effective and actionable Marketing Plan.	• Exceed $1.5M ASR media coverage • Customer insights and trader feedback • Event participation/ visitation • Full allocation of CMMF funds
3.3.2 Tourism Identify opportunities to drive tourist visitations.	• Collaboration with CoA and SATC to engage with tourism visitors and operators.	• Collaborate on 2 major city events • Deliver as per Marketing Plan

3.4 ENSURE THE MARKET REMAINS A SAFE AND SECURE ENVIRONMENT

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
3.4.1 Security Maintain market security standards and seek opportunities for improvement.	• Monitor performance of security provider to contract. • Utilise technology to reduce costs ie CCTV upgrade across CoA & central control room	• Number of incident reports • Security call outs reduced
3.4.2 Partnerships Strengthen relationships with emergency services. Collaborate with CoA to identify security trends in the city	• Proactively share security, health and best practice trends.	• Report on number of incidents. • Regular meetings with SAPOL • Attendance CoA Safety and risk Committee meetings



Our Business

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results

3.5 TREAT TRADERS AS BUSINESS PARTNERS

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
3.5.1 Trader Groups Continue to develop representative committee formats to deliver best outcome for market, including traders.	• Compliance with ACMA Charter: Regular TRC meetings and2 all trader meetings p/a • Seek regular feedback from traders	• Survey trader satisfaction rate. • Trader participation in surveys
3.5.2 Communication Develop strategy for communications and trader updates to achieve highest engagement.	• Provide resources and industry news to assist traders. • Staff training	• Trader communications open rate over 70% • Minimum 1 industry news sent per quarter

3.6 DELIVER BRILLIANT BASICS

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
3.6.1 General Cleanliness Maintain market cleanliness standards and seek opportunities for improvement.	• Ongoing inspections completed. • Lease inspections upon renewals	• Contractor compliance with contract conditions • Minimal or no customer feedback
3.6.2 Brilliant Basics Ensure traders comply with lease conditions including cleaning and waste management, maintenance and repair and pest control.	• Review market rules annually to include minimum standards. • Ongoing inspections completed and remedial activities undertaken. • Actively liaise with traders and ensure compliance. • Deliver pest control programs	• Minimal or no customer feedback • Decrease in pest and related feedback



Our Business

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results

3.7 FOCUS ON PEOPLE AND CAPABILITY

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
3.7.1 Employee Experience Retain and attract key talent. Maintain and grow employee engagement.	• Anecdotal feedback • Employee advocacy	• Employee retention • Maintain and grow culture survey results
3.7.2 Team Capability Develop Workforce Plan for Market Expansion. Embed role and decision clarity.	• Access to professional development and upskilling. • Develop and Implement appropriate resourcing to manage increase in service levels	• Employee retention • Market expansion activities are delivered



Our Community

We will make a valuable contribution to the economic, social and cultural wellbeing of our precinct and community

4.1 CONNECT WITH OUR COMMUNITY

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
4.1.1 Reconciliation Action Plan Engage with and recognise the Kaurna community and all First Nations as traditional owners.	• Deliver market initiatives from CoA Reconciliation Action Plan (RAP).	• Deliver market activations and initiatives to exceed RAP actions • Meet biannually with CoA Reconciliation Officer
4.1.2 Community Engagement Plan Connect with the broader community to ensure the market continues to be inclusive and welcoming to all.	• Develop and deliver initiatives from annual Community Engagement Plan.	• Deliver plan
4.1.3 Sustainability Strategy Encourage socially responsible and sustainable initiatives and measures to support our local businesses, traders and customers.	• Implement Market Sustainability Strategy 2024-26 • Landfill diversion • Waste supervisor implementation • Trader advocacy	• Compliance with relevant legislation • Exceed 98% diversion • Traders meet legislative requirements on time
4.1.4 Education Programs Enhance connection with education providers and schools.	• Consider education programs or classroom space for the expanded Market • Develop schools database	• Number of school visitations: 7000



Our Community

We will make a valuable contribution to the economic, social and cultural wellbeing of our precinct and community

4.2 CONTRIBUTE TO THE WIDER MARKET PRECINCT

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures

4.2.1 District Strategy
Develop a yearly plan for precinct connection and collaboration.
	• Identify and plan yearly priorities, including:
	  ▪ Key stakeholders and proposed programs
	  ▪ Safety considerations
	  ▪ B2B opportunities
		• Consultation with AEDA & CoA Market district Placemaking coordinator

4.2.2 Collaboration Foster collaboration with a focus on innovation and community engagement.	• Ongoing participation at precinct meetings and other meetings. • Provide Market updates and information to key stakeholders as relevant. • Support precinct initiatives and events when aligned.	• Meeting attendance • Lunar New Year & Christmas support and collaboration
4.2.3 Street Presence ACMA to explore opportunities to create on street signage including CBD to Market and approaching streets.	• Continue to seek opportunities for additional street signage for improved customer experience. • Increase brand visibility.	• Leverage Vic Sq event program • Street hoarding activated (pending schedule)

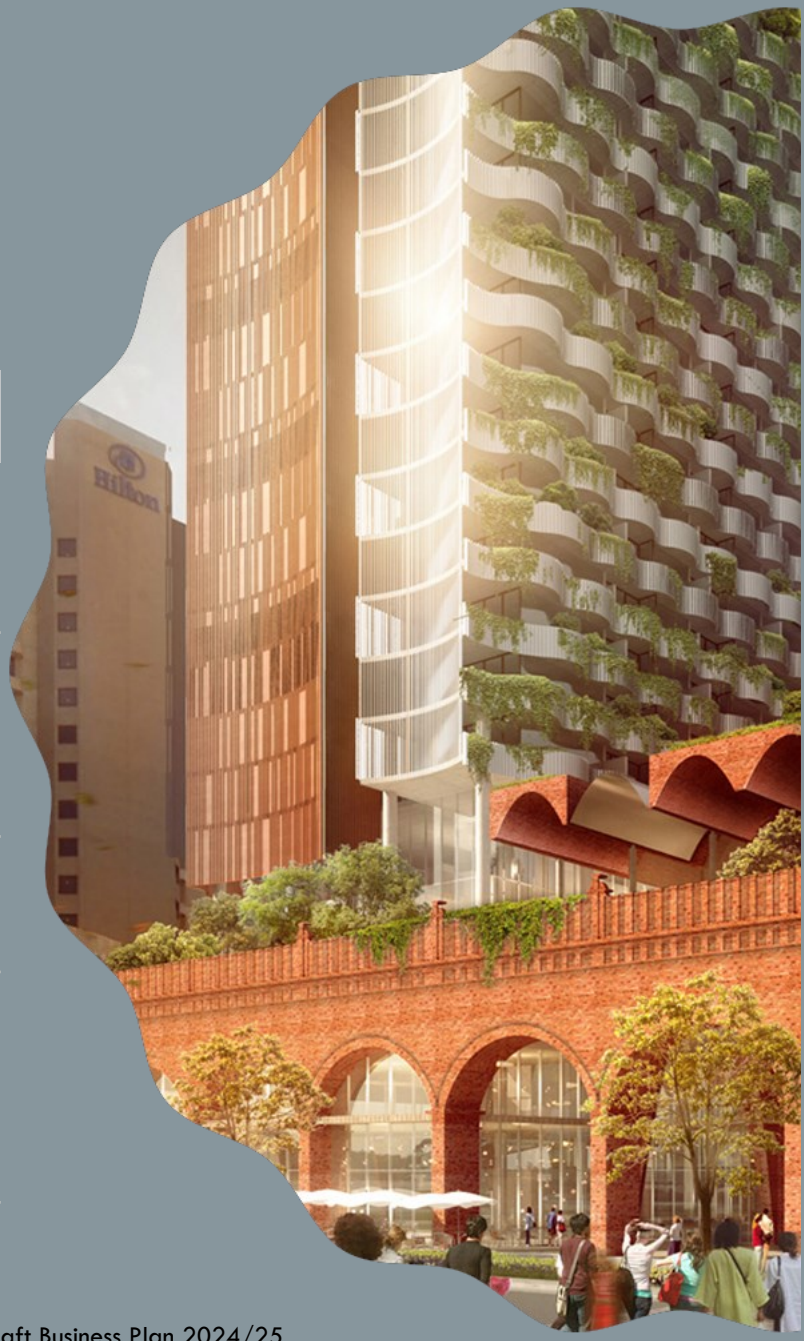


Our Market

We will deliver infrastructure and programs that address the current and emerging needs of our customers and traders

5.1 ENSURE QUALITY OUCOMES FOR OUR MARKET

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
5.1.1 Customer Amenities Deliver solutions to make it easier for customers to utilise and navigate the market.	• Bins review • Enhance amenities with consideration for bike racks for UPark (advocate) • Implementation and ongoing promotion of Market carts/trolleys	• Monitor and report on customer experience survey results.
5.1.2 Operational Requirements Provide 'fit for purpose' spaces.	• Allow adequate storage area to ensure operational capabilities and efficiencies for traders. • Ensure Market Expansion services allow tenancies to be adapted over time such as grease trap, power, exhaust etc	• Design for dry storage area delivered • Tenants secured for Market expansion
5.1.3 Car Parking Improve the customers car parking experience.	• Collaborate with CoA UPark to undertake regular reviews of car parking arrangements to assess pricing and offers, layout and operation. • Wayfinding and ease of access.	• Monitor and report on customer experience survey results.
5.1.4 Market Expansion – Construction Phase Maintain market vibrancy and business as usual trading for customers and traders throughout construction.	• Advocate for traders and customers throughout all project phases. • Implement communications strategy including stakeholder and community relations. • One Market approach for planning purposes.	• Monitor and report on Construction Impact research

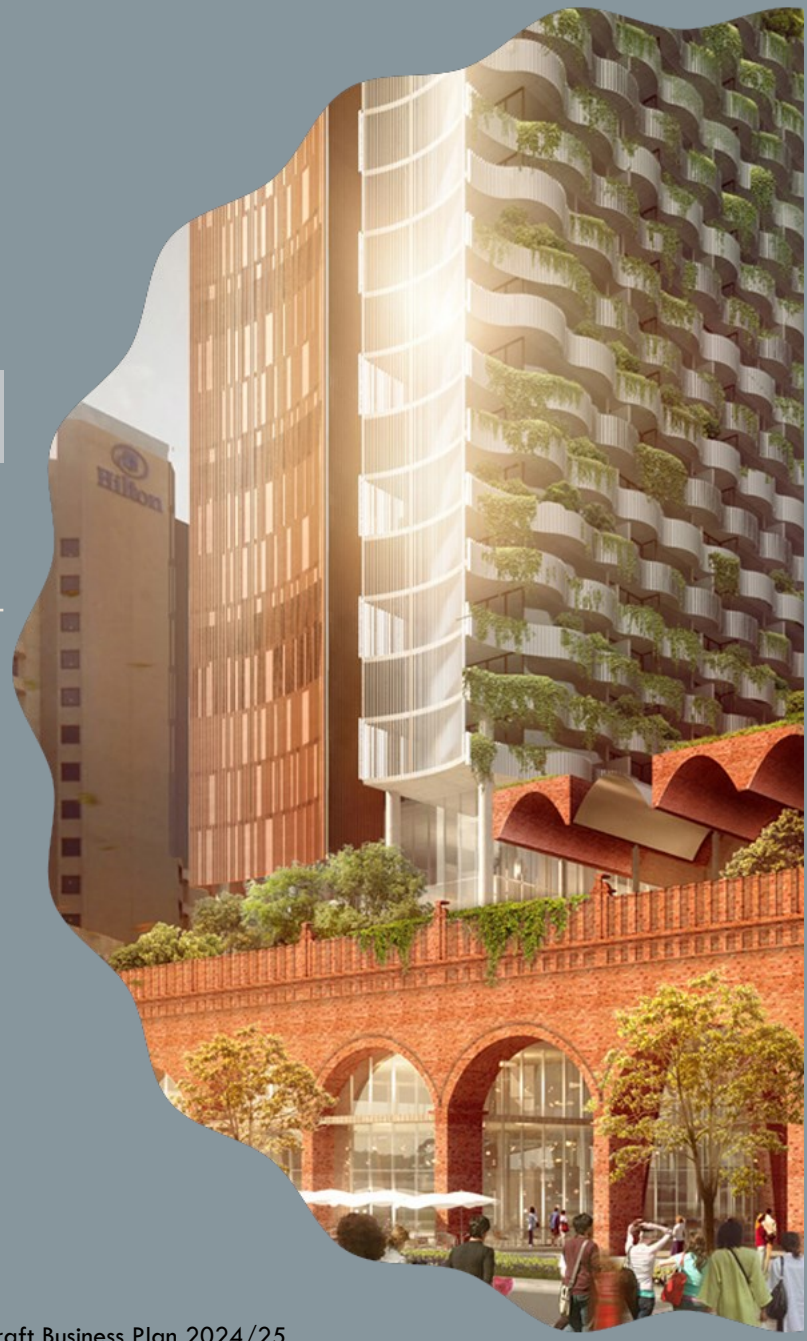


Our Market

We will deliver infrastructure and programs that address the current and emerging needs of our customers and traders

5.2 REVIEW TECHNOLOGY SYSTEMS TO INFORM DECISION MAKING

Initiatives (as per Strategic Plan 2023/28)	Actions, Milestones	Measures
5.2.1 Business Systems Implement improved technology to streamline practices and create highest levels of efficiency as possible.	• Update Property Management system (lease admin software.) • Investigate tenancy coordination for Market Expansion (procure services)	• Automated processes for resource and time efficiencies



Adelaide Central Market Authority



Draft Budget

2024/25

Adelaide Central Market Authority

Budget

ACMA is in a transitional phase, preparing for One Market which will result in an expanded retail footprint, significant additional leasing revenue and efficiencies of scale for operations.

The ACMA Budget has been prepared to ensure efficient delivery of actions outlined in the proposed ACMA Business Plan. It is built with Budget Repair in mind combined with the requirement to invest in future revenue generating activities.

It received ACMA Board approval on 22 February 2024 for submission to Council as a draft budget for consultation purposes.



Assumptions

- ACMA Management Team 10.7 FTE, with provision for One Market resourcing (equates to 1.26% of the City of Adelaide's total FTE count).
- High volume of leases due for renewal: over 26% of existing Market floor, with 95 new leases to be achieved in the next 2 years.
- Budget built from zero-base, noting utility costs increase.
- One off costs to prepare for Market expansion to be funded through Strategic Projects budget.

Finance Summary 2024/25

Note: All new capital and renewal works to be budgeted and delivered by CoA Infrastructure

Capital projects – New & Upgrade Expenditure

- New Parents Room & Storeroom Northern Roadway Design – $55,000 (feasibility completed in FY2023/24)
- Communication Server Relocation from Federal Hall - $300,000

Renewal expenditure – part of Buildings Asset Management Plan

- Market Floor Fire Compliance Items –Stage 1 of 2
- Market Floor Tenant Stall Renewals
- Installation of Automatic Exhaust System (Deferred from FY2023/24)
- Basement Remediation (Federal Hall)

Total $3,750,000

Program Plan 2024/25

Budget

	2023/24 (Q2 update)				2024/25			
Operating view	**FTE**	**Income**	**Expend.**	**Total (net)**	**FTE**	**Income**	**Expend.**	**Total (net)**
Revenue	-	4,914	-	4,914	-	5,343	-	5,343
Employee costs	7.7	-	(1,288)	(1,288)	10.7	-	(1,860)	(1,860)
Materials and other*	-	-	(3,982)	(3,982)	-	-	(4,184)	(4,184)
Sponsorships**	-	-	-	-	-	-	-	-
Depreciation	-	-	(39)	(39)	-	-	(36)	(36)
Finance costs	-	-	(1)	(1)	-	-	(1)	(1)
TOTAL	**7.7**	**4,914**	**(5,310)**	**(396)**	**10.7**	**5,343**	**(6,081)**	**(738)**
Activity view								
Manager	7.7	4,820	(5,073)	(253)	7.7	5,257	(5,250)	7
Market Expansion	-	-	-	-	3.0	-	(600)	(600)
Online Market Platform	-	94	(236)	(142)	-	86	(231)	(145)
TOTAL	**7.7**	**4,914**	**(5,310)**	**(396)**	**10.7**	**5,343**	**(6,081)**	**(738)**

Program Plan 2024/25

Budget

	2023/24 (Q2 update)		*2024/25*	
Strategic Projects	**Income**	**Expend.**	**Income**	**Expend.**
Adelaide Central Market Expansion Operational Preparedness	-	-	-	(220)
TOTAL	**-**	**-**	**-**	**(220)**

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AEDA Business Plan & Budget

FY 2024/25





Adelaide Economic Development Agency

CITY OF ADELAIDE

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Adelaide Economic Development Agency acknowledges the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today. And we also extend that respect to other Aboriginal Language Groups and other First Nations.

Image: Kuma Kaaru Dance Group, Creative City Still, Adelaide, 2019

Adelaide Economic Development Agency

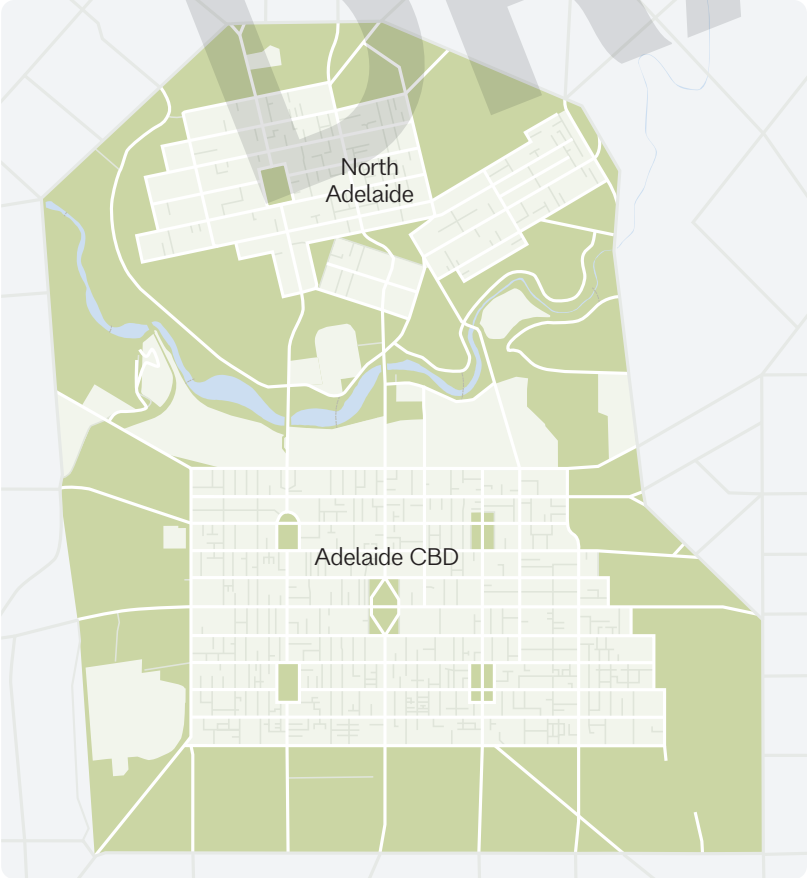
The Adelaide Economic Development Agency (AEDA) is a subsidiary of the City of Adelaide, established in January 2021 to accelerate economic growth in the city.

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

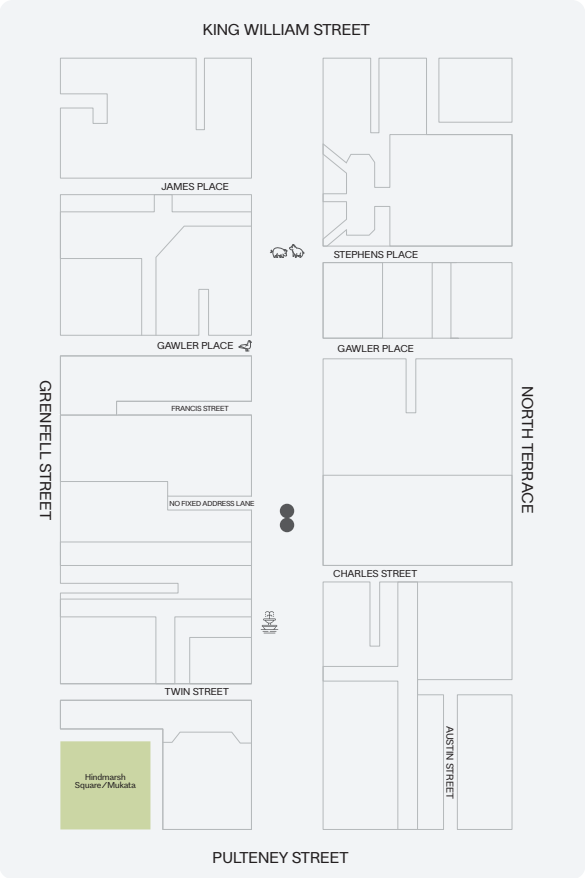
AEDA is funded through an appropriation from the City of Adelaide, and from funds raised through the Rundle Mall Differential Separate Rate declared by Council on rateable land in the Rundle Mall Precinct. Funds from the separate rate will be expended specifically and only to support the delivery of the marketing plan, actions and operation of the Rundle Mall Precinct and not the broader city.

This Business Plan and Budget is prepared in accordance with Section 6.2 of the AEDA Charter, which requires AEDA to produce an annual business plan and budget consistent with the Charter and submit to Council for approval.

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AEDA supports the economic growth in the city (postcodes 5000 and 5006).



Rundle Mall levy area.

AEDA Teams

AEDA Board

AEDA was established as a Section 42 Subsidiary under the *Local Government Act 1999* (SA), and in all things acts through the Board. The Board has responsibility to manage the business and other affairs of the subsidiary, ensuring that AEDA acts in accordance with the *Local Government Act 1999* and the AEDA Charter.

The Board is skills-based including expertise across hospitality, property development, place making, business development, investment, events and tourism. The Board consists of a Chair, one Elected Member (the Lord Mayor) and up to 7 Board Members (including one representative from the Advisory Committee).

AEDA Team

Led by a General Manager, the AEDA team is made up of experienced and passionate professionals in retail, events, property, investment, business support, tourism, brand and marketing.

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Top row, L-R: Nikki Govan (Chair), Steve Maras (Deputy Chair), James Black, Jaimee Charlton.
Bottom row, L-R: Jim Kouts, Tim Last, Dr Jane Lomax-Smith AM (Lord Mayor), Denise von Wald.

City Trends & Insights

Businesses

The number of businesses in the city is growing, most notably medium-to-large sized companies in Professional, Scientific and Technical Services industries. Conversely, the number of businesses employing less than 20 staff, declined in 2023. Some of this is attributable to firms growing beyond 20 staff, but some have closed, particularly in the food and accommodation sector, as traders faced a combination of rising costs as well as a reduction of consumer spending. To compliment small business support programs offered by other tiers of government, AEDA resolved to promote these programs and focus our efforts on assisting existing businesses to scale and grow the city's workforce.

Opportunity:

Increase both the number businesses and expand the size of existing businesses to grow the number of daily workers/visitors/consumers in the city.

Focus resources on attracting prominent retail brands and key corporate businesses to the city.

Understand specific concerns of small businesses in the Rundle Mall precinct to inform AEDA's approach to the management of the Precinct.

Challenge:

Small businesses grapple with rising costs in rent, electricity, labour, insurance, and logistics.

Vibrancy

A vibrant city where people feel a positive buzz yields a snowball effect on activity, making it an attractive destination. We want residents and visitors to share their experience with others which helps sell the city's appeal as a destination to eat, drink, dance, shop, learn, live, work and play.

Opportunity:

Continue to provide and make it easier to find information about events and city happenings.

Collaborate with the State Government to further extend opening hours of Rundle Mall around key festivals and trading opportunities.

Grow the number of workers, students, visitors and residents in the city to create demand for traders to open later.

Challenge:

Limited hospitality offering Monday and Tuesday nights.

Limited retail offering after 6pm (besides Friday night and for special events e.g. Black Friday and Christmas).

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City Trends & Insights

Visitor Economy

Adelaide's visitor economy has evolved into a new phase, with the opening of new hotels, the resurgence of business travel, and a thriving number of business events and conferences. The low Australian dollar has also enticed overseas travellers which South Australia has benefited from. This growth phase has been welcomed by city hoteliers, hospitality, and event hire facilities.

Opportunity:

Develop a broader tourism product offering in the city.

Targeted campaigns at consumers who are not impacted by cost of living increases.

Maximise opportunities from events that have a global and national exposure such as LIV Golf and Gather Round

Affordable activities for cohorts impacted by cost of living (younger families/individuals).

Challenge:

Increasing interstate leisure travel given competition from other destinations.

Consumers have less savings, buying power and confidence resulting in in discretionary spending.

Property

Building approvals and construction projects continue to showcase confidence in Adelaide's construction industry, encompassing residential, commercial, hotel and mixed-use developments. Major projects such as Market Square, 88 O'Connell, and the New Women's and Children's Hospital will see construction work continue into the short-to-medium term.

Opportunity:

Renovations of lower grade office buildings should generate a flow of construction work.

Purpose Built Student Accommodation and institutional investment in alternative residential product categories.

Challenge:

The cost of constructions may impact the feasibility of projects.

Elevated commercial vacancy rates.

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City Trends & Insights

City Snapshots

Gross Regional Product	Total Growth as of 2022 YE June **$22bn**	6.7% Annual Growth Higher growth rate than State economy Highest annual growth rate in 15 years Source: Economy.id
Consumer Expenditure	Total Growth as of 2023 YE December **$4.6bn**	9% Annual Growth Source: Economy.id
Registered Businesses	Total Growth as of 2023 YE June **12.5k**	2.3% Annual Growth Higher growth rate than national average Growth in professional, scientific, and technical services Source: Australian Bureau of Statistics
Workforce	Total Growth as of 2022 YE June **157k**	8.2% Annual Growth Higher growth rate than rest of SA (4.8%) Source: Economy.id
Population	Est. Resident Population as of 2022 YE June **26,141**	Source: Australian Bureau of Statistics
International Students	Enrolments State-wide as of October 2023 **53,481**	29,143 Commencements Surpassed preCOVID levels Source: StudyAdelaide

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City Trends & Insights

City Snapshots

Office Vacancy Rates

Up from 17% in July 2023

19.3%

Total stock (sqm) 1,563,565
Total occupied (sqm) 1,261,285
Net absorption 673 (spm) over past 6 months

Source: Property Council of Australia

Rental Vacancy Rates

Sitting between 1-2% throughout 2023

1.4%

Historic low (10 year low)
Lower vacancy rate compared to the other capital cities in Australia

Source: SQM

Main-street shop vacancy

Steady vacancy/occupancy levels since COVID.

13.5%

Source: City of Adelaide

Hotel Occupancy Rates

Steady vacancy/ occupancy levels that reflect seasonality and are comparable to 2022

Raw room demand in 2023 was higher than 2022

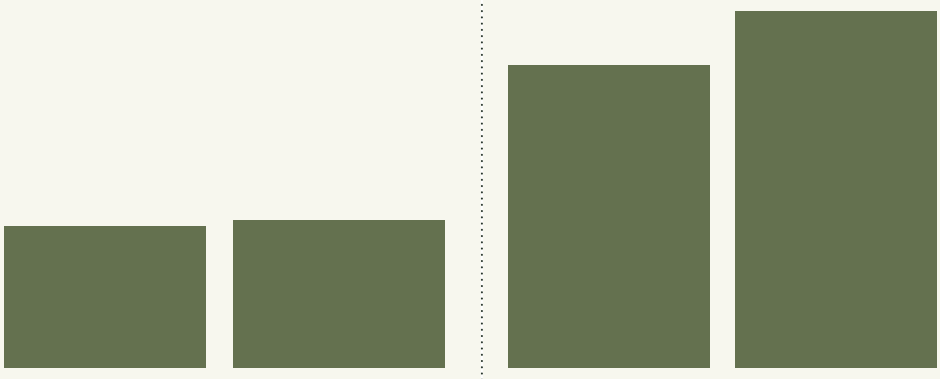
Source: STR

Change in room supply

4.7%

Change in room demand

8%



Hotel rooms in city end of 2022 (7,083)

Hotel rooms in city end of 2023 (7,414)

Hotel rooms ave. monthly demand 2022 (139,474)

Hotel rooms ave. monthly demand 2023 (151,107)

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Vision, Mission & Purpose

Vision

To make Adelaide the most liveable city in the world.

Mission

To accelerate economic growth in the city by attracting investment and supporting businesses, growing the visitor economy, supporting residential growth, growing an annual events calendar and marketing the city as a whole including Rundle Mall.

Purpose

Attract

Get more people, businesses, visitors, students and residents into the city.

Stay

Provide a positive experience so people stay longer, move around the city and return more often.

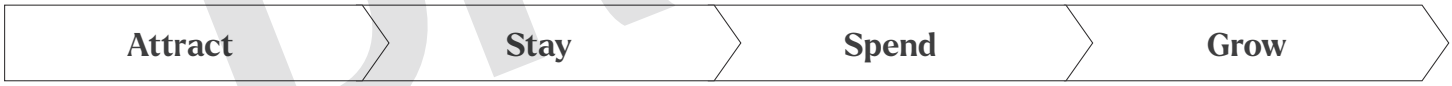
Spend

Stimulate economic growth by providing more reasons to spend in the city.

Grow

Support new and existing businesses and industries to grow and create jobs.

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Business, Investment & Residential Growth	Rundle Mall	Brand & Marketing	Visitor Growth
An environment that attracts investment, supports new businesses to start, existing businesses to grow and increases the city's population.	Rundle Mall, the State's premier retail and commercial shopping precinct, energises city life and enriches the Adelaide Experience.	The voice of the city to consumers through Experience Adelaide and to businesses as the Adelaide Economic Development Agency.	Visitors have an enjoyable, vibrant and dynamic city experience so that they are encouraged to return again and become ambassadors for Adelaide as a destination of choice.


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Strategies & Actions

KEY RESULT AREA 1

Business, Investment & Residential Growth

An environment that attracts investment, supports new businesses to start, existing businesses to grow and increases the city's population.

CoA Strategic Plan Alignment	Outcomes
• Activate and upgrade precincts to stimulate investment, increase visitation and maximise opportunities. • Provide services and information that contribute to a high productivity economy. • Work with partners, universities and businesses to attract investment and improve employment opportunities. • Grow and develop sectors such as medical, technology, create and professional services. • Deliver economic data and insights to our business community. • Support increased residential growth.	• The position of the State's Central Business District is reinforced and its strengths and opportunities are known nationally and globally. • Existing businesses grow and new firms including retailers, medical, technology, creative and professional services choose the city. • Knowledge based industries grow and innovation networks develop further. • Investment and business decision makers in the city have access to reliable data. • Enhanced partnerships with the state government, private investors and industry groups to stimulate residential and commercial investment.

Planned Actions

- Increase investment and the number of workers in the city by:
  - Collaborating with state government on initiatives to attract inbound investment.
  - Delivering initiatives for sectors including health and technology (VFX, Gaming, FinTech, AI, Climate-Tech) by working with innovation hubs and research institutions.
  - Identifying and addressing product gaps in Adelaide's tourism experience.
  - Directly targeting firms in industries that are large occupiers of commercial office space that can either expand or relocate into the city (business/professional/financial services).
  - Working with city-based firms to support their growth.
  - Proactively seek new investment opportunities including housing, retail brands, technology, tourism and professional services.
- Work with institutional investors and developers to identify opportunities to increase the residential product mix in the city.
- Manage and evolve the approach to engaging and supporting local areas in the city to thrive.
- Enhance data collection methods to provide high quality, current information, data research and thought leadership for potential investors and businesses.
- Engage with the business community through activities such as AEDA Business Summit and Data4Lunch events.
- Build on existing arrangements with organisations funded through the Strategic Partnerships Program to increase the number of students; increase, and capitalise on business events; support a culture of entrepreneurship; activate vacant shopfronts and commercial spaces; enhance Adelaide's festival sector; and foster business growth.
- Progress partnership opportunities with entities including Lot Fourteen and Biomed City, the higher education sector and other organisations to enhance the city's capital city and central business district role.

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Note: planned activities are subject to change depending on AEDA's operating environment. For additional detail and/or current status of work plans for individual areas, please contact AEDA.

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Strategies & Actions

City Indicators that will be impacted	Key Result Area Measures
• Commenced international student numbers maintained at 2023 levels (29,143 as of October). • 2+% increase in the number of city workers above 2022/23 levels (157k) to 160,647. • 2+% increase in the number of city businesses above 2022/23 levels (12,558) to 12,809. • 1.4+% increase in residential population above 2023/24 levels (26,567) to 26,957.	• 50 inward investment proposals/local expansions supported, with at least 1500 jobs. • 750 Welcome to Adelaide employee introduction packs distributed. • Increase of bookable tourism experiences in the city. • 30+ vacant shopfronts/premises activated. • Deliver 3 industry briefing events. • Outcomes from collaborative partnerships with MTPConnect; SouthStart and University of Adelaide/ Thinklab to support small businesses to grow and scale. • 5 projects/market interventions to support emerging industries in the city. • Supported/ facilitated 6 networking/knowledge transfer events for businesses.

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Note: planned activities are subject to change depending on AEDA's operating environment. For additional detail and/or current status of work plans for individual areas, please contact AEDA.

Strategies & Actions

KEY RESULT AREA 2

Rundle Mall

Rundle Mall, the State's premier retail and commercial shopping precinct, energises city life and enriches the Adelaide experience.

CoA Strategic Plan Alignment	Outcomes
• Activate and upgrade precincts to stimulate investment, visitation and maximise opportunities. • Reinforce the position of Adelaide as the State's central business district to amplify Adelaide's reputation as a place to learn, work and start a business. • Deliver quality street and laneway upgrades, Mainstreet's, precincts and neighbourhood revitalisation and improvements that make Adelaide well-designed, safe and unique.	• Rundle Mall evolves and regenerates with new capital investment. • Rundle Mall develops a reputation as a food, wine and hospitality precinct. • A vibrant and multi-dimensional day and night destination that's curated and programmed with memorable events, festivals, activations, and installations. • Rundle Mall is a healthy and vibrant mix of world class flagships, local brand heroes and gems that you can't find anywhere else. • Through shading, greening and other initiatives, Rundle Mall remains an attractive place to visit as climate variations become more extreme.

Planned Actions

- Deliver and implement a new Rundle Mall marketing & events strategy that promotes and re-positions Rundle Mall as the State's leading speciality retail, lifestyle, dining, and entertainment precinct.
- Leverage events and festivals that drive visitation and improve profitability for Rundle Mall businesses.
- Enhance Rundle Mall's value proposition as the State's premier shopping and lifestyle destination to attract new brands and capital investment.
- Execute retail industry media & PR campaign for Rundle Mall.
- Engage centres and arcades on collaborative marketing opportunities that drive visitation and improve profitability for small businesses in the Rundle mall precinct.
- Reform activation and performance guidelines to better align with strategic vision for Rundle Mall.
- Develop and promote new food & wine experiences and activations in strategic laneways and centres across the Rundle Mall precinct.
- Advocate for development of concept plans to upgrade Twin Street.
- Progress projects that improve the public realm with new and upgraded infrastructure, shading and greening, including James Place and Charles Street (to be delivered by City Infrastructure).
- Improved shading and greening (Climate Change Risk Adaptation Action Plan – KADM2).

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Note: planned activities are subject to change depending on AEDA's operating environment. For additional detail and/or current status of work plans for individual areas, please contact AEDA.

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Strategies & Actions

City Indicators that will be impacted	Key Result Area Measures
• Increase total spend in the city from 2023/24 figure. • Reduced retail vacancy rates from 15.3%. • Increased market share in hospitality categories.	• Demonstrate uplift in market share and foot traffic across 3 core campaigns. • 5 x new brands commit to Rundle Mall. • 2 x public realm infrastructure projects completed. • A minimum of $20M new cap investment delivered or committed in the Rundle Mall precinct. • 10 x Business or industry media stories relating to Rundle Mall. • Uplift in Rundle Mall small business sentiment index over FY24/25.

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Note: planned activities are subject to change depending on AEDA's operating environment. For additional detail and/or current status of work plans for individual areas, please contact AEDA.

Strategies & Actions

KEY RESULT AREA 3

Visitor Growth

Visitors have an enjoyable, vibrant and dynamic city experience so that they are encouraged to return again and become ambassadors for the Adelaide as a destination of choice.

CoA Strategic Plan Alignment	Outcomes
• Increase the number of people who visit the city from local, interstate and international locations. • Refresh the way in which information is provided to visitors to the city.	• Adelaide is a world class events city hosting a diverse range of festivals and events, including business events, spread across the city over the year. • Strengthened partnerships and programs to increase awareness of the city, leading to increased bookings from regional, national and international visitors. • Visitors are highly satisfied with their experience and can easily find information about planning their trip before they arrive and during their visit. • A sustainable tourism sector, that continues to grow by diversifying and expanding product offerings, job growth, and attraction of new operators.

Planned Actions

- Complete and open an innovative, technology-driven Visitor Experience Centre and city-wide digital visitor experience to replace the existing visitor information service.
- Operate the Visitor Information Centre (VIC) in accordance with the accredited information centre requirements and minimise disruption to the customer experience during transition from the current VIC to the new centre.
- Develop product knowledge of volunteers and staff to ensure excellent customer service and accurate information at the centre.
- Manage sponsorship programs to support the events and festivals sector across the calendar year.
- Work with event organisers, the business community, and the State Government to leverage opportunities associated with city events and festivals.
- Continue partnership with the South Australian Tourism Commission to market, promote and provide services to increase the number of visitors to the city.
- Support and build capability of city tourism businesses to develop new commissionable products and experiences.
- Develop and promote Adelaide's 'Cultural Boulevard' as a distinctive asset and highly desirable visitor experience.

City Indicators that will be impacted	Key Result Area Measures
• City hotel occupancy above 70%. • Jobs filled & businesses data (AEDA refining and sourcing target). • TiCSA Tourism Barometer Report – Industry confidence & forward booking sentiment. – Workforce sentiment. – Adelaide operators compared to total sentiment (AEDA refining and sourcing target).	• Delivery of the new Experience Adelaide Visitor Centre. • 20 new bookable city tourism products/experiences. • Visitor & community sentiment index (to be developed).

Note: planned activities are subject to change depending on AEDA's operating environment. For additional detail and/or current status of work plans for individual areas, please contact AEDA.

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FOUNDATION STAGE
NOISE DANCENORTH
STAGE 7
78° DISTILLE BAR
FROME PARK
THE PLANET TALKS
NSS
TASTE THE WORLD
FIRST AID

Strategies & Actions

KEY RESULT AREA 4

Brand & Marketing

The voice of the city to consumers through Experience Adelaide and to businesses as the Adelaide Economic Development Agency.

CoA Strategic Plan Alignment	Outcomes
• Reinforce the position of Adelaide as the State's central business district and amplify Adelaide's reputation as a place to learn, work and start a business. • Provide services and information that contribute to a highly productive economy. • Partner with State Government, universities, associations and community to activate and upgrade precincts to stimulate investment, visitation and maximise opportunities. • Refresh the way in which information is provides to visitors to the city.	• Unified key messaging and branding of the city to intrastate, interstate and international audiences. • More workers, residents, students, and visitors in the city. • Increased spend in the city. • AEDA is a partner of choice for businesses and other organisations with a mutual interest in enhancing the city's economy. • Adelaide is considered a destination of choice for leisure travelers.

Planned Actions

- Provide marketing activity that will assist in achieving the actions and outcomes of AEDA's Rundle Mall, Visitor Economy and Business and Investment units.
- Deliver a marketing plan that heightens awareness of what is happening in neighbourhoods and mainstreets in a way that reinforces overall promotion of Adelaide.
- Provide opportunities for businesses to participate in or leverage marketing investment (including state government led projects).
- Raise awareness of AEDA's purpose and how businesses can interact and benefit from programs in the city business community.
- Develop Experience Adelaide as a known destination digitally or physically (once the new visitor centre is built) to plan and navigate a memorable visitor experience in the city.
- Develop the AEDA corporate site to support business growth and investment attraction initiatives.
- Collaborate with government departments and agencies to develop a consistent approach to capital city and state promotion (across tourism, trade and investment, Department of Premier and Cabinet).
- Enhance and grow AEDA's communication channels, platforms and tools to communicate directly with consumers and businesses about what's happening in the city and opportunities.
- Deliver campaigns that promote the city as a destination to work, invest, live, study and visit. Maximise outcomes through joint initiatives with State Government wherever possible.

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Note: planned activities are subject to change depending on AEDA's operating environment. For additional detail and/or current status of work plans for individual areas, please contact AEDA.

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Strategies & Actions

City Indicators that will be impacted	Key Result Area Measures
• Increased awareness of AEDA among target audience(s). • Increased foot traffic in key precincts and areas. • Total city expenditure above $4.45B.	• 10% increase to $2.2m on 2023/24 in media mentions (advertising space rate) with reference to AEDA. – Maintain a variance of 85% – 95% neutral and/or positive sentiment of media mentions. • Increase awareness of AEDA amongst target audience by X% (metrics to be determined by research scheduled for completion in May). • Brand health metric for "city" and Adelaide" as a destination to visit (metrics to be determined by May).

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Note: planned activities are subject to change depending on AEDA's operating environment. For additional detail and/or current status of work plans for individual areas, please contact AEDA.

AEDA Budget Summary

AEDA Income Summary	2023/24 Q2 Budget	2024/25 Draft Budget
Contribution from City of Adelaide – Operating Budget	$8,455,115	$8,091,628
Strategic Project Funding	$1,095,000	$733,000
Rundle Mall Levy	$3,890,416	$4,017,830
Rundle Mall Supplementary Revenue	$360,000	$380,000
Visitor Experience Centre	$18,775	$19,301
Other Revenue	$85,000	$0
Total Income	$13,904,306	$13,241,759

AEDA Expenditure Summary	2023/24 Q2 Budget	2024/25 Draft Budget
Business, Investment & Residential Growth	$2,888,824	$2,973,937
Visitor Growth	$4,115,833	$3,701,097
Brand and Marketing	$2,431,326	$2,128,408
Rundle Mall Marketing and Activations Expenditure*	$2,449,025	$2,485,587
Rundle Mall Admin | Operations*	$2,019,298	$1,952,730
Total Expenditure	$13,904,306	$13,241,759

* Further information below

Strategic Projects*	2023/24 Q2 Budget	2024/25 Draft Budget
Destination Adelaide Promotion	$300,000	$0
Promoting the City during Adelaide 500	$75,000	$0
Welcome to Adelaide	$120,000	$0
Strategic Events Fund / Commercial Events Funding Program	$600,000	$500,000
Addressing Tourism Product Gaps	$0	$133,000
Rundle Mall Live Music Program	$0	$100,000
Total Strategic Projects	$1,095,000	$733,00

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Within the City of Adelaide's Business Plan and Budget, **Strategic Projects*** are short term activities that have been prioritised to be delivered within a specific timeframe to meet strategic outcomes. They are also a mechanism for piloting new initiatives or projects before building them into the operating budget or business plan. As such, as indicated above, a few strategic projects undertaken by AEDA in 2023/24 will not be undertaken in 2024/25.

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AEDA Budget Summary

Rundle Mall Finance Summary	2023/24 Q2 Budget	2024/25 Draft Budget
Rundle Mall Levy Income	-$3,890,416	-$4,017,830
Rundle Mall Supplementary Revenue	-$360,000	-$380,000
Admin | Operations Expenditure	$1,842,901	$1,952,730
Marketing | Activations	$2,625,422	$2,485,587

Rundle Mall Admin | Operations Expenditure	2023/24 Q2 Budget	2024/25 Draft Budget
Security Retainer	$298,648	$307,010
Employee Costs	$1,231,298	$1,276,460
Business & Investment Support	$181,089	$190,851
Utilities, Storage Rent, Licences, Insurance, Depreciation	$131,866	$178,409
Total Admin | Operations Expenditure	$1,842,901	$1,952,730

Rundle Mall Marketing | Activations Expenditure	2023/24 Q2 Budget	2024/25 Draft Budget
Major Events & Activations (eg Christmas, Lunar New Year)	$1,659,350	$1,725,777
Marketing Services	$502,512	$351,000
Rundle Mall Assets Branding	$133,120	$185,971
Research & Insights	$44,640	$64,640
Placemaking & Vibrancy Opportunities	$266,600	$131,000
Other Expenditure	$19,200	$27,199
Total Marketing | Activations Expenditure	$2,625,422	$2,485,587

Underspend in the Rundle Mall Admin Operations Expenditure budget combined with increased revenue saw a reinvestment of funds to the Marketing and Activations expenditure for 2023/24. This explains the projected differential between Marketing and Activations budgets across the two years.

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Appendix

Rundle Mall Events, Activations & Promotions Calendar*

Months	Activity – Events, Activations & Promotions
July 2024	• Winter in Rundle Mall • School holidays activations • NAIDOC week • Retailer support campaign • Gathered Markets
August 2024	• Winter in Rundle Mall cont. • Daffodil Day • Gathered Markets • Retailer Support Campaign
September 2024	• Spring Launch Campaign in the Mall • Father's Day Activations and retailer support • FruChoc appreciation day activations • Gathered Markets • Retailer Support Campaign
October 2024	• ADL Fashion Week • October long weekend trading hours support • Fashion Campaign and activations • Gathered Markets • School holidays • Retailer Support Campaign
November & December 2024	• Christmas decorations • VAILO Adelaide 500 Supercars Activations • Black Friday weekend (29 Nov) activations • Gathered Markets • Choirs and music performances • Activations to support extended trading hours and add vibrancy to the Mall in the lead up to Christmas • Boxing Day event and activations to launch sales in the city • School holidays • Retailer Support Campaign

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Months	Activity – Events, Activations & Promotions
January 2025	• Retailer support for January sales • School holidays • Australia Day support for trading hours • Retailer Support Campaign
February 2025	• Lunar New Year activations • Valentine's Day Digital Campaigns and retailer support • Retailer Support Campaign • MallFest to support Fringe & Adelaide Festival • University support for O Week
March 2025	• Festival activity continued • Long weekend trading hours support • Retailer Support Campaign • Easter Friday 29 March to Monday 1 April
April 2025	• ANZAC Day trading hours support • AFL Gathered Round • Easter activations • Retailer Support Campaign
May 2025	• Food activations to leverage Tasting Australia • Mother's Day – digital campaign • Retailer Support Campaign

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Note: these activations and events are subject to change following the developing of the Rundle Mall Marketing and Events Strategy.

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Kadaltilla/Adelaide Park Lands Authority

Business Plan & Budget 2024–2025

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Kadaltilla
Adelaide Park Lands Authority

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The Adelaide Park Lands are the largest inner urban park system in Australia.

Nationally Heritage listed for their unique design – they are the city's lungs, backyard, playground, meeting space and more. There are there for everyone to enjoy, enhancing physical and mental well-being, and they secure Adelaide's place as one of the planet's most liveable cities.

Acknowledgement of Country

The Kadaltilla/Adelaide Park Lands Authority (Kadaltilla) acknowledges the Kaurna people as the traditional owners of the Adelaide Plains and pays respect to Elders past and present. Kadaltilla recognises and respects the cultural heritage, beliefs and relationship which the Kaurna people have with the land and acknowledges that they are of continuing importance to the Kaurna people living today.

Kadaltilla extends that respect to other Aboriginal Language Groups and other First Nations.

Kadaltilla is the principal advisor to both the Council and the State Government on the protection, management, enhancement and promotion of the Adelaide Park Lands.

Kadaltilla is a traditional Kaurna word meaning Green place/Green lands/Parklands.

Introduction

The City of Adelaide and the State Government of South Australia are committed to protecting and enhancing the Adelaide Park Lands for the benefit of all South Australians.

The Kadaltilla/Adelaide Park Lands Authority (Kadaltilla) is the principal advisory body to both the City of Adelaide and the State Government on the protection, management, enhancement, and promotion of the Adelaide Park Lands.

Kadaltilla is established pursuant to section 5 of the *Adelaide Park Lands Act 2005 (SA)* and operates as a subsidiary of the City of Adelaide, pursuant to section 42 of the *Local Government Act 1999 (SA)*. Kadaltilla acts in accordance with its Charter and as set out in the *Adelaide Park Lands Act 2005 (SA)*.

The City of Adelaide, on behalf of its communities of the City of Adelaide and the State, is committed to ensuring that Kadaltilla delivers maximum benefit for the future of Adelaide's Park Lands as the City of Adelaide's defining feature.



Business Plan & Budget Overview

Kadaltilla is required to prepare an annual business plan consistent with the Adelaide Park Lands Management Strategy and the Strategic Plan and Charter of Kadaltilla. Kadaltilla must consult with and receive approval from the City of Adelaide for its annual business plan and budget.

The annual business plan and budget must:

- Identify the performance targets of Kadaltilla
- Set the performance measures that are to be used to monitor and assess performance and achievement of targets
- Specify the financial and other resource and internal processes required to achieve the performance targets.

Kadaltilla Board

About Us

Kadaltilla operates as a subsidiary of the City of Adelaide, pursuant to section 42 of the *Local Government Act 1999*.

Kadaltilla and its Board are the same entity.

The Board is responsible for managing the business of Kadaltilla and acting in accordance with the Charter and all relevant legislation.

The Board is skills based including expertise across biodiversity/environment, recreation/open space, cultural heritage, landscape design/ park management, tourism/ events, indigenous culture/ reconciliation, financial and local government.

The Board comprises a Presiding Member (the Lord Mayor), and four other members appointed by Council and five members appointed by the Minister for Planning.

The Board receives administrative support from Council.



Dr Jane Lomax-Smith AM
Lord Mayor
Presiding Member



Ms Elinor Walker
Deputy Presiding Member



Mr Ashley Halliday



Ms Allison Bretones



Mr Ben Willsmore



Ms Stephanie Johnston



Mr Craig Wilkins



Councillor Keiran Snape



Ms Justyna Jochym



Mr Tim Agius

Functions of Kadaltilla

Kadaltilla is established to undertake the following functions, set out in section 9 of the *Adelaide Park Lands Act 2005* and its Charter:

- To undertake a key policy role with respect to the advocacy and promotion of the values of the Park Lands and their management and protection.
- To prepare and, as appropriate, to revise, the Adelaide Park Lands Management Strategy in accordance with the requirements of the *Adelaide Park Lands Act 2005.*
- To provide comments and advice on any management plan prepared by the City of Adelaide or a State Authority under the *Adelaide Park Lands Act 2005* or the *Local Government Act 1999* that relates to any part of the Adelaide Park Lands, and to monitor and, as appropriate, to provide comments, advice, or reports in relation to, the implementation or operation of any such plan.
- To provide comments or advice in relation to the operation of any lease, licence, or other form of grant of occupation of land within the Adelaide Park Lands.
- On the basis of any request, or on its own initiative, to provide advice to the City of Adelaide or to the Minister on policy, development, heritage or management issues affecting the Adelaide Park Lands.
- To promote public awareness of the importance of the Adelaide Park Lands and the need to ensure that they are managed and used responsibly.
- To ensure that the interests of South Australians are taken into account, and that community consultation processes are established and undertaken, in relation to the strategic management of the Adelaide Park Lands.
- To promote and administer the Adelaide Park Lands Fund.
- To undertake or support other activities that will protect or enhance the Adelaide Park Lands, or in any other way promote or advance the objects of the *Adelaide Park Lands Act 2005*.







Adelaide Park Lands Management Strategy (APLMS) 2015–2025

Executive Summary

Vision

Inspiring growing numbers of residents, workers and visitors, the Park Lands will continue to provide a myriad of recreational and sporting opportunities and events for everyone to enjoy, enhancing physical and mental well-being and cementing Adelaide's place as one of the planet's most liveable cities. There will be a balanced approach to a diverse range of environmental, cultural, recreational, and social values, activities and developments. All resources will be protected and enhanced.

Outcomes

Dynamic, Active & Tranquil Places

Places of activity, creativity, and tranquillity for everyone that support our changing lifestyles, health and wellbeing.

The Park Lands:

- Are the place to meet and enjoy diverse experiences.
- Host diverse events, from small to large, in more places more often.
- Are Adelaide's hub for sport and recreation.

Connected Places & Spaces

A network of connected and legible places and spaces enabling safe movement via paths and trails linking the city to the suburbs, hills and coast.

The Park Lands:

- Are a network of connected parks.
- Connect the city, inner suburbs, hills and coast.
- Invite exploration and are safe and easy to access and move around in, day and night.

Welcoming & Attractive Places

Places of diverse landscapes and natural beauty providing a range of recreational, sensory and stimulating experiences of discovery.

The Park Lands:

- Offer diverse experiences.
- Are easily identifiable.

Sustainable & Enduring Places

Places that thrive in the face of a changing climate.

The Park Lands:

- Create biodiversity.
- Are water sensitive, with healthy watercourses.
- Are resilient.
- Contribute to carbon neutrality.

Memorable & Distinctive Places

Places celebrating Adelaide's unique cultural heritage.

The Park Lands:

- Are valued as a National Heritage site worthy of World Heritage listing.
- Are a place of Kaurna Cultural significance.
- Inspire visitors.

Strategic Priorities & Performance

Kadaltilla has adopted a Strategic Plan 2023–2028 with the following purpose and guiding principles:

Purpose

To be the trusted voice on the Adelaide Park Lands which actively conserves, promotes, and enhances the environmental, economic, cultural, recreational, and social importance value of the Adelaide Park Lands.

Guiding Principles

- Preserve and strengthen the integrity of the Adelaide Park Lands
- Promote the values of the Park Lands – as Adelaide's defining feature, and an internationally unique asset
- Partner with Council and the State Government to advocate the benefits of the Adelaide Park Lands
- Advise Government at all levels on the management and usage of the Adelaide Park Lands for the benefit of all South Australian's

The activities for 2024–2025 align with the performance targets and measures 2023–2028 set out in Kadaltilla's Strategic Plan (as per reference number in the following tables).



Cultural Value

Promote the cultural values of the Park Lands including Kaurna culture, heritage and wellbeing.

APLMS Outcome	Ref.	Performance	Performance Initiatives 2023–2028	Performance Measures 2023–2028	Activities 2024–2028	Resources 2024–2028
Memorable & Distinctive Places	1.1	Seek Kaurna cultural authority in everything we do	Partner with Kaurna culture authority	Each matter that comes before Kadaltilla considers Kaurna culture	Kadaltilla and Council staff will ensure that each matter that comes before Kadaltilla considers Kaurna culture Strengthen Kadaltilla's engagement with KYAC and the Kaurna community	Within Council service delivery plan allocations
Memorable & Distinctive Places	1.2	Assist with Kaurna cultural mapping	Support Kaurna Cultural mapping progress	Kaurna Cultural mapping completed and used to inform Kadaltilla considerations by 2024	Cultural mapping ongoing by Council staff	Within Council service delivery plan allocations
Memorable & Distinctive Places	1.3	Advocate for the featuring of the Adelaide Park Lands in relevant promotional campaigns	Develop specialist branding and promotion of Kadaltilla and the Park Lands	Adelaide Park Lands featured in relevant promotional campaigns	The Park Lands are marketed using available means including website, social media, brochures and financial support for the (biennial) Adelaide Park Lands Art Prize	$20,000
Memorable & Distinctive Places	1.4	Champion the development of World Heritage listing nomination	Regularly review World Heritage listing submission progress	State Government support for World Heritage listing submission by 2026	Continue to progress opportunities for World Heritage Listing with Adelaide and Mount Lofty Ranges Councils	Within Council service delivery plan allocations



Environmental Performance

Maintain and improve climate resilience and the landscape values of the Park Lands.

APLMS Outcome	Ref.	Performance	Performance Initiatives 2023–2028	Performance Measures 2023–2028	Activities 2024–2028	Resources 2024–2028
Welcoming & Attractive Places	2.1	Define, protect, and enhance landscape values and design qualities	Establish performance principles for the Adelaide Park Lands	Landscape values of the Adelaide Park Lands have been defined, protected and enhanced	Landscape values of the Adelaide Park Lands to be defined as part of the APLMS review with advice provided on how to protect and enhance landscape values and design qualities	Within Council service delivery plan allocations
Sustainable & Enduring Places	2.2	Promote ecologically sustainable initiatives and monitor tree canopy cover, biodiversity and environmental sustainability and design quality	Regularly review tree canopy cover, biodiversity, and environmental sustainability in the Park Lands	Ecologically sustainable	Tree canopy cover, biodiversity, and environmental sustainability data and insights to be included in the digital APLMS	Within Council service delivery plan allocations
Sustainable & Enduring Places	2.3	Consider climate resilience in everything we do	Undertake a climate impact assessment of the Adelaide Park Lands	Deliver a climate impact assessment of the Adelaide Park Lands	Commencement of a climate impact assessment of the Adelaide Park Lands	Within Council service delivery plan allocations
Sustainable & Enduring Places	2.4	Research the impact of climate change on the Park Lands	Develop a better understanding of environmental values and trends	Environmental values and trends presented to Kadaltilla	Environmental values and trends data and insights to be included in the digital APLMS	Within Council service delivery plan allocations
Dynamic, Active & Tranquil Places	2.5	Increase the accessibility of evidence-based information	Regular online Adelaide Park Lands updates (inclusive of events, trends, gardens and botanical features and items dealt with at Kadaltilla)	Customers are well-informed through regular online Adelaide Park Lands updates	Update City of Adelaide website for Park Lands content	$ 16,000
Sustainable & Enduring Places	2.6	Improved Irrigation and Water Management across the Park Lands	Investigate options for alternative recycled water sources to reduce reliance on bores	Reduction in use of bore water and increase in use of recycled water	Commencement of investigation into alternative options for recycled water sources in the Park Lands to reduce reliance on bores	Within Council service delivery plan allocations



Management and Protection

Treat the Park Lands holistically with an adaptive future focused approach

APLMS Outcome	Ref.	Performance	Performance Initiatives 2023–2028	Performance Measures 2023–2028	Activities 2024–2028	Resources 2024–2028
Charter	3.1	Monitor delivery of priority projects in the Adelaide Park Lands Management Strategy	Regular review of the progress of the Adelaide Park Lands Management Strategy priority projects	Adelaide Park Lands Management Strategy priority projects implemented	Release of revised Adelaide Park Lands Management Strategy following the comprehensive mid-point review	Within Council service delivery plan allocations
Memorable	3.2	Advocate for and establish Funding Mechanisms to support delivery of the Adelaide Park Lands Management Strategy	Identify funding opportunities for priority projects in the Adelaide Park Lands Management Strategy	Funding secured for priority projects in the Adelaide Park Lands Management Strategy	Investigate funding opportunities for priority projects in the Adelaide Park Lands Management Strategy	Within Council service delivery plan allocations
Charter	3.3	Review State Government Management Plans	Partner with the State Government to advise on management plans for areas of Adelaide Park Lands controlled by State Government	Advice provided to the State Government for the preparation of management plans for areas of Adelaide Park Lands controlled by State Government	Connect with the State Government to advise on management plans for areas of Adelaide Park Lands controlled by State Government	Within Council service delivery plan allocations
Memorable & Distinctive Places	3.4	Advocate for progression of State Heritage Listing by the State Government	Continued support provided for the State Heritage listing	State Heritage listing progressed by the State Government	Continue to monitor progress and pursue opportunities for State Heritage listing	Within Council service delivery plan allocations
Memorable	3.5	Assess the landscape value of the Adelaide Park Lands including economic, environmental and cultural significance	Undertake an assessment of economic, environmental and cultural significance of the Adelaide Park Lands	Board Members are well informed	Landscape value of the Adelaide Park Lands to be included in the revised APLMS	Within Council service delivery plan allocations



Expert Advice

Function as the peak advisory body for policy, development, heritage, and management of the Park Lands based on sound data and evidence

APLMS Outcome	Ref.	Performance	Performance Initiatives 2023–2028	Performance Measures 2023–2028	Activities 2024–2028	Resources 2024–2028
Charter	4.1	Provide advice on plans, projects, and policies for the Adelaide Park Lands	Regularly review all plans, projects, and policies for the Adelaide Park Lands to ensure they have undergone review by Kadaltilla where appropriate	Advice of Kadaltilla is endorsed and adopted	Identify items requiring consideration by Kadaltilla Forward agenda maintained by Kadaltilla/ Adelaide Park Lands Authority Advisor Convene and support Kadaltilla meetings, workshops and field trips Members remunerated in accordance with the provisions of Kadaltilla's Charter and Council's specific determination on fees	$72,043 sitting fees for Kadaltilla $175,362 Salary and Oncosts
Charter	4.2	Engage with City of Adelaide and State Government including input into State	Partner with Council and the State Government to increase the accessibility of Kadaltilla	State Government engages with Kadaltilla on State Government initiatives	Connect with the State Government to increase the accessibility of Kadaltilla	Within Council service delivery plan allocations
Dynamic, Active & Tranquil Places	4.3	Review leasing and licensing and event management policies together with other relevant Park Lands use policies	Create a Policies section on the Kadaltilla portal	Kadaltilla makes policy submissions on State and Local Government matters where deemed necessary	Policies section on the Kadaltilla portal to be created Reporting of lease, license, and events on Park Lands, as required	Within Council service delivery plan allocations
Charter	4.4	Strengthen Kadaltilla's engagement with City of Adelaide, State Government, and adjoining Councils	Strategic stakeholder engagement on Adelaide Park Lands related matters	The City of Adelaide, State Government, and adjoining Councils actively engage with Kadaltilla	Administrative support from Council staff to assist with arranging meetings with adjoining Council staff and State Government	Within Council service delivery plan allocations
Welcoming & Attractive Places	4.5	Increase the profile of the Kadaltilla Board	Create and maintain a social media profile detailing the business of Kadaltilla	The public are aware of, and educated about, the business of Kadaltilla	Creation of a social media profile	$ 23,550



Governance

The City of Adelaide governance support enables Kadaltilla to meet legislative requirements and obligations arising from its Charter

APLMS Outcome	Ref.	Performance Targets 2023–2028	Performance Measures 2023–2028	Activities 2024–2028	Resources 2024–2028
Charter	5.1	Maximise utilisation of skills, known and enthusiasm of Kadaltilla through effective meetings that foster dialogue and the development of shared thinking	Appointments to Kadaltilla are based on skills and expertise set out in Part 2, Division 2, Section 6 of the *Adelaide Park Lands Act 200*5	Formal and informal opportunities to provide advice and expertise on Park Lands (such as meetings, workshops and Kadaltilla portal)	Within Council service delivery plan allocations
Charter	5.2	Develop a high level of knowledge and understanding of the Park Lands amongst Members through regular site visits and briefings	Undertake at least one Park Lands field trip per year to facilitate greater understanding of Park Lands projects, facilities and landscapes	Field trip(s) to be scheduled as part of the Forward agenda	$3,000
Charter	5.3	Seek early input into issues relating to the Park Lands to ensure Kadaltilla advice is timely and relevant	Number of submissions reviewed by Kadaltilla	Quarterly external scan of issues relating to the Park Lands Kadaltilla to be represented in Adelaide Park Lands Advisory Group (APLAG) meetings to ensure relevant issues are identified and sent to Kadaltilla in a timely manner	Within Council service delivery plan allocations
Charter	5.4	Monitor developments subsequent to Kadaltilla advice	Assessment of outcome for alignment with Kadaltilla advice	Quarterly external scan of developments subject to Kadaltilla advice	Within Council service delivery plan allocations
Charter	5.5	Advocate for the value of Kadaltilla as a proactive, accountable, independent, skills-based Board that advises on Park Lands management and protection	Receive at least two State presentations on Park Lands planning and management related matters per year	Advice provided to Council and/or the State Government on strategic matters relating to the Adelaide Park Lands Advice provided to the Minister responsible for the *Adelaide Park Lands Act 2005 (SA)*	Within Council service delivery plan allocations
Charter	5.6	General purpose accounts are operational	Council's accounting procedures met	General purpose accounts are maintained by Council staff	Within Council service delivery plan allocations
Charter	5.7	Annual Business Plan and Budget is in place for Kadaltilla	Business Plan and Budget prepared in accordance with legislative and Charter requirements	Prepared by Council staff as part of Council internal processes Subject to consultation with, and approval from, Council	Within Council service delivery plan allocations
Charter	5.8	Kadaltilla makes appropriate use of available finances provided by Council	Quarterly finance reports adopted and presented to Council Council's external auditor and Audit Committee is satisfied the requirements are met Kadaltilla financial management is in accordance with legislative and Charter requirements	Financial updates provided as required. Council's external auditor and Audit Committee performs the necessary tasks	Within Council service delivery plan allocations
Charter	5.9	The Adelaide Park Fund is operational	Monies are received and expended according to the provisions of Kadaltilla's Charter	The Adelaide Park Lands Fund is operational and administered by Council staff and maintained by Kadaltilla	Within Council service delivery plan allocations
Charter	5.10	Kadaltilla's Annual Report is prepared detailing achievement of the aims and objectives of the APLMS, Strategic Plan, and Business Plan and Budget	Kadaltilla's Annual Report is prepared in accordance with legislative and Charter requirements. Submitted to Council by 30 September in each Financial Year	Prepared by Council staff as part of internal administrative processes Subject to consultation with, and approval from, Council Incorporated in City of Adelaide's Annual Report Copy provided to Minister responsible for the *Adelaide Park Lands Act 2005*	Within Council service delivery plan allocations
Charter	5.11	Kadaltilla is insured according to the requirements of the Local Government Mutual Liability Scheme	The Local Government Mutual Liability Scheme insures Kadaltilla	Insurance for Kadaltilla is maintained by Council staff	$21,447

Kadaltilla Budget Summary

Income Summary	2024/25 Budget (including budget bids)	2024/25 Draft Budget	2023/24 Budget	2022/23 Budget
City of Adelaide Contribution	$333,402	$253,360	$253,360	$217,734
Total Income	**$333,402**	**$253,360**	**$253,360**	**$217,734**
Income Summary				
Salary & Oncosts	$175,362	$143,424	$143,424	$119,283
Kadaltilla/Park Lands Authority (sitting fees)	$72,043	$56,456	$ 56,454	$46,000
Brand and Marketing	$25,550	$4,000	$4,000	$4,000
Insurance, Audit and Legal	$21,447	$21,602	$21,602	$20,573
External Advice	$5,000	$5,000	$5,000	$5,000
Adelaide Park Lands Art Prize Sponsorship	$20,000	$15,000	$ 15,000	$15,000
Kadaltilla Operations	$14,000	$7,878	$7,878	$7,878
Total Expenditure	**$333,402**	**$253,360**	**$253,360**	**$217,734**



Kadaltilla

Adelaide Park Lands Authority

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Internal Audit Progress Report

Strategic Alignment – Our Corporation

Public

Wednesday, 15 May 2024
Audit and Risk Committee

Program Contact:
Kathryn Goldy, Acting Manager Governance

Approving Officer:
Michael Sedgman, Acting Chief Executive Officer

EXECUTIVE SUMMARY

This report provides an update on Council's Internal Audit Plan, outlining the findings and recommendations of internal audits completed, and the progress of any agreed actions. The Audit and Risk Committee last received an Internal Audit Progress Report at its meeting in February 2024.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is a mechanism that enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively and efficiently, and to advise how it can improve performance.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as outlined in Item 6.3 the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.
2. Notes the progress of the completion of Internal Audit Actions as outlined in Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its functions legally, effectively and efficiently.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services aligning Council processes to best practice standards.
23/24 Budget Allocation	$70,000
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The role of Internal Audit is to provide independent assurance that the Council's risk management, governance and internal controls processes are operating effectively.
2. The Audit and Risk Committee (the Committee) receive all Internal Audit reports. The Committee reviews and monitors Council's responsiveness to findings and recommendations of the Internal Auditor (currently KPMG), other external providers and in-house advice.

Internal Audit Plan Update

3. The Internal Audit Plan (the Plan) is a risk-based program developed with the Council's Executive and Strategic Risk and Internal Audit Group (SRIA). A status update on the 2023-2024 plan is provided – Link 1.
4. Since the Committee met in February 2024, five internal audit reviews have been completed by KPMG, CyberCX and in-house:
    - 4.1. Project Health Check
    - 4.2. Payment Card Industry Compliance
    - 4.3. Post Audit Implementation
    - 4.4. Local Government Cyber Security Framework
    - 4.5. Emergency Management.
5. The following internal audits have been scoped and are in progress:
    - 5.1. Contract Management
    - 5.2. Lease Management
    - 5.3. Culture Review.

Internal Audit Actions

6. Recommendations arising from the Internal Audit and Strategic Reviews are reported to SRIA.
7. Recommendations and agreed actions, responsibilities and timeframes for implementation are recorded in the Council's process mapping and management software, Process Manager.
8. The implementation status of recommendations is tracked and reported to the Committee.
9. All requests for an extension of a due date require the approval of the Chief Executive Officer. This process ensures that there is appropriate accountability before an extension is granted. Since the last report to the Audit and Risk Committee on 16 February 2024, five actions have been approved for an extension.
10. Each action and rationale for an extension is detailed below:
    - 10.1. I00712 – Workforce Planning and Staff Retention – the agreed action is to review the existing flexible working practices, with the intent to further promote flexible working space and create an environment in which flexible working conversations are available to all workers and both managers and employees understand their roles and responsibilities to successfully embed a culture of flexible working. The initial review of current practices has been undertaken and the team is incorporating feedback from Manager People prior to further promotion of flexible working space. The Acting Chief Executive Officer (A/CEO) approved the extension until 30 April 2024. This has now been completed.
    - 10.2. I00721 – Review of Confidentiality Orders – the agreed action is to develop and set up regular training sessions to be targeted to report authors. Initial planning of training sessions has commenced, and input from the Council Governance team is required to ensure that the training sessions cover the end-to-end process of creating a confidential report for annual reviews of confidential orders. The A/CEO approved the extension until 31 May 2024.
    - 10.3. I00736 – Voters Roll – the agreed action is to document the procedures when an enrolment form is received on a vacant premise. Third-party consultants were engaged to assist with the high-level documentation of these procedures and currently, they are still in progress. The A/CEO approved an extension until 29 February 2024. The action was not completed by the extension date and is now overdue.
    - 10.4. I00740 – Voters Roll – the agreed action is to develop a procedures that adequately captures the requirements under the Act. Third party consultants were engaged to assist with the high level documentation of these procedures and currently they are still in progress. The A/CEO approved an

extension until 29 February 2024. The action was not completed by the extension date and is now overdue.

10.5. I00742 – Voters Roll – the agreed action is to document procedures that the CEO is only required to sign the Voters Roll during an election. Third-party consultants were engaged to assist with the high-level documentation of these procedures and currently, they are still in progress. The A/CEO approved an extension until 29 February 2024. The action was not completed by the extension date and is now overdue.

11. 45 internal audit recommendations from previous Audits have been completed since February 2024. 101 recommendations are in progress. The completed recommendations are:

Review of Adelaide Central Market Financial Processes	
Internal Audit ID	Completed audit action
I00687	Investigate either the adoption of a different gift card merchant to ensure efficiencies or a point-of-sale software with gift card management
I00688	Investigate the opportunity to bring lease management in-house such as the utilisation of Progensis software to manage the lease life cycle for ACMA tenants
Workforce Planning and Staff Retention	
Internal Audit ID	Completed audit action
I00709	Ensure there is a strong understanding of current and future strategies and services to be delivered by the CoA and consider developing a resource strategy
I00712	Review the existing Employee Value Program with consideration given to the desired employee brand, review flexible working arrangements and provide the tools for managers to hold meaningful Performance Development Conversations
Review of Confidentiality Orders	
Internal Audit ID	Completed audit actions
I00717	Improve documentation of the reasons for retaining or extending confidential items
I00718	Develop guidelines to explain how the commercial advantage and commercial information as grounds for confidentiality are to be applied
I00719	Provide further guidance and training to reporting authors about the presentation of reports and attachments.
I00720	Apply clear and specific triggers for releasing items from confidence
I00722	Seek to include an attachment in the report for public release
I00723	Careful consideration of how reports and attachments are presented
I00724	Provide clear and specific reasons for applying confidentiality
I00725	Provide clear and specific triggers for releasing information from confidence
I00726	Use technology to support the period review of Confidentiality Orders
Cab Charges, Ride Shares and Pool Cars	
Internal Audit ID	Completed audit actions
I00730	Document the end-to-end process in the management of approving and issuing contractor stickers and investigate the opportunity to issue permits instead of magnetic stickers to contractors

I00732	Inform all staff that a log book must be completed and safety checks performed when taking out a pool car, investigate the use of a new in-vehicle monitoring system to assist in logbook entries and update the Light Vehicle Allocation and Use Operating Guideline
Voters Roll Review	
Internal Audit ID	Completed audit actions
I00738	Develop an application form specific to CoA and publish it on the CoA website
I00739	Review and identify discrepancies of Form 1 enrolment applications
I00741	Review the enrolment letter to reflect legislation and continue to issue it
Grant Management	
Internal Audit ID	Completed audit actions
I00745	Develop and embed an overarching grant policy
I00747	Develop a consolidated reporting structure to keep the Council and Executive regularly informed of the grant activities
I00749	Clearly define the different funding programs
I00750	Organisations receiving funding through the Adelaide Economic Development Agency will be communicated to Council Members via E-news
I00751	Inclusion on the use of panels and panel member composition, including an independent member representation to be updated in the overarching grant policy
I00752	Consideration of awarding of multiple grants to the same organisation in a financial year
Community Safety	
Internal Audit ID	Completed audit actions
I00797	Generic email address for Customer Safety Officers to direct relevant requests to the cleansing team via Pathway
Review of the Adelaide Economic Development Agency (AEDA)	
Internal Audit ID	Completed audit actions
I00760	Develop a streamlined and structured approval between the Board and the CoA, and simplify Executive reporting structures
I00764	Better employ operational AEDA KPIs, measured against appropriate baselines
I00767	Define risk-based requirements for justifying key grant, sponsorship and campaign financing decisions
I00771	Establish clear terms of reference for cross-over business units
I00775	Review marketing and event management services panel contracts
I00779	Review, expand and strengthen alliances with key strategic partners
I00780	Ensure more active, timely engagement with traders in developing AEDA's events and campaign program
I00781	Increase stakeholder access to baseline demographic and economic metrics.
I00784	Review and enhance AEDA's capability to provide strategic economic insights for the city

I00785	Expand the AEDA data and insights function from one staff member to a team
I00786	Review the effectiveness of outsourced small business service functions to support new and emerging businesses, to inform future operating and contracting models
I00789	Revisit the original plan and approach for the new Experience Adelaide Visitor Centre
Mercer Review	
Internal Audit ID	Completed audit actions
I00790	Communicate to trained assessors the importance of retaining all correspondence relating to Mercer assessment processes and incorporating them into internal People Services processes
I00791	Establish a register of accredited assessors and record training dates
I00792	Provide a fact sheet to be available to staff online
Strategic Review of Climate Change Risk Adaptation Action Plan	
Internal Audit ID	Completed audit actions
I00805	Develop an Integrated Climate Strategy
I00806	Refresh the Action Plan by leveraging the multi-criteria assessment approach for the prioritisation of actions
PCI Compliance Review	
Internal Audit ID	Completed audit actions
I00827	Review and update the security policy suite of documents
I00828	Document the roles and responsibilities for the development and distribution of incident response processes and procedures
Post Audit Implementation Review	
Internal Audit ID	Completed audit actions
I00834	Reinstate monthly meetings between Procurement and Information Management

12. A summary of the status is shown in the below table, with the complete document able to be accessed via Link 2. Four additional actions have become overdue since the previous update to the Audit and Risk Committee:

    12.1. I00648 Management of Procurement Practices – agreed action is to conduct the review 12 months post implementation of performance metrics. The Procurement Contract Management System is due for an upgrade in June 2024, therefore this has delayed the completion of this action which will occur, 12 months after the upgrade.

    12.2. I00736 Voters Roll Review – agreed action is document the processes if an enrolment form is received. A consultant has been engaged to provide a high-level documented process and they are currently in the process of finalising this.

    12.3. I00740 Voters Roll Review – agreed action is document the voters roll process. A consultant has been engaged to provide a high-level documented process and they are currently in the process of finalising this.

    12.4. I00742 Voters Roll Review – agreed action is to document the process of when a CEO is required to sign the Voters Roll during an election. A consultant has been engaged to provide a high-level documented process and they are currently in the process of finalising this.

Risk	Definition	Overdue	In Progress	
High	Issue represents a control weakness which could have or is having major adverse effect on the ability to achieve project objectives.	6	18	**24**
Moderate	Issue represents a control weakness which could have or is having a moderate effect on the ability to achieve process objectives.	3	47	**50**
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives.	5	12	**17**
N/A	Improvement Opportunity	0	10	**10**
	Total	14	87	**101**

13. The 14 overdue actions are in progress and the status of these actions can be accessed via Link 3.

DATA AND SUPPORTING INFORMATION

Link 1 – Internal Audit Plan 2023 – 2024 Status Update
Link 2 – Agreed Actions Progress Report
Link 3 – Overdue Internal Audit Actions Summary Report

ATTACHMENTS

Nil

- END OF REPORT -

Risk Management Systems

Wednesday, 15 May 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Kathryn Goldy, Acting Manager Governance

Public

Approving Officer:
Michael Sedgman, Acting Chief Executive Officer

EXECUTIVE SUMMARY

This report summarises the City of Adelaide's (CoA) approach to risk management and provides assurance that its risk management processes are well considered and incorporated into the CoA Internal Audit Program.

Sound risk and opportunity management enables well-informed decision-making and supports the delivery of CoA's Strategic Plan. It is an essential part of good governance, and CoA's enterprise approach to risk management is embedded in the organisation's culture. To assist with the integration of CoA's risk management model into all organisational activities, the Executive Team endorsed the creation of the Strategic Risk and Internal Audit Group (SRIA), which meets monthly. SRIA develops and implements CoA's Risk Management Operating Guideline, allocates resources for risk management, encourages risk escalation and assigns responsibilities and accountabilities for risk management.

In addition, SRIA proposes the Internal Audit Plan for the Audit and Risk Committee to endorse, oversees the implementation of the Internal Audit Program, and oversees completion of all recommended internal audits.

The audits detailed in the Internal Audit Plan are aligned to deliver value within the context of CoA's values, culture, customer service objective, and Strategic Plan by assessing, and improving, the effectiveness of internal business controls, risk management plans and overall business processes and procedures.

In combination, the organisation's risk management systems and Internal Audit Program ensure that CoA complies with its legislative obligations, has effective internal business controls, identifies opportunities for improvement and meets the objectives outlined in its Strategic Plan.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Risk Management Systems report in Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation The role of the City of Adelaide is to uphold the values of integrity and accountability. To ensure that the Council delivers services to the community as a leader, advocate and facilitator by maintaining a transparent decision-making process.
Policy	Alignment with the City of Adelaide Risk Management Operating Guideline.
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Sound risk and opportunity management enables well-informed decision-making and supports the delivery of the Strategic Plan.
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services aligning Council processes to best practice standards.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. Risk management is an essential part of good governance and is fundamental to how Council is managed at all levels. City of Adelaide adopts an enterprise approach to risk management that is embedded in the organisation's culture, enabling well-informed decision-making within Council's risk appetite.

Risk Management Operating Guideline

2. CoA's Risk Management Operating Guideline (Guideline) outlines CoA's approach to risk management, including its risk appetite statement. The Guideline includes the methods and processes used by CoA to manage risk and maximise opportunities related to achieving CoA's objectives. This document can be accessed via Link 1.

3. The success of CoA's Enterprise Risk Management model is contingent on a strong executive oversight of emerging issues and strategic risks. The Executive Team (ET) endorsed the creation of Strategic Risk Internal Audit (SRIA), which was established in 2010. Through SRIA and the ET, risk management is integrated into all organisational activities by:

    3.1. the development and implementation of the Guideline, and supporting tools and processes;

    3.2. allocating appropriate resources for risk management;

    3.3. supporting and encouraging risk escalation; and

    3.4. assigning roles, responsibilities and accountabilities with respect to risk management and communicating these at all levels of the organisation.

SRIA

4. The role of SRIA is to:

    4.1. develop and oversee the practical application of the Enterprise Risk Management model within CoA;

    4.2. ensure early, quick and clear escalation of strategic risks and emerging issues to key decision-makers;

    4.3. ensure appropriate controls are in place to actively manage and monitor strategic risks and emerging issues;

    4.4. ensure that sufficiently mitigated matters return to routine operations management;

    4.5. identify and communicate key learnings and ensure that relevant processes are reviewed for continuous improvement;

    4.6. ensure that internal audit actions are addressed within the agreed timeframes; and

    4.7. review and discuss activities of the Emergency Management Steering Committee.

5. In addition, SRIA:

    5.1. performs a review of the Strategic Risk Register annually for CoA and provides input for subsidiaries' risk registers;

    5.2. reviews, and approves the Guideline;

    5.3. provides guidance and direction on risk controls and risk mitigation strategies for strategic risks and emerging risks;

    5.4. drives a positive risk management culture promoting risk escalation;

    5.5. provides input, comment and feedback on the Internal Audit Program;

    5.6. proposes the Internal Audit Plan for Audit and Risk Committee endorsement. A copy of the Audit and Risk Committee Work Plan for 2024 can be accessed via Link 2; and

    5.7. oversees the implementation of the Internal Audit Program and implementation of audit recommendations.

6. In addition to the ET, SRIA's membership is made up of the General Managers of the Adelaide Economic Development Agency and the Adelaide Central Market Authority and select Associate Directors and Corporate Services Managers.

7. Standing items on the SRIA agenda include:

    7.1. Discussion about strategic risks and issues;

    7.2. Updates on significant or high-risk projects;

7.3. Consideration of items on the Watch List – this pertains to operational risks that have the potential to become strategic risks;

7.4. Emerging risks escalated by management or staff;

7.5. Council litigation report — this report contains an update on every litigated matter that CoA is a party to with matters risk-rated and updated monthly to include information about what happened at the last hearing, the next steps, and the date for the next hearing;

7.6. Freedom of Information report — this report provides an update on the current applications for access to documents and information pursuant to the *Freedom of Information Act 1991 (SA)*; and

7.7. Relevant information about grievances from the community pursuant to section 270 of the *Local Government Act 1999 (SA)*, or investigations by external agencies.

Internal Audit

8. As mentioned in paragraph 5, SRIA is responsible for CoA's Internal Audit Program (Program). SRIA provides input, comment, and feedback on the Program, proposes the Program for Audit and Risk Committee endorsement, and oversees its implementation and audit recommendations.

9. The internal audits selected for the Program are designed to deliver value within the context of CoA's values, culture, customer service objective and Strategic Plan.

10. SRIA performs a strategic risk review annually in March, which informs the development of the Internal Audit Program. Upon finalisation of the Strategic Plan by Council and following the strategic risk review, SRIA, in conjunction with the independent internal auditor, identifies the topics for review which will mitigate the risks on the Strategic Risk Register and assure the Council of the organisation's ability to meet the objectives of its Strategic Plan.

11. The audits detailed in the Program are performed by council staff (Risk & Audit Analyst) or the independent internal auditor (KPMG). Legislative and compliance audits are predominantly delivered by the Risk & Audit Analyst. Strategic audits are performed by KPMG.

12. Final audit reports along with findings, recommendations, management comments and agreed actions are considered and approved by SRIA for presentation to the Audit and Risk Committee.

13. The Audit and Risk Committee receives the audit reports and endorses the responses and actions agreed by the Administration.

14. SRIA monitors the completion and implementation of the audit actions and reports to the Audit and Risk Committee on the Program periodically.

DATA AND SUPPORTING INFORMATION

Link 1 – Risk Management Operating Guideline

Link 2 - Audit and Risk Committee 2024 Workplan

ATTACHMENTS

Nil

- END OF REPORT -

Payment Card Industry Compliance Review

Wednesday, 15 May 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Kathryn Goldy, Acting Manager Governance

Public

Approving Officer:
Michael Sedgman, Acting Chief Executive Officer

EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit on the compliance with the Payment Card Industry Data Security Standard (PCI DSS) was performed.

The internal audit identified fourteen findings of non-compliance during the review.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legal, effectively, and to advise how it can improve performance.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.
2. Endorses the responses of the Administration to the Payment Card Industry Compliance Review as outlined in Attachment B to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, and effectively, and to advise how it can improve performance.
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The Payment Card Industry Compliance Review (PCI Compliance) was performed by Cyber CX, in accordance with the 2023-24 Internal Audit Plan.

Report

2. This audit aligns with City of Adelaide's (CoA) Strategic Risk – Compliance: Non-compliance of Council policies and legislative requirements.
3. The PCI Compliance review provides CoA with an understanding of the level of PCI DSS compliance associated with the payment processing facilities and provides guidance on areas of required remediation following the assessment. This audit is required to be performed annually.
4. The findings of the internal audit are indexed into the following milestones:

Finding	Milestones
Current network diagram that identifies all connections between the cardholder data environment and other networks, including any wireless networks	1
Documentation of business justification and approval for use of all services, protocols, and ports allowed, including documentation of security features implemented for those protocols considered to be insecure.	2
Enable only necessary services, protocols, daemons etc as required for the function of the system.	3
Implement additional security features for any required services, protocols, or daemons that are considered to be insecure.	2
Remove all unnecessary functionality, such as scripts, drivers, features, subsystems, file systems and unnecessary web servers.	3
Maintain an inventory of system components that are in scope for PCI DSS	2
Maintain an up-to-date list of devices. The list should include the following: • Make, model of device • Location of device (for example, the address of the site or facility where the device is located) • Device serial number or other method of unique identification	2
Perform quarterly external vulnerability scans, via an Approved Scanning Vendor (ASV) approved by the Payment Card Industry Security Standards Council (PCI SSC). Perform rescans as needed, until passing scans are achieved.	2
If segmentation is used to isolate the CDE from other networks, perform penetration tests at least annually and after any changes to segmentation controls/methods to verify that the segmentation methods are operational and effective, and isolate all out-of-scope systems from systems in the CDE.	2
Review the security policy at least annually and update the policy when the environment changes.	6
Establish, document and distribute security incident response and escalation procedures to ensure timely and effective handling of all situations.	2
Maintain a list of service providers including a description of the service provided.	2
Maintain a program to monitor service providers PCI DSS compliance status at least annually.	2
Maintain information about which PCI DSS requirements are managed by each service provider, and which are managed by the entity.	2

5. Administration has considered the findings and provided actions and time frames to address these findings as outlined in **Attachment A**. Two of the 14 recommendations have been completed.

ATTACHMENTS

Attachment A – Payment Card Industry Compliance Review

Attachment B – Prioritised Approach

- END OF REPORT -

Payment Card Industry (PCI)
Data Security Standard
Self-Assessment Questionnaire D
and Attestation of Compliance for Merchants

All other SAQ-Eligible Merchants

For use with PCI DSS Version 3.2.1

Revision 2

September 2022

Document Changes

Date	PCI DSS Version	SAQ Revision	Description
October 2008	1.2		To align content with new PCI DSS v1.2 and to implement minor changes noted since original v1.1.
October 2010	2.0		To align content with new PCI DSS v2.0 requirements and testing procedures.
February 2014	3.0		To align content with PCI DSS v3.0 requirements and testing procedures and incorporate additional response options.
April 2015	3.1		Updated to align with PCI DSS v3.1. For details of PCI DSS changes, see *PCI DSS – Summary of Changes from PCI DSS Version 3.0 to 3.1*.
July 2015	3.1	1.1	Updated to remove references to "best practices" prior to June 30, 2015, and remove the PCI DSS v2 reporting option for Requirement 11.3.
April 2016	3.2	1.0	Updated to align with PCI DSS v3.2. For details of PCI DSS changes, see *PCI DSS – Summary of Changes from PCI DSS Version 3.1 to 3.2.*
January 2017	3.2	1.1	Updated version numbering to align with other SAQs
June 2018	3.2.1	1.0	Updated to align with PCI DSS v3.2.1. For details of PCI DSS changes, see *PCI DSS – Summary of Changes from PCI DSS Version 3.2 to 3.2.1.*
September 2022	3.2.1	2.0	Updated to reflect the inclusion of UnionPay as a Participating Payment Brand. This document aligns with PCI DSS v3.2.1 r1.

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Before You Begin

SAQ D for Merchants applies to SAQ-eligible merchants not meeting the criteria for any other SAQ type. Examples of merchant environments that would use SAQ D may include but are not limited to:

- E-commerce merchants who accept cardholder data on their website
- Merchants with electronic storage of cardholder data
- Merchants that don't store cardholder data electronically but that do not meet the criteria of another SAQ type
- Merchants with environments that might meet the criteria of another SAQ type, but that have additional PCI DSS requirements applicable to their environment

While many organizations completing SAQ D will need to validate compliance with every PCI DSS requirement, some organizations with very specific business models may find that some requirements do not apply. See the guidance below for information about the exclusion of certain, specific requirements.

PCI DSS Self-Assessment Completion Steps

(a) Identify the applicable SAQ for your environment—refer to the *Self-Assessment Questionnaire Instructions and Guidelines* document on PCI SSC website for information.

(b) Confirm that your environment is properly scoped and meets the eligibility criteria for the SAQ you are using.

(c) Assess your environment for compliance with PCI DSS requirements.

(d) Complete all sections of this document:

- Section 1 (Parts 1 & 2 of the AOC) – Assessment Information and Executive Summary
- Section 2 – PCI DSS Self-Assessment Questionnaire (SAQ D)
- Section 3 (Parts 3 & 4 of the AOC) – Validation and Attestation Details and Action Plan for Non-Compliant Requirements (if applicable)

(e) Submit the SAQ and Attestation of Compliance (AOC), along with any other requested documentation—such as ASV scan reports—to your acquirer, payment brand, or other requester.

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Understanding the Self-Assessment Questionnaire

The questions contained in the "PCI DSS Question" column in this self-assessment questionnaire are based on the requirements in the PCI DSS.

Additional resources that provide guidance on PCI DSS requirements and how to complete the self-assessment questionnaire have been provided to assist with the assessment process. An overview of some of these resources is provided below:

Document	Includes:
PCI DSS *(PCI Data Security Standard Requirements and Security Assessment Procedures)*	• Guidance on Scoping • Guidance on the intent of all PCI DSS Requirements • Details of testing procedures • Guidance on Compensating Controls
SAQ Instructions and Guidelines documents	• Information about all SAQs and their eligibility criteria • How to determine which SAQ is right for your organization
PCI DSS and PA-DSS Glossary of Terms, Abbreviations, and Acronyms	• Descriptions and definitions of terms used in the PCI DSS and self-assessment questionnaires

These and other resources can be found on the PCI SSC website *(www.pcisecuritystandards.org)*. Organizations are encouraged to review the PCI DSS and other supporting documents before beginning an assessment.

Expected Testing

The instructions provided in the "Expected Testing" column are based on the testing procedures in the PCI DSS, and provide a high-level description of the types of testing activities that should be performed in order to verify that a requirement has been met. Full details of testing procedures for each requirement can be found in the PCI DSS.

Completing the Self-Assessment Questionnaire

For each question, there is a choice of responses to indicate your company's status regarding that requirement. ***Only one response should be selected for each question.***

A description of the meaning for each response is provided in the table below:

Response	When to use this response:
Yes	The expected testing has been performed, and all elements of the requirement have been met as stated.
Yes with CCW (Compensating Control Worksheet)	The expected testing has been performed, and the requirement has been met with the assistance of a compensating control. All responses in this column require completion of a Compensating Control Worksheet (CCW) in Appendix B of the SAQ. Information on the use of compensating controls and guidance on how to complete the worksheet is provided in the PCI DSS.

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Response	When to use this response:
No	Some or all elements of the requirement have not been met, or are in the process of being implemented, or require further testing before it will be known if they are in place.
N/A (Not Applicable)	The requirement does not apply to the organization's environment. (See *Guidance for Non-Applicability of Certain, Specific Requirements* below for examples.) All responses in this column require a supporting explanation in Appendix C of the SAQ.
Not Tested	The requirement was not included for consideration in the assessment, and was not tested in any way. (See *Understanding the difference between Not Applicable and Not Tested* below for examples of when this option should be used.) All responses in this column require a supporting explanation in Appendix D of the SAQ.

Guidance for Non-Applicability of Certain, Specific Requirements

While many organizations completing SAQ D will need to validate compliance with every PCI DSS requirement, some organizations with very specific business models may find that some requirements do not apply. For example, a company that does not use wireless technology in any capacity would not be expected to validate compliance with the sections of the PCI DSS that are specific to managing wireless technology. Similarly, an organization that does not store any cardholder data electronically at any time would not need to validate requirements related to secure storage of cardholder data (for example, Requirement 3.4).

Examples of requirements with specific applicability include:

- The questions specific to securing wireless technologies (for example, Requirements 1.2.3, 2.1.1, and 4.1.1) only need to be answered if wireless is present anywhere in your network. Note that Requirement 11.1 (use of processes to identify unauthorized wireless access points) must still be answered even if you don't use wireless technologies in your network, since the process detects any rogue or unauthorized devices that may have been added without your knowledge.
- The questions specific to application development and secure coding (Requirements 6.3 and 6.5) only need to be answered if your organization develops its own custom applications.
- The questions for Requirements 9.1.1 and 9.3 only need to be answered for facilities with "sensitive areas" as defined here: "Sensitive areas" refers to any data center, server room, or any area that houses systems that store, process, or transmit cardholder data. This excludes the areas where only point-of-sale terminals are present, such as the cashier areas in a retail store, but does include retail store back-office server rooms that store cardholder data, and storage areas for large quantities of cardholder data.

If any requirements are deemed not applicable to your environment, select the "N/A" option for that specific requirement, and complete the "Explanation of Non-Applicability" worksheet in Appendix C for each "N/A" entry.

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Understanding the difference between Not Applicable and Not Tested

Requirements that are deemed to be not applicable to an environment must be verified as such. Using the wireless example above, for an organization to select "N/A" for Requirements 1.2.3, 2.1.1, and 4.1.1, the organization would first need to confirm that there are no wireless technologies used in their cardholder data environment (CDE) or that connect to their CDE. Once this has been confirmed, the organization may select "N/A" for those specific requirements,

If a requirement is completely excluded from review without any consideration as to whether it *could* apply, the "Not Tested" option should be selected. Examples of situations where this could occur may include:

- An organization may be asked by their acquirer to validate a subset of requirements—for example: using the prioritized approach to validate certain milestones.
- An organization may wish to validate a new security control that impacts only a subset of requirements—for example, implementation of a new encryption methodology that requires assessment of PCI DSS Requirements 2, 3, and 4.
- A service provider organization might offer a service which covers only a limited number of PCI DSS requirements—for example, a physical storage provider may only wish to validate the physical security controls per PCI DSS Requirement 9 for their storage facility.

In these scenarios, the organization only wishes to validate certain PCI DSS requirements even though other requirements might also apply to their environment.

Legal Exception

If your organization is subject to a legal restriction that prevents the organization from meeting a PCI DSS requirement, check the "No" column for that requirement and complete the relevant attestation in Part 3.

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Section 1: Assessment Information

Instructions for Submission

This document must be completed as a declaration of the results of the merchant's self-assessment with the *Payment Card Industry Data Security Standard Requirements and Security Assessment Procedures (PCI DSS).* Complete all sections: The merchant is responsible for ensuring that each section is completed by the relevant parties, as applicable. Contact your acquirer (merchant bank) or the payment brands to determine reporting and submission procedures.

Part 1. Merchant and Qualified Security Assessor Information

Part 1a. Merchant Organization Information

Company Name:	City of Adelaide		DBA (doing business as):		
Contact Name:	Annette Pianezzola		Title:	Risk & Audit Analyst	
Telephone:	08 8203 7355		E-mail:	A.Pianezzola@cityofadelaide.com.au	
Business Address:	Ground Floor, 25 Pirie Street		City:	Adelaide	
State/Province:	South Australia	Country:	Australia	Zip:	5000
URL:	https://www.cityofadelaide.com.au				

Part 1b. Qualified Security Assessor Company Information (if applicable)

Company Name:	CyberCX				
Lead QSA Contact Name:	Gary Watts		Title:	Principal Consultant	
Telephone:	0419 553 414		E-mail:	gary.watts@cybercx.com.au	
Business Address:	Level 11, 95 Grenfell Street		City:	Adelaide	
State/Province:	South Australia	Country:	Australia	Zip:	5000
URL:	https://cybercx.com.au				

Part 2. Executive Summary

Part 2a. Type of Merchant Business (check all that apply)

☐ Retailer	☐ Telecommunication	☐ Grocery and Supermarkets
☐ Petroleum	☒ E-Commerce	☒ Mail order/telephone order (MOTO)
☒ Others (please specify): Council		

What types of payment channels does your business serve?	Which payment channels are covered by this SAQ?
☒ Mail order/telephone order (MOTO)	☒ Mail order/telephone order (MOTO)
☒ E-Commerce	☒ E-Commerce
☒ Card-present (face-to-face)	☒ Card-present (face-to-face)

Note: *If your organization has a payment channel or process that is not covered by this SAQ, consult your acquirer or payment brand about validation for the other channels.*

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Part 2. Executive Summary *(continued)*

Part 2b. Description of Payment Card Business

How and in what capacity does your business store, process and/or transmit cardholder data?	The City of Adelaide processes card present payments at multiple Point-of-Sale (POS) locations where there are Point-Of-Interaction (POI) devices, over the phone and via websites. Cardholder data is transmitted to payment gateways for authorisation. The City of Adelaide does not store cardholder data. Payments are accepted via the following channels: • Car parking (Street parking machines (Duncan Solution's Pay & Display TX Multi-Space Meters) and UPark car park facilities); • Point-of-Interaction (POI) terminals (Verifone VX680, VX 820 & Ingenico M500S) at multiple locations including: o Integrated with Envibe and PCEFTPOS at the Aquatic Centre o North Adelaide Golf course (Golf Links) o Adelaide Central Markets o Customer Centre o Libraries o Nursery • Online via the Adelaide Central Markets (shop.adelaidecentralmarket.com.au) hosted on Shopify; • Online via the Golf Links (northadelaidegolf.com.au) website hosted by MiClub; • Online using the ePathway portal (customer.cityofadelaide.com.au) hosted by Infor; and • Via telephone at the Customer Centre. Call recordings are manually paused when credit card details are communicated and entered into a POI terminal at the Customer Centre. Staff are instructed to delete any credit card details sent via email to the Customer Centre. An email is sent to the customer notifying that their email will not be processed and they are directed to use one of the accepted payment channels.

Part 2c. Locations

List types of facilities (for example, retail outlets, corporate offices, data centers, call centers, etc.) and a summary of locations included in the PCI DSS review.

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Type of facility	Number of facilities of this type	Location(s) of facility (city, country)
Example: Retail outlets	*3*	*Boston, MA, USA*
Adelaide Aquatic Centre	1	Jeffcott Road, North Adeladide SA 5000
North Adelaide Golf Course	1	Strangways Terrace, North Adelaide SA 5006
Adelaide Central Markets	1	Between Gouger and Grote Streets, Adelaide SA 5000
Customer Centre	1	25 Pirie Street, Adelaide SA 5000
Library	3	• 3 Rundle Place, 77-91 Rundle Mall, Adelaide SA 5000 • 235 Hutt Street, Adelaide SA 5000 • 176 Tynte Street, North Adelaide SA 5006
UPark Car Parking Facilities	12	• UPark Rundle Street: 163-185 Rundel Street, Adelaide SA 5000 • UPark Gawler Place: 9-17 Gawler Place, Adelaide SA 5000 • UPark Topham Mall: 52-54 Waymouth Street, Adelaide SA 5000 • UPark Central Market: 60 Gouger Street, Adelaide SA 5000 • UPark Wyatt Street: 18-34 Wyatt Street, Adelaide SA 5000 • UPark Light Square: 22-140 Currie Street, Adelaide SA 5000 • UPark Frome Street: 22-30 Frome Street, Adelaide SA 5000 • UPark Pirie Street: 247 Pirie Street, Adelaide SA 5000 • UPark Grote Street: 82 Grote Street, Adelaide SA 5000 • UPark Andrew: 1-8 Andrew Street, Adelaide SA 5000 • UPark Pirie Flinders: 191-207 Pirie Street, Adelaide SA 5000 • UPark Flinders: 218 Flinders Street, Adelaide SA 5000

Part 2d. Payment Applications

Does the organization use one or more Payment Applications? ☐ Yes ☒ No

Provide the following information regarding the Payment Applications your organization uses:

Payment Application Name	Version Number	Application Vendor	Is application PA-DSS Listed?	PA-DSS Listing Expiry date (if applicable)
			☐ Yes ☐ No	
			☐ Yes ☐ No	
			☐ Yes ☐ No	
			☐ Yes ☐ No	

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			☐ Yes ☐ No	

Part 2e. Description of Environment

Provide a ***high-level*** description of the environment covered by this assessment. *For example:* • *Connections into and out of the cardholder data environment (CDE).* • *Critical system components within the CDE, such as POS devices, databases, web servers, etc., and any other necessary payment components, as applicable.*	The environment covered by the assessment includes: - Sophos and Cisco firewalls providing Internet connectivity and segmentation controls.onnections into and out of the cardholder data environment. - POS systems including SwiftPOS and Envibe and connected terminals in use at the Aquatic Centre and Golf Links. - Standalone EFTPOS devices used at other City of Adelaide locations including the Central Markets, Customer Centre, Library, Nursery and UPark carparks; - The VoIP telephony system used by the Customer Centre to accept payments over the phone. - Outsourced ecommerces sites for the Adelaid Central Market and Adelaide City Council's main website. - Service providers that may affect the security of the CDE.
Does your business use network segmentation to affect the scope of your PCI DSS environment? *(Refer to "Network Segmentation" section of PCI DSS for guidance on network segmentation.)*	☒ Yes ☐ No

Part 2f. Third-Party Service Providers

Does your company have a relationship with a Qualified Integrator Reseller (QIR) for the purpose of the services being validated?	☐ Yes ☒ No

If Yes:

Name of QIR Company:	
QIR Individual Name:	
Description of services provided by QIR:	

Does your company share cardholder data with any third-party service providers (for example, Qualified Integrator & Resellers (QIR), gateways, payment processors, payment service providers (PSP), web-hosting companies, airline booking agents, loyalty program agents, etc.)?	☐ Yes ☐ No

If Yes:

Name of service provider:	**Description of services provided:**
ADVAM	Street Parking Machines & UPark payment gateway
Duncan Solutions	Parking meter solution provider

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EziDebit	Adelaide Aquatic Centre payment gateway
MiClub	North Adelaide Golf Course POS solution and website hosting
NAB	Pin pad provider and acquirer
Shopify	Central Market website hosting
Stripe	North Adelaide Golf Course website payment gateway
Infor	Hosting of ePathway
Note: *Requirement 12.8 applies to all entities in this list.*	

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Section 2: Self-Assessment Questionnaire D for Merchants

Note: *The following questions are numbered according to PCI DSS requirements and testing procedures, as defined in the* PCI DSS Requirements and Security Assessment Procedures *document.*

Self-assessment completion date:

Build and Maintain a Secure Network and Systems

Requirement 1: Install and maintain a firewall configuration to protect data

PCI DSS Question		Expected Testing	Response *(Check one response for each question)*				
			Yes	Yes with CCW	No	N/A	Not Tested
1.1	Are firewall and router configuration standards established and implemented to include the following:						
1.1.1	Is there a formal process for approving and testing all network connections and changes to the firewall and router configurations?	▪ Review documented process. ▪ Interview personnel. ▪ Examine network configurations.	☒	☐	☐	☐	☐
1.1.2	(a) Is there a current network diagram that documents all connections between the cardholder data environment and other networks, including any wireless networks?	▪ Review current network diagram. ▪ Examine network configurations.	☐	☐	☒	☐	☐
	(b) Is there a process to ensure the diagram is kept current?	▪ Interview responsible personnel.	☒	☐	☐	☐	☐
1.1.3	(a) Is there a current diagram that shows all cardholder data flows across systems and networks?	▪ Review current dataflow diagram. ▪ Examine network configurations.	☒	☐	☐	☐	☐
	(b) Is there a process to ensure the diagram is kept current?	▪ Interview personnel.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
1.1.4	(a) Is a firewall required and implemented at each Internet connection and between any demilitarized zone (DMZ) and the internal network zone?	▪ Review firewall configuration standards. ▪ Observe network configurations to verify that a firewall(s) is in place.	☒	☐	☐	☐	☐
	(b) Is the current network diagram consistent with the firewall configuration standards?	▪ Compare firewall configuration standards to current network diagram.	☒	☐	☐	☐	☐
1.1.5	Are groups, roles, and responsibilities for logical management of network components assigned and documented in the firewall and router configuration standards?	▪ Review firewall and router configuration standards. ▪ Interview personnel.	☒	☐	☐	☐	☐
1.1.6	(a) Do firewall and router configuration standards include a documented list of services, protocols, and ports, including business justification and approval for each?	▪ Review firewall and router configuration standards.	☐	☐	☒	☐	☐
	(b) Are all insecure services, protocols, and ports identified, and are security features documented and implemented for each identified service?	▪ Review firewall and router configuration standards. ▪ Examine firewall and router configurations.	☐	☐	☒	☐	☐
1.1.7	(a) Do firewall and router configuration standards require review of firewall and router rule sets at least every six months?	▪ Review firewall and router configuration standards.	☒	☐	☐	☐	☐
	(b) Are firewall and router rule sets reviewed at least every six months?	▪ Examine documentation from firewall reviews.	☒	☐	☐	☐	☐
1.2	Do firewall and router configurations restrict connections between untrusted networks and any system in the cardholder data environment as follows: ***Note:*** *An "untrusted network" is any network that is external to the networks belonging to the entity under review, and/or which is out of the entity's ability to control or manage.*						

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
1.2.1	(a) Is inbound and outbound traffic restricted to that which is necessary for the cardholder data environment?	▪ Review firewall and router configuration standards. ▪ Examine firewall and router configurations.	☒	☐	☐	☐	☐
	(b) Is all other inbound and outbound traffic specifically denied (for example by using an explicit "deny all" or an implicit deny after allow statement)?	▪ Review firewall and router configuration standards. ▪ Examine firewall and router configurations.	☒	☐	☐	☐	☐
1.2.2	Are router configuration files secured from unauthorized access and synchronized—for example, the running (or active) configuration matches the start-up configuration (used when machines are booted)?	▪ Review firewall and router configuration standards. ▪ Examine router configuration files and router configurations.	☒	☐	☐	☐	☐
1.2.3	Are perimeter firewalls installed between all wireless networks and the cardholder data environment, and are these firewalls configured to deny or, if traffic is necessary for business purposes, permit only authorized traffic between the wireless environment and the cardholder data environment?	▪ Review firewall and router configuration standards. ▪ Examine firewall and router configurations.	☒	☐	☐	☐	☐
1.3	Is direct public access prohibited between the Internet and any system component in the cardholder data environment, as follows:						
1.3.1	Is a DMZ implemented to limit inbound traffic to only system components that provide authorized publicly accessible services, protocols, and ports?	▪ Examine firewall and router configurations.	☐	☐	☐	☒	☐
1.3.2	Is inbound Internet traffic limited to IP addresses within the DMZ?	▪ Examine firewall and router configurations.	☐	☐	☐	☒	☐
1.3.3	Are anti-spoofing measures implemented to detect and block forged sourced IP addresses from entering the network? (For example, block traffic originating from the internet with an internal address.)	▪ Examine firewall and router configurations.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
1.3.4	Is outbound traffic from the cardholder data environment to the Internet explicitly authorized?	▪ Examine firewall and router configurations.	☒	☐	☐	☐	☐
1.3.5	Are only established connections permitted into the network?	▪ Examine firewall and router configurations.	☒	☐	☐	☐	☐
1.3.6	Are system components that store cardholder data (such as a database) placed in an internal network zone, segregated from the DMZ and other untrusted networks?	▪ Examine firewall and router configurations.	☐	☐	☐	☒	☐
1.3.7	(a) Are methods in place to prevent the disclosure of private IP addresses and routing information to the Internet? ***Note:*** *Methods to obscure IP addressing may include, but are not limited to:* • Network Address Translation (NAT) • Placing servers containing cardholder data behind proxy servers/firewalls, • Removal or filtering of route advertisements for private networks that employ registered addressing, • Internal use of RFC1918 address space instead of registered addresses.	▪ Examine firewall and router configurations.	☒	☐	☐	☐	☐
	(b) Is any disclosure of private IP addresses and routing information to external entities authorized?	▪ Examine firewall and router configurations. ▪ Interview personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
1.4	(a) Is personal firewall software (or equivalent functionality) installed and active on any portable computing devices (including company and/or employee-owned) that connect to the Internet when outside the network (for example, laptops used by employees), and which are also used to access the CDE?	▪ Review policies and configuration standards. ▪ Examine mobile and/or employee-owned devices.	☒	☐	☐	☐	☐
	(b) Is the personal firewall software (or equivalent functionality) configured to specific configuration settings, actively running, and not alterable by users of mobile and/or employee-owned devices?	▪ Review policies and configuration standards. ▪ Examine mobile and/or employee-owned devices.	☒	☐	☐	☐	☐
1.5	Are security policies and operational procedures for managing firewalls: ▪ Documented ▪ In use ▪ Known to all affected parties?	▪ Review security policies and operational procedures. ▪ Interview personnel.	☒	☐	☐	☐	☐

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Requirement 2: Do not use vendor-supplied defaults for system passwords and other security parameters

PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
2.1	(a) Are vendor-supplied defaults always changed before installing a system on the network? *This applies to ALL default passwords, including but not limited to those used by operating systems, software that provides security services, application and system accounts, point-of-sale (POS) terminals, payment applications, Simple Network Management Protocol (SNMP) community strings, etc.).*	▪ Review policies and procedures. ▪ Examine vendor documentation. ▪ Observe system configurations and account settings. ▪ Interview personnel.	☒	☐	☐	☐	☐
	(b) Are unnecessary default accounts removed or disabled before installing a system on the network?	▪ Review policies and procedures. ▪ Review vendor documentation. ▪ Examine system configurations and account settings. ▪ Interview personnel.	☒	☐	☐	☐	☐
2.1.1	For wireless environments connected to the cardholder data environment or transmitting cardholder data, are ALL wireless vendor defaults changed at installations, as follows:						
	(a) Are encryption keys changed from default at installation, and changed anytime anyone with knowledge of the keys leaves the company or changes positions?	▪ Review policies and procedures. ▪ Review vendor documentation. ▪ Interview personnel.	☐	☐	☐	☒	☐
	(b) Are default SNMP community strings on wireless devices changed at installation?	▪ Review policies and procedures. ▪ Review vendor documentation. ▪ Interview personnel. ▪ Examine system configurations.	☐	☐	☐	☒	☐
	(c) Are default passwords/passphrases on access points changed at installation?	▪ Review policies and procedures. ▪ Interview personnel. ▪ Examine system configurations.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
2.1.1 *(cont.)*	(d) Is firmware on wireless devices updated to support strong encryption for authentication and transmission over wireless networks?	▪ Review policies and procedures. ▪ Review vendor documentation. ▪ Examine system configurations.	☐	☐	☐	☒	☐
	(e) Are other security-related wireless vendor defaults changed, if applicable?	▪ Review policies and procedures. ▪ Review vendor documentation. ▪ Examine system configurations.	☐	☐	☐	☒	☐
2.2	(a) Are configuration standards developed for all system components and are they consistent with industry-accepted system hardening standards? *Sources of industry-accepted system hardening standards may include, but are not limited to, SysAdmin Audit Network Security (SANS) Institute, National Institute of Standards Technology (NIST), International Organization for Standardization (ISO), and Center for Internet Security (CIS).*	▪ Review system configuration standards. ▪ Review industry-accepted hardening standards. ▪ Review policies and procedures. ▪ Interview personnel.	☒	☐	☐	☐	☐
	(b) Are system configuration standards updated as new vulnerability issues are identified, as defined in Requirement 6.1?	▪ Review policies and procedures. ▪ Interview personnel.	☒	☐	☐	☐	☐
	(c) Are system configuration standards applied when new systems are configured?	▪ Review policies and procedures. ▪ Interview personnel.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
2.2 *(cont.)*	(d) Do system configuration standards include all of the following: – Changing of all vendor-supplied defaults and elimination of unnecessary default accounts? – Implementing only one primary function per server to prevent functions that require different security levels from co-existing on the same server? – Enabling only necessary services, protocols, daemons, etc., as required for the function of the system? – Implementing additional security features for any required services, protocols or daemons that are considered to be insecure? – Configuring system security parameters to prevent misuse? – Removing all unnecessary functionality, such as scripts, drivers, features, subsystems, file systems, and unnecessary web servers?	▪ Review system configuration standards.	☒	☐	☐	☐	☐
2.2.1	(a) Is only one primary function implemented per server, to prevent functions that require different security levels from co-existing on the same server? *For example, web servers, database servers, and DNS should be implemented on separate servers.*	▪ Examine system configurations.	☒	☐	☐	☐	☐
	(b) If virtualization technologies are used, is only one primary function implemented per virtual system component or device?	▪ Examine system configurations.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
2.2.2	(a) Are only necessary services, protocols, daemons, etc. enabled as required for the function of the system (services and protocols not directly needed to perform the device's specified function are disabled)?	▪ Review configuration standards. ▪ Examine system configurations.	☒	☐	☐	☐	☐
	(b) Are all enabled insecure services, daemons, or protocols justified per documented configuration standards?	▪ Review configuration standards ▪ Interview personnel. ▪ Examine configuration settings. ▪ Compare enabled services, etc. to documented justifications.	☐	☐	☒	☐	☐
2.2.3	Are additional security features documented and implemented for any required services, protocols or daemons that are considered to be insecure?	▪ Review configuration standards. ▪ Examine configuration settings.	☐	☐	☒	☐	☐
2.2.4	(a) Are system administrators and/or personnel that configure system components knowledgeable about common security parameter settings for those system components?	▪ Interview personnel.	☒	☐	☐	☐	☐
	(b) Are common system security parameters settings included in the system configuration standards?	▪ Review system configuration standards.	☒	☐	☐	☐	☐
	(c) Are security parameter settings set appropriately on system components?	▪ Examine system components. ▪ Examine security parameter settings. ▪ Compare settings to system configuration standards.	☒	☐	☐	☐	☐
2.2.5	(a) Has all unnecessary functionality—such as scripts, drivers, features, subsystems, file systems, and unnecessary web servers—been removed?	▪ Examine security parameters on system components.	☒	☐	☐	☐	☐
	(b) Are enabled functions documented and do they support secure configuration?	▪ Review documentation. ▪ Examine security parameters on system components.	☐	☐	☒	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
2.2.5 *(cont.)*	(c) Is only documented functionality present on system components?	▪ Review documentation. ▪ Examine security parameters on system components.	☐	☐	☒	☐	☐
2.3	Is non-console administrative access encrypted as follows:						
	(a) Is all non-console administrative access encrypted with strong cryptography, and is a strong encryption method invoked before the administrator's password is requested?	▪ Examine system components. ▪ Examine system configurations. ▪ Observe an administrator log on.	☒	☐	☐	☐	☐
	(b) Are system services and parameter files configured to prevent the use of Telnet and other insecure remote login commands?	▪ Examine system components. ▪ Examine services and file.s	☒	☐	☐	☐	☐
	(c) Is administrator access to web-based management interfaces encrypted with strong cryptography?	▪ Examine system components. ▪ Observe an administrator log on.	☒	☐	☐	☐	☐
	(d) For the technology in use, is strong cryptography implemented according to industry best practice and/or vendor recommendations?	▪ Examine system components. ▪ Review vendor documentation. ▪ Interview personnel.	☒	☐	☐	☐	☐
2.4	(a) Is an inventory maintained for systems components that are in scope for PCI DSS, including a list of hardware and software components and a description of function/use for each?	▪ Examine system inventory.	☒	☐	☐	☐	☐
	(b) Is the documented inventory kept current?	▪ Interview personnel.	☐	☐	☒	☐	☐
2.5	Are security policies and operational procedures for managing vendor defaults and other security parameters: ▪ Documented ▪ In use ▪ Known to all affected parties?	▪ Review security policies and operational procedures. ▪ Interview personnel.	☒	☐	☐	☐	☐
2.6	*This requirement applies only to service providers.*						

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Protect Cardholder Data

Requirement 3: Protect stored cardholder data

PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
3.1	Are data-retention and disposal policies, procedures, and processes implemented as follows:						
	(a) Is data storage amount and retention time limited to that required for legal, regulatory, and/or business requirements?	▪ Review data retention and disposal policies and procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐
	(b) Are there defined processes in place for securely deleting cardholder data when no longer needed for legal, regulatory, and/or business reasons?	▪ Review policies and procedures. ▪ Interview personnel. ▪ Examine deletion mechanism.	☐	☐	☐	☒	☐
	(c) Are there specific retention requirements for cardholder data? *For example, cardholder data needs to be held for X period for Y business reasons.*	▪ Review policies and procedures. ▪ Interview personnel. ▪ Examine retention requirements.	☐	☐	☐	☒	☐
	(d) Is there a quarterly process for identifying and securely deleting stored cardholder data that exceeds defined retention requirements?	▪ Review policies and procedures. ▪ Interview personnel. ▪ Observe deletion processes.	☐	☐	☐	☒	☐
	(e) Does all stored cardholder data meet the requirements defined in the data-retention policy?	▪ Examine files and system records.	☐	☐	☐	☒	☐
3.2	(a) For issuers and/or companies that support issuing services and store sensitive authentication data, is there a documented business justification for the storage of sensitive authentication data?	▪ Review policies and procedures. ▪ Interview personnel. ▪ Review documented business justification.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
3.2 *(cont.)*	(b) For issuers and/or companies that support issuing services and store sensitive authentication data: Is the data secured?	▪ Examine data stores and system configuration files.	☐	☐	☐	☒	☐
	(c) For all other entities: Is sensitive authentication data deleted or rendered unrecoverable upon completion of the authorization process?	▪ Review policies and procedures. ▪ Examine system configurations. ▪ Examine deletion processes.	☒	☐	☐	☐	☐
	(d) Do all systems adhere to the following requirements regarding non-storage of sensitive authentication data after authorization (even if encrypted):						
3.2.1	The full contents of any track (from the magnetic stripe located on the back of a card, equivalent data contained on a chip, or elsewhere) are not stored after authorization? *This data is alternatively called full track, track, track 1, track 2, and magnetic-stripe data.* ***Note:** In the normal course of business, the following data elements from the magnetic stripe may need to be retained:* • *The cardholder's name,* • *Primary account number (PAN),* • *Expiration date, and* • *Service code* *To minimize risk, store only these data elements as needed for business.*	▪ Examine data sources including: – Incoming transaction data – All logs – History files – Trace files – Database schema – Database contents	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
3.2.2	The card verification code or value (three-digit or four-digit number printed on the front or back of a payment card) is not stored after authorization?	▪ Examine data sources including: – Incoming transaction data – All logs – History files – Trace files – Database schema – Database contents	☒	☐	☐	☐	☐
3.2.3	The personal identification number (PIN) or the encrypted PIN block is not stored after authorization?	▪ Examine data sources including: – Incoming transaction data – All logs – History files – Trace files – Database schema – Database contents	☒	☐	☐	☐	☐
3.3	Is the PAN masked when displayed (the first six and last four digits are the maximum number of digits to be displayed) such that only personnel with a legitimate business need can see more than the first six/last four digits of the PAN? ***Note:*** *This requirement does not supersede stricter requirements in place for displays of cardholder data—for example, legal or payment card brand requirements for point-of-sale (POS) receipts.*	▪ Review policies and procedures. ▪ Review roles that need access to displays of full PAN. ▪ Examine system configurations. ▪ Observe displays of PAN.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
3.4	Is PAN rendered unreadable anywhere it is stored (including data repositories, portable digital media, backup media, and in audit logs), by using any of the following approaches? ▪ One-way hashes based on strong cryptography (hash must be of the entire PAN) ▪ Truncation (hashing cannot be used to replace the truncated segment of PAN) ▪ Index tokens and pads (pads must be securely stored) ▪ Strong cryptography with associated key management processes and procedures. ***Note:*** *It is a relatively trivial effort for a malicious individual to reconstruct original PAN data if they have access to both the truncated and hashed version of a PAN. Where hashed and truncated versions of the same PAN are present in an entity's environment, additional controls must be in place to ensure that the hashed and truncated versions cannot be correlated to reconstruct the original PAN.*	▪ Examine vendor documentation. ▪ Examine data repositories. ▪ Examine removable media. ▪ Examine audit logs, including payment application logs.	☐	☐	☐	☒	☐
3.4.1	If disk encryption (rather than file- or column-level database encryption) is used, is access managed as follows: ***Note:*** *This requirement applies in addition to all other PCI DSS encryption and key management requirements.*						
	(a) Is logical access to encrypted file systems managed separately and independently of native operating system authentication and access control mechanisms (for example, by not using local user account databases or general network login credentials)?	▪ Examine system configurations. ▪ Observe the authentication process.	☐	☐	☐	☒	☐
	(b) Are cryptographic keys stored securely (for example, stored on removable media that is adequately protected with strong access controls)?	▪ Observe processes. ▪ Interview personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
3.4.1 *(cont.)*	(c) Is cardholder data on removable media encrypted wherever stored? ***Note:*** *If disk encryption is not used to encrypt removable media, the data stored on this media will need to be rendered unreadable through some other method.*	▪ Examine system configurations. ▪ Observe processes.	☐	☐	☐	☒	☐
3.5	Are keys used to secure stored cardholder data protected against disclosure and misuse as follows: ***Note:*** *This requirement applies to keys used to encrypt stored cardholder data, and also applies to key-encrypting keys used to protect data-encrypting keys. Such key-encrypting keys must be at least as strong as the data-encrypting key.*						
3.5.1	*This requirement applies only to service providers.*						
3.5.2	Is access to cryptographic keys restricted to the fewest number of custodians necessary?	▪ Examine user access lists.	☐	☐	☐	☒	☐
3.5.3	Are secret and private cryptographic keys used to encrypt/decrypt cardholder data stored in one (or more) of the following forms at all times? ▪ Encrypted with a key-encrypting key that is at least as strong as the data-encrypting key, and that is stored separately from the data-encrypting key ▪ Within a secure cryptographic device (such as a hardware (host) security module (HSM) or PTS-approved point-of-interaction device) ▪ As at least two full-length key components or key shares, in accordance with an industry-accepted method. ***Note:*** *It is not required that public keys be stored in one of these forms.*	▪ Review documented procedures. ▪ Examine system configurations and key storage locations, including for key-encrypting keys.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
3.5.4	Are cryptographic keys stored in the fewest possible locations?	▪ Examine key-storage locations. ▪ Observe processes.	☐	☐	☐	☒	☐
3.6	(a) Are all key-management processes and procedures fully documented and implemented for cryptographic keys used for encryption of cardholder data?	▪ Review key-management procedures.	☐	☐	☐	☒	☐
	(b) *This testing procedure applies only to service providers.*						
	(c) Are key-management processes and procedures implemented to require the following:						
3.6.1	Do cryptographic key procedures include the generation of strong cryptographic keys?	▪ Review key-management procedures. ▪ Observe key-generation procedures.	☐	☐	☐	☒	☐
3.6.2	Do cryptographic key procedures include secure cryptographic key distribution?	▪ Review key management procedures. ▪ Observe the key-distribution method.	☐	☐	☐	☒	☐
3.6.3	Do cryptographic key procedures include secure cryptographic key storage?	▪ Review key-management procedures. ▪ Observe the method for secure storage of keys.	☐	☐	☐	☒	☐
3.6.4	Do cryptographic key procedures include cryptographic key changes for keys that have reached the end of their defined cryptoperiod (for example, after a defined period of time has passed and/or after a certain amount of cipher-text has been produced by a given key), as defined by the associated application vendor or key owner, and based on industry best practices and guidelines (for example, NIST Special Publication 800-57)?	▪ Review key-management procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
3.6.5	(a) Do cryptographic key procedures include retirement or replacement (for example, archiving, destruction, and/or revocation) of cryptographic keys when the integrity of the key has been weakened (for example, departure of an employee with knowledge of a clear-text key)?	▪ Review key-management procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐
	(b) Do cryptographic key procedures include replacement of known or suspected compromised keys?	▪ Review key-management procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐
	(c) If retired or replaced cryptographic keys are retained, are these keys only used for decryption/verification purposes, and not used for encryption operations?	▪ Review key-management procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐
3.6.6	If manual clear-text key-management operations are used, do cryptographic key procedures include split knowledge and dual control of cryptographic keys as follows: ▪ Do split knowledge procedures require that key components are under the control of at least two people who only have knowledge of their own key components? AND ▪ Do dual control procedures require that at least two people are required to perform any key management operations and no one person has access to the authentication materials (for example, passwords or keys) of another? ***Note:*** *Examples of manual key management operations include, but are not limited to: key generation, transmission, loading, storage and destruction.*	▪ Review key-management procedures. ▪ Interview personnel and/or. ▪ Observe processes.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
3.6.7	Do cryptographic key procedures include the prevention of unauthorized substitution of cryptographic keys?	▪ Review procedures. ▪ Interview personnel and/or ▪ Observe processes.	☐	☐	☐	☒	☐
3.6.8	Are cryptographic key custodians required to formally acknowledge (in writing or electronically) that they understand and accept their key-custodian responsibilities?	▪ Review procedures. ▪ Review documentation or other evidence.	☐	☐	☐	☒	☐
3.7	Are security policies and operational procedures for protecting stored cardholder data: ▪ Documented ▪ In use ▪ Known to all affected parties?	▪ Review security policies and operational procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐

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Requirement 4: Encrypt transmission of cardholder data across open, public networks

PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
4.1	(a) Are strong cryptography and security protocols used to safeguard sensitive cardholder data during transmission over open, public networks? ***Note:*** *Examples of open, public networks include but are not limited to the Internet; wireless technologies, including 802.11 and Bluetooth; cellular technologies, for example, Global System for Mobile communications (GSM), Code division multiple access (CDMA); and General Packet Radio Service (GPRS).*	▪ Review documented standards. ▪ Review policies and procedures. ▪ Review all locations where CHD is transmitted or received. ▪ Examine system configurations.	☒	☐	☐	☐	☐
	(b) Are only trusted keys and/or certificates accepted?	▪ Observe inbound and outbound transmissions. ▪ Examine keys and certificates.	☒	☐	☐	☐	☐
	(c) Are security protocols implemented to use only secure configurations, and to not support insecure versions or configurations?	▪ Examine system configurations.	☒	☐	☐	☐	☐
	(d) Is the proper encryption strength implemented for the encryption methodology in use (check vendor recommendations/best practices)?	▪ Review vendor documentation. ▪ Examine system configurations.	☒	☐	☐	☐	☐
	(e) For TLS implementations, is TLS enabled whenever cardholder data is transmitted or received? *For example, for browser-based implementations:* • *"HTTPS" appears as the browser Universal Record Locator (URL) protocol, and* • *Cardholder data is only requested if "HTTPS" appears as part of the URL.*	▪ Examine system configurations.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
4.1.1	Are industry best practices used to implement strong encryption for authentication and transmission for wireless networks transmitting cardholder data or connected to the cardholder data environment?	▪ Review documented standards. ▪ Review wireless networks. ▪ Examine system configuration settings.	☐	☐	☐	☒	☐
4.2	(a) Are PANs rendered unreadable or secured with strong cryptography whenever they are sent via end-user messaging technologies (for example, e-mail, instant messaging, SMS, chat, etc.)?	▪ Observe processes. ▪ Review outbound transmissions.	☐	☐	☐	☒	☐
	(b) Are policies in place that state that unprotected PANs are not to be sent via end-user messaging technologies?	▪ Review policies and procedures.	☒	☐	☐	☐	☐
4.3	Are security policies and operational procedures for encrypting transmissions of cardholder data: ▪ Documented ▪ In use ▪ Known to all affected parties?	▪ Review security policies and operational procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐

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Maintain a Vulnerability Management Program

Requirement 5: Protect all systems against malware and regularly update anti-virus software or programs

PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
5.1	Is anti-virus software deployed on all systems commonly affected by malicious software?	▪ Examine system configurations.	☒	☐	☐	☐	☐
5.1.1	Are anti-virus programs capable of detecting, removing, and protecting against all known types of malicious software (for example, viruses, Trojans, worms, spyware, adware, and rootkits)?	▪ Review vendor documentation. ▪ Examine system configurations.	☒	☐	☐	☐	☐
5.1.2	Are periodic evaluations performed to identify and evaluate evolving malware threats in order to confirm whether those systems considered to not be commonly affected by malicious software continue as such?	▪ Interview personnel.	☐	☐	☐	☒	☐
5.2	Are all anti-virus mechanisms maintained as follows:						
	(a) Are all anti-virus software and definitions kept current?	▪ Examine policies and procedures. ▪ Examine anti-virus configurations, including the master installation. ▪ Examine system components.	☒	☐	☐	☐	☐
	(b) Are automatic updates and periodic scans enabled and being performed?	▪ Examine anti-virus configurations, including the master installation. ▪ Examine system components.	☒	☐	☐	☐	☐
	(c) Are all anti-virus mechanisms generating audit logs, and are logs retained in accordance with PCI DSS Requirement 10.7?	▪ Examine anti-virus configurations. ▪ Review log retention processes.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
5.3	Are all anti-virus mechanisms: ▪ Actively running? ▪ Unable to be disabled or altered by users? ***Note:*** *Anti-virus solutions may be temporarily disabled only if there is legitimate technical need, as authorized by management on a case-by-case basis. If anti-virus protection needs to be disabled for a specific purpose, it must be formally authorized. Additional security measures may also need to be implemented for the period of time during which anti-virus protection is not active.*	▪ Examine anti-virus configurations. ▪ Examine system components. ▪ Observe processes. ▪ Interview personnel.	☒	☐	☐	☐	☐
5.4	Are security policies and operational procedures for protecting systems against malware: ▪ Documented ▪ In use ▪ Known to all affected parties?	▪ Review security policies and operational procedures. ▪ Interview personnel.	☒	☐	☐	☐	☐

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Requirement 6: Develop and maintain secure systems and applications

PCI DSS Question		Expected Testing	Response *(Check one response for each question)*				
			Yes	Yes with CCW	No	N/A	Not Tested
6.1	Is there a process to identify security vulnerabilities, including the following: ▪ Using reputable outside sources for vulnerability information? ▪ Assigning a risk ranking to vulnerabilities that includes identification of all "high" risk and "critical" vulnerabilities? ***Note**: Risk rankings should be based on industry best practices as well as consideration of potential impact. For example, criteria for ranking vulnerabilities may include consideration of the CVSS base score and/or the classification by the vendor, and/or type of systems affected.* *Methods for evaluating vulnerabilities and assigning risk ratings will vary based on an organization's environment and risk assessment strategy. Risk rankings should, at a minimum, identify all vulnerabilities considered to be a "high risk" to the environment. In addition to the risk ranking, vulnerabilities may be considered "critical" if they pose an imminent threat to the environment, impact critical systems, and/or would result in a potential compromise if not addressed. Examples of critical systems may include security systems, public-facing devices and systems, databases, and other systems that store, process or transmit cardholder data.*	▪ Review policies and procedures. ▪ Interview personnel. ▪ Observe processes.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
6.2	(a) Are all system components and software protected from known vulnerabilities by installing applicable vendor-supplied security patches?	▪ Review policies and procedures.	☒	☐	☐	☐	☐
	(b) Are critical security patches installed within one month of release? ***Note**: Critical security patches should be identified according to the risk ranking process defined in Requirement 6.1.*	▪ Review policies and procedures. ▪ Examine system components. ▪ Compare list of security patches installed to recent vendor patch lists.	☒	☐	☐	☐	☐
6.3	(a) Are software- development processes based on industry standards and/or best practices?	▪ Review software development processes. ▪ Observe processes. ▪ Interview personnel.	☐	☐	☐	☒	☐
	(b) Is information security included throughout the software-development life cycle?	▪ Review software development processes. ▪ Observe processes. ▪ Interview personnel.	☐	☐	☐	☒	☐
	(c) Are software applications developed in accordance with PCI DSS (for example, secure authentication and logging)?	▪ Review software development processes. ▪ Observe processes. ▪ Interview personnel.	☐	☐	☐	☒	☐
	(d) Do software development processes ensure the following at 6.3.1 - 6.3.2:						
6.3.1	Are development, test, and/or custom application accounts, user IDs, and passwords removed before applications become active or are released to customers?	▪ Review software development processes. ▪ Interview personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
6.3.2	Is all custom code reviewed prior to release to production or customers to identify any potential coding vulnerability (using either manual or automated processes as follows: ▪ Are code changes reviewed by individuals other than the originating code author, and by individuals who are knowledgeable about code review techniques and secure coding practices? ▪ Do code reviews ensure code is developed according to secure coding guidelines? ▪ Are appropriate corrections are implemented prior to release? ▪ Are code review results are reviewed and approved by management prior to release? ***Note**: This requirement for code reviews applies to all custom code (both internal and public-facing), as part of the system development life cycle. Code reviews can be conducted by knowledgeable internal personnel or third parties. Public-facing web applications are also subject to additional controls, to address ongoing threats and vulnerabilities after implementation, as defined at PCI DSS Requirement 6.6.*	▪ Review policies and procedures. ▪ Interview personnel. ▪ Examine recent changes and change records.	☐	☐	☐	☒	☐
6.4	Are change control processes and procedures followed for all changes to system components to include the following:						
6.4.1	(a) Are development/test environments separate from the production environment?	▪ Review change control processes and procedures. ▪ Examine network documentation and network device configurations.	☐	☐	☐	☒	☐
	(b) Is access control in place to enforce the separation between the development/test environments and the production environment?	▪ Review change control processes and procedures. ▪ Examine access control settings.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
6.4.2	Is there separation of duties between personnel assigned to the development/test environments and those assigned to the production environment?	▪ Review change control processes and procedures. ▪ Observe processes. ▪ Interview personnel.	☐	☐	☐	☒	☐
6.4.3	Are production data (live PANs) ***not*** used for testing or development?	▪ Review change control processes and procedures. ▪ Observe processes. ▪ Interview personnel. ▪ Examine test data.	☐	☐	☐	☒	☐
6.4.4	Are test data and accounts removed from system components before the system becomes active / goes into production?	▪ Review change control processes and procedures. ▪ Observe processes. ▪ Interview personnel. ▪ Examine production systems.	☐	☐	☐	☒	☐
6.4.5	(a) Are change-control procedures documented and require the following? – Documentation of impact – Documented change control approval by authorized parties – Functionality testing to verify that the change does not adversely impact the security of the system – Back-out procedures	▪ Review change control processes and procedures.	☐	☐	☐	☒	☐
	(b) Are the following performed and documented for all changes:						
6.4.5.1	Documentation of impact?	▪ Trace changes to change control documentation. ▪ Examine change control documentation.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
6.4.5.2	Documented approval by authorized parties?	▪ Trace changes to change control documentation. ▪ Examine change control documentation.	☐	☐	☐	☒	☐
6.4.5.3	(a) Functionality testing to verify that the change does not adversely impact the security of the system?	▪ Trace changes to change control documentation. ▪ Examine change control documentation.	☐	☐	☐	☒	☐
	(b) For custom code changes, testing of updates for compliance with PCI DSS Requirement 6.5 before being deployed into production?	▪ Trace changes to change control documentation. ▪ Examine change control documentation.	☐	☐	☐	☒	☐
6.4.5.4	Back-out procedures?	▪ Trace changes to change control documentation. ▪ Examine change control documentation.	☐	☐	☐	☒	☐
6.4.6	Upon completion of a significant change, are all relevant PCI DSS requirements implemented on all new or changed systems and networks, and documentation updated as applicable?	▪ Trace changes to change control documentation. ▪ Examine change control documentation. ▪ Interview personnel. ▪ Observe affected systems or networks.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
6.5	(a) Do software-development processes address common coding vulnerabilities?	▪ Review software-development policies and procedures.	☐	☐	☐	☒	☐
	(b) Are developers trained at least annually in up-to-date secure coding techniques, including how to avoid common coding vulnerabilities?	▪ Examine software-development policies and procedures. ▪ Examine training records.	☐	☐	☐	☒	☐
	(c) Are applications developed based on secure coding guidelines to protect applications from, at a minimum, the following vulnerabilities: ***Note:*** *The vulnerabilities listed at 6.5.1 through 6.5.10 were current with industry best practices when this version of PCI DSS was published. However, as industry best practices for vulnerability management are update d (for example, the Open Web Application Security Project (OWASP) Guide, SANS CWE Top 25, CERT Secure Coding, etc.), the current best practices must be used for these requirements.*						
6.5.1	Do coding techniques address injection flaws, particularly SQL injection? ***Note:*** *Also consider OS Command Injection, LDAP and XPath injection flaws as well as other injection flaws.*	▪ Examine software-development policies and procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
6.5.2	Do coding techniques address buffer overflow vulnerabilities?	▪ Examine software-development policies and procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
6.5.3	Do coding techniques address insecure cryptographic storage?	▪ Examine software-development policies and procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
6.5.4	Do coding techniques address insecure communications?	▪ Examine software-development policies and procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
6.5.5	Do coding techniques address improper error handling?	▪ Examine software-development policies and procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
6.5.6	Do coding techniques address all “high risk” vulnerabilities identified in the vulnerability identification process (as defined in PCI DSS Requirement 6.1)?	▪ Examine software-development policies and procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
For web applications and application interfaces (internal or external), are applications developed based on secure coding guidelines to protect applications from the following additional vulnerabilities:							
6.5.7	Do coding techniques address cross-site scripting (XSS) vulnerabilities?	▪ Examine software-development policies and procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
6.5.8	Do coding techniques address improper access control such as insecure direct object references, failure to restrict URL access, directory traversal, and failure to restrict user access to functions?	▪ Examine software-development policies and procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
6.5.9	Do coding techniques address cross-site request forgery (CSRF)?	▪ Examine software-development policies and procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
6.5.10	Do coding techniques address broken authentication and session management?	▪ Examine software-development policies and procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
6.6	For public-facing web applications, are new threats and vulnerabilities addressed on an ongoing basis, and are these applications protected against known attacks by applying *either* of the following methods? ▪ Reviewing public-facing web applications via manual or automated application vulnerability security assessment tools or methods, as follows: – At least annually – After any changes – By an organization that specializes in application security – That, at a minimum, all vulnerabilities in Requirement 6.5 are included in the assessment – That all vulnerabilities are corrected – That the application is re-evaluated after the corrections ***Note**: This assessment is not the same as the vulnerability scans performed for Requirement 11.2.* – **OR** – ▪ Installing an automated technical solution that detects and prevents web-based attacks (for example, a web-application firewall) as follows: – Is situated in front of public-facing web applications to detect and prevent web-based attacks. – Is actively running and up to date as applicable. – Is generating audit logs. – Is configured to either block web-based attacks, or generate an alert that is immediately investigated.	▪ Review documented processes. ▪ Interview personnel. ▪ Examine records of application security assessments. ▪ Examine system configuration settings.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
6.7	Are security policies and operational procedures for developing and maintaining secure systems and applications: ▪ Documented ▪ In use ▪ Known to all affected parties?	▪ Review security policies and operational procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐

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Implement Strong Access Control Measures

Requirement 7: Restrict access to cardholder data by business need to know

PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
7.1	Is access to system components and cardholder data limited to only those individuals whose jobs require such access, as follows:						
	▪ Is there a written policy for access control that incorporates the following? – Defining access needs and privilege assignments for each role – Restriction of access to privileged user IDs to least privileges necessary to perform job responsibilities, – Assignment of access based on individual personnel's job classification and function – Documented approval (electronically or in writing) by authorized parties for all access, including listing of specific privileges approved	▪ Examine written access control policy.	☐	☐	☐	☒	☐
7.1.1	Are access needs for each role defined, including: ▪ System components and data resources that each role needs to access for their job function? ▪ Level of privilege required (for example, user, administrator, etc.) for accessing resources?	▪ Examine roles and access need.	☐	☐	☐	☒	☐
7.1.2	Is access to privileged user IDs restricted as follows: ▪ To least privileges necessary to perform job responsibilities? ▪ Assigned only to roles that specifically require that privileged access?	▪ Interview personnel. ▪ Interview management. ▪ Review privileged user IDs.	☒	☐	☐	☐	☐
7.1.3	Is access assigned based on individual personnel's job classification and function?	▪ Interview management. ▪ Review user IDs.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
7.1.4	Is documented approval by authorized parties required, specifying required privileges?	▪ Review user IDs. ▪ Compare with documented approvals. ▪ Compare assigned privileges with documented approvals.	☐	☐	☐	☒	☐
7.2	Is an access control system(s) in place for system components to restrict access based on a user's need to know, and is it set to "deny all" unless specifically allowed, as follows:						
7.2.1	Is the access control system(s) in place on all system components?	▪ Review vendor documentation. ▪ Examine configuration settings.	☐	☐	☐	☒	☐
7.2.2	Is the access control system(s) configured to enforce privileges assigned to individuals based on job classification and function?	▪ Review vendor documentation. ▪ Examine configuration settings.	☐	☐	☐	☒	☐
7.2.3	Does the access control system(s) have a default "deny-all" setting?	▪ Review vendor documentation. ▪ Examine configuration settings.	☐	☐	☐	☒	☐
7.3	Are security policies and operational procedures for restricting access to cardholder data: ▪ Documented ▪ In use ▪ Known to all affected parties?	▪ Examine security policies and operational procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐

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Requirement 8: Identify and authenticate access to system components

PCI DSS Question		Expected Testing	Response *(Check one response for each question)*				
			Yes	Yes with CCW	No	N/A	Not Tested
8.1	Are policies and procedures for user identification management controls defined and in place for non-consumer users and administrators on all system components, as follows:						
8.1.1	Are all users assigned a unique ID before allowing them to access system components or cardholder data?	▪ Review password procedures. ▪ Interview personnel.	☒	☐	☐	☐	☐
8.1.2	Are additions, deletions, and modifications of user IDs, credentials, and other identifier objects controlled such that user IDs are implemented only as authorized (including with specified privileges)?	▪ Review password procedures. ▪ Examine privileged and general user IDs and associated authorizations. ▪ Observe system settings.	☐	☐	☐	☒	☐
8.1.3	Is access for any terminated users immediately deactivated or removed?	▪ Review password procedures. ▪ Examine terminated users accounts. ▪ Review current access lists. ▪ Observe returned physical authentication devices.	☒	☐	☐	☐	☐
8.1.4	Are inactive user accounts either removed or disabled within 90 days?	▪ Review password procedures. ▪ Observe user accounts.	☐	☐	☐	☒	☐
8.1.5	(a) Are accounts used by third parties to access, support, or maintain system components via remote access enabled only during the time period needed and disabled when not in use?	▪ Review password procedures. ▪ Interview personnel. ▪ Observe processes.	☐	☐	☐	☒	☐
	(b) Are third-party remote access accounts monitored when in use?	▪ Interview personnel. ▪ Observe processes.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
8.1.6	(a) Are repeated access attempts limited by locking out the user ID after no more than six attempts?	▪ Review password procedures. ▪ Examine system configuration settings.	☐	☐	☐	☒	☐
	(b) *This testing procedure applies only to service providers.*						
8.1.7	Once a user account is locked out, is the lockout duration set to a minimum of 30 minutes or until an administrator enables the user ID?	▪ Review password procedures. ▪ Examine system configuration settings.	☐	☐	☐	☒	☐
8.1.8	If a session has been idle for more than 15 minutes, are users required to re-authenticate (for example, re-enter the password) to re-activate the terminal or session?	▪ Review password procedures. ▪ Examine system configuration settings.	☐	☐	☐	☒	☐
8.2	In addition to assigning a unique ID, is one or more of the following methods employed to authenticate all users? ▪ Something you know, such as a password or passphrase ▪ Something you have, such as a token device or smart card ▪ Something you are, such as a biometric	▪ Review password procedures. ▪ Observe authentication processes.	☒	☐	☐	☐	☐
8.2.1	(a) Is strong cryptography used to render all authentication credentials (such as passwords/passphrases) unreadable during transmission and storage on all system components?	▪ Review password procedures. ▪ Review vendor documentation. ▪ Examine system configuration settings. ▪ Observe password files. ▪ Observe data transmissions.	☐	☐	☐	☒	☐
	(b) *This testing procedure applies only to service providers.*						

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
8.2.2	Is user identity verified before modifying any authentication credential (for example, performing password resets, provisioning new tokens, or generating new keys)?	▪ Review authentication procedures. ▪ Observe personnel.	☐	☐	☐	☒	☐
8.2.3	(a) Are user password parameters configured to require passwords/passphrases meet the following? – A minimum password length of at least seven characters – Contain both numeric and alphabetic characters Alternatively, the passwords/passphrases must have complexity and strength at least equivalent to the parameters specified above.	▪ Examine system configuration settings to verify password parameters.	☒	☐	☐	☐	☐
	(b) *This testing procedure applies only to service providers.*						
8.2.4	(a) Are user passwords/passphrases changed at least once every 90 days?	▪ Review password procedures. ▪ Examine system configuration settings.	☐	☐	☐	☒	☐
	(b) *This testing procedure applies only to service providers.*						
8.2.5	(a) Must an individual submit a new password/passphrase that is different from any of the last four passwords/passphrases he or she has used?	▪ Review password procedures. ▪ Sample system components. ▪ Examine system configuration settings.	☐	☐	☐	☒	☐
	(b) *This testing procedure applies only to service providers.*						
8.2.6	Are passwords/passphrases set to a unique value for each user for first-time use and upon reset, and must each user change their password immediately after the first use?	▪ Review password procedures. ▪ Examine system configuration settings. ▪ Observe security personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
8.3	Is all individual non-console administrative access and all remote access to the CDE secured using multi-factor authentication, as follows: ***Note:*** *Multi-factor authentication requires that a minimum of two of the three authentication methods (see PCI DSS Requirement 8.2 for descriptions of authentication methods) be used for authentication. Using one factor twice (for example, using two separate passwords) is not considered multi-factor authentication.*						
8.3.1	Is multi-factor authentication incorporated for all non-console access into the CDE for personnel with administrative access?	▪ Examine system configurations. ▪ Observe administrator logging into CDE.	☒	☐	☐	☐	☐
8.3.2	Is multi-factor authentication incorporated for all remote network access (both user and administrator, and including third-party access for support or maintenance) originating from outside the entity's network?	▪ Examine system configurations. ▪ Observe personnel connecting remotely.	☒	☐	☐	☐	☐
8.4	(a) Are authentication policies and procedures documented and communicated to all users?	▪ Review policies and procedures. ▪ Review distribution method. ▪ Interview personnel. ▪ Interview users.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
8.4 *(cont.)*	(b) Do authentication policies and procedures include the following? – Guidance on selecting strong authentication credentials – Guidance for how users should protect their authentication credentials – Instructions not to reuse previously used passwords – Instructions that users should change passwords if there is any suspicion the password could be compromised	▪ Review policies and procedures. ▪ Review documentation provided to users.	☐	☐	☐	☒	☐
8.5	Are group, shared, or generic accounts, passwords, or other authentication methods prohibited as follows: ▪ Generic user IDs and accounts are disabled or removed; ▪ Shared user IDs for system administration activities and other critical functions do not exist; and ▪ Shared and generic user IDs are not used to administer any system components?	▪ Review policies and procedures. ▪ Examine user ID lists. ▪ Interview personnel.	☒	☐	☐	☐	☐
8.5.1	*This requirement applies only to service providers.*						
8.6	Where other authentication mechanisms are used (for example, physical or logical security tokens, smart cards, and certificates, etc.), is the use of these mechanisms assigned as follows? ▪ Authentication mechanisms must be assigned to an individual account and not shared among multiple accounts ▪ Physical and/or logical controls must be in place to ensure only the intended account can use that mechanism to gain access	▪ Review policies and procedures. ▪ Interview personnel. ▪ Examine system configuration settings and/or physical controls.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
8.7	Is all access to any database containing cardholder data (including access by applications, administrators, and all other users) restricted as follows:						
	(a) Is all user access to, user queries of, and user actions on (for example, move, copy, delete), the database through programmatic methods only (for example, through stored procedures)?	▪ Review database authentication policies and procedures. ▪ Examine database and application configuration settings.	☐	☐	☐	☒	☐
	(b) Is user direct access to or queries to of databases restricted to database administrators?	▪ Review database authentication policies and procedures. ▪ Examine database access control settings. ▪ Examine database application configuration settings.	☐	☐	☐	☒	☐
	(c) Are application IDs only able to be used by the applications (and not by individual users or other processes)?	▪ Review database authentication policies and procedures. ▪ Examine database access control settings. ▪ Examine database application configuration settings.	☐	☐	☐	☒	☐
8.8	Are security policies and operational procedures for identification and authentication: ▪ Documented ▪ In use ▪ Known to all affected parties?	▪ Examine security policies and operational procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐

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Requirement 9: Restrict physical access to cardholder data

PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
9.1	Are appropriate facility entry controls in place to limit and monitor physical access to systems in the cardholder data environment?	▪ Observe physical access controls. ▪ Observe personnel.	☐	☐	☐	☒	☐
9.1.1	(a) Are either video cameras or access control mechanisms (or both) in place to monitor individual physical access to sensitive areas? ***Note:*** *"Sensitive areas" refers to any data center, server room, or any area that houses systems that store, process, or transmit cardholder data. This excludes public-facing areas where only point-of-sale terminals are present such as the cashier areas in a retail store.*	▪ Review policies and procedures. ▪ Observe physical monitoring mechanisms. ▪ Observe security features.	☐	☐	☐	☒	☐
	(b) Are either video cameras or access control mechanisms (or both) protected from tampering or disabling?	▪ Observe processes. ▪ Interview personnel.	☐	☐	☐	☒	☐
	(c) Is data collected from video cameras and/or access control mechanisms reviewed and correlated with other entries?	▪ Review policies and procedures. ▪ Interview security personnel.	☐	☐	☐	☒	☐
	(d) Is data collected from video cameras and/or access control mechanisms stored for at least three months unless otherwise restricted by law?	▪ Review data retention processes. ▪ Observe data storage. ▪ Interview security personnel.	☐	☐	☐	☒	☐
9.1.2	Are physical and/or logical controls in place to restrict access to publicly accessible network jacks? *For example, network jacks located in public areas and areas accessible to visitors could be disabled and only enabled when network access is explicitly authorized. Alternatively, processes could be implemented to ensure that visitors are escorted at all times in areas with active network jacks.*	▪ Review policies and procedures. ▪ Interview personnel. ▪ Observe locations.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
9.1.3	Is physical access to wireless access points, gateways, handheld devices, networking/communications hardware, and telecommunication lines restricted?	▪ Review policies and procedures. ▪ Interview personnel. ▪ Observe devices.	☐	☐	☐	☒	☐
9.2	(a) Are procedures developed to easily distinguish between onsite personnel and visitors, which include: – Identifying onsite personnel and visitors (for example, assigning badges), – Changing access requirements, and – Revoking terminated onsite personnel and expired visitor identification (such as ID badges) *For the purposes of Requirement 9, "onsite personnel" refers to full-time and part-time employees, temporary employees, contractors and consultants who are physically present on the entity's premises. A "visitor" refers to a vendor, guest of any onsite personnel, service workers, or anyone who needs to enter the facility for a short duration, usually not more than one day.*	▪ Review policies and procedures. ▪ Interview personnel. ▪ Observe identification methods (e.g. badges). ▪ Observe visitor processes.	☐	☐	☐	☒	☐
	(b) Do identification methods (such as ID badges) clearly identify visitors and easily distinguish between onsite personnel and visitors?	▪ Observe identification methods.	☐	☐	☐	☒	☐
	(c) Is access to the badge system limited to authorized personnel?	▪ Observe physical controls and access controls for the badge system.	☐	☐	☐	☒	☐
9.3	Is physical access to sensitive areas controlled for onsite personnel, as follows: ▪ Is access authorized and based on individual job function? ▪ Is access revoked immediately upon termination ▪ Upon termination, are all physical access mechanisms, such as keys, access cards, etc., returned or disabled?	▪ Interview personnel. ▪ Examine access control lists. ▪ Observe onsite personnel. ▪ Compare lists of terminated employees to access control lists.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
9.4	Is visitor identification and access handled as follows:						
9.4.1	Are visitors authorized before entering, and escorted at all times within, areas where cardholder data is processed or maintained?	▪ Review policies and procedures. ▪ Observe visitor processes including how access is controlled. ▪ Interview personnel. ▪ Observe visitors and badge use.	☐	☐	☐	☒	☐
9.4.2	(a) Are visitors identified and given a badge or other identification that visibly distinguishes the visitors from onsite personnel?	▪ Observe badge use of personnel and visitors. ▪ Examine identification.	☐	☐	☐	☒	☐
	(b) Do visitor badges or other identification expire?	▪ Observe process. ▪ Examine identification.	☐	☐	☐	☒	☐
9.4.3	Are visitors asked to surrender the badge or other identification before leaving the facility or at the date of expiration?	▪ Observe processes. ▪ Observe visitors leaving facility.	☐	☐	☐	☒	☐
9.4.4	(a) Is a visitor log in use to record physical access to the facility as well as for computer rooms and data centers where cardholder data is stored or transmitted?	▪ Review policies and procedures. ▪ Examine the visitor log. ▪ Observe visitor processes. ▪ Examine log retention.	☐	☐	☐	☒	☐
	(b) Does the visitor log contain the visitor's name, the firm represented, and the onsite personnel authorizing physical access?	▪ Review policies and procedures. ▪ Examine the visitor log.	☐	☐	☐	☒	☐
	(c) Is the visitor log retained for at least three months?	▪ Review policies and procedures. ▪ Examine visitor log retention.	☐	☐	☐	☒	☐
9.5	Are all media physically secured (including but not limited to computers, removable electronic media, paper receipts, paper reports, and faxes)? *For purposes of Requirement 9, "media" refers to all paper and electronic media containing cardholder data.*	▪ Review policies and procedures for physically securing media. ▪ Interview personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
9.5.1	Is the location where media back-ups are stored reviewed at least annually to confirm storage is secure?	▪ Review policies and procedures for reviewing offsite media locations. ▪ Interview security personnel.	☐	☐	☐	☒	☐
9.6	(a) Is strict control maintained over the internal or external distribution of any kind of media?	▪ Review policies and procedures for distribution of media.	☐	☐	☐	☒	☐
	(b) Do controls include the following:						
9.6.1	Is media classified so the sensitivity of the data can be determined?	▪ Review policies and procedures for media classification. ▪ Interview security personnel.	☐	☐	☐	☒	☐
9.6.2	Is media sent by secured courier or other delivery method that can be accurately tracked?	▪ Interview personnel. ▪ Examine media distribution tracking logs and documentation.	☐	☐	☐	☒	☐
9.6.3	Is management approval obtained prior to moving the media (especially when media is distributed to individuals)?	▪ Interview personnel. ▪ Examine media distribution tracking logs and documentation.	☐	☐	☐	☒	☐
9.7	Is strict control maintained over the storage and accessibility of media?	▪ Review policies and procedures.	☐	☐	☐	☒	☐
9.7.1	(a) Are inventory logs of all media properly maintained?	▪ Examine inventory logs.	☐	☐	☐	☒	☐
	(b) Are periodic media inventories conducted at least annually?	▪ Examine inventory logs. ▪ Interview personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
9.8	(a) Is all media destroyed when it is no longer needed for business or legal reasons?	▪ Review periodic media destruction policies and procedures.	☐	☐	☐	☒	☐
	(b) Is there a periodic media destruction policy that defines requirements for the following? – Hard-copy materials must be crosscut shredded, incinerated, or pulped such that there is reasonable assurance the hard-copy materials cannot be reconstructed. – Storage containers used for materials that are to be destroyed must be secured. – Cardholder data on electronic media must be rendered unrecoverable (e.g., via a secure wipe program in accordance with industry-accepted standards for secure deletion, or by physically destroying the media).	▪ Review periodic media destruction policies and procedures.	☐	☐	☐	☒	☐
	(c) Is media destruction performed as follows:						
9.8.1	(a) Are hardcopy materials cross-cut shredded, incinerated, or pulped so that cardholder data cannot be reconstructed?	▪ Interview personnel. ▪ Examine procedures. ▪ Observe processes.	☐	☐	☐	☒	☐
	(b) Are storage containers used for materials that contain information to be destroyed secured to prevent access to the contents?	▪ Examine security of storage containers.	☐	☐	☐	☒	☐
9.8.2	Is cardholder data on electronic media rendered unrecoverable (e.g. via a secure wipe program in accordance with industry-accepted standards for secure deletion, or otherwise by physically destroying the media), so that cardholder data cannot be reconstructed?	▪ Observe processes. ▪ Interview personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
9.9	Are devices that capture payment card data via direct physical interaction with the card protected against tampering and substitution as follows? ***Note:*** *This requirement applies to card-reading devices used in card-present transactions (that is, card swipe or dip) at the point of sale. This requirement is not intended to apply to manual key-entry components such as computer keyboards and POS keypads.*						
	(a) Do policies and procedures require that a list of such devices be maintained?	▪ Review policies and procedures.	☒	☐	☐	☐	☐
	(b) Do policies and procedures require that devices are periodically inspected to look for tampering or substitution?	▪ Review policies and procedures.	☒	☐	☐	☐	☐
	(c) Do policies and procedures require that personnel are trained to be aware of suspicious behavior and to report tampering or substitution of devices?	▪ Review policies and procedures.	☒	☐	☐	☐	☐
9.9.1	(a) Does the list of devices include the following? – Make, model of device – Location of device (for example, the address of the site or facility where the device is located) – Device serial number or other method of unique identification	▪ Examine the list of devices.	☒	☐	☐	☐	☐
	(b) Is the list accurate and up to date?	▪ Observe devices and device locations and compare to list.	☐	☐	☒	☐	☐
	(c) Is the list of devices updated when devices are added, relocated, decommissioned, etc.?	▪ Interview personnel.	☐	☐	☒	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
9.9.2	(a) Are device surfaces periodically inspected to detect tampering (for example, addition of card skimmers to devices), or substitution (for example, by checking the serial number or other device characteristics to verify it has not been swapped with a fraudulent device) as follows? ***Note:*** *Examples of signs that a device might have been tampered with or substituted include unexpected attachments or cables plugged into the device, missing or changed security labels, broken or differently colored casing, or changes to the serial number or other external markings.*	▪ Interview personnel. ▪ Observe inspection processes and compare to defined processes.	☒	☐	☐	☐	☐
	(b) Are personnel aware of procedures for inspecting devices?	▪ Interview personnel.	☒	☐	☐	☐	☐
9.9.3	Are personnel trained to be aware of attempted tampering or replacement of devices, to include the following?						
	(a) Do training materials for personnel at point-of-sale locations include the following? – Verify the identity of any third-party persons claiming to be repair or maintenance personnel, prior to granting them access to modify or troubleshoot devices. – Do not install, replace, or return devices without verification. – Be aware of suspicious behavior around devices (for example, attempts by unknown persons to unplug or open devices). – Report suspicious behavior and indications of device tampering or substitution to appropriate personnel (for example, to a manager or security officer).	▪ Review training materials.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
9.9.3 *(cont.)*	(b) Have personnel at point-of-sale locations received training, and are they aware of procedures to detect and report attempted tampering or replacement of devices?	▪ Interview personnel at POS locations.	☒	☐	☐	☐	☐
9.10	Are security policies and operational procedures for restricting physical access to cardholder data: ▪ Documented ▪ In use ▪ Known to all affected parties?	▪ Examine security policies and operational procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐

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SENSITIVE

Regularly Monitor and Test Networks

Requirement 10: Track and monitor all access to network resources and cardholder data

PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
10.1	(a) Are audit trails enabled and active for system components?	▪ Observe processes. ▪ Interview system administrator.	☐	☐	☐	☒	☐
	(b) Is access to system components linked to individual users?	▪ Observe processes. ▪ Interview system administrator.	☐	☐	☐	☒	☐
10.2	Are automated audit trails implemented for all system components to reconstruct the following events:						
10.2.1	All individual user accesses to cardholder data?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐
10.2.2	All actions taken by any individual with root or administrative privileges?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐
10.2.3	Access to all audit trails?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐
10.2.4	Invalid logical access attempts?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐
10.2.5	Use of and changes to identification and authentication mechanisms—including but not limited to creation of new accounts and elevation of privileges—and all changes, additions, or deletions to accounts with root or administrative privileges?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
10.2.6	Initialization, stopping, or pausing of the audit logs?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐
10.2.7	Creation and deletion of system-level objects?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐
10.3	Are the following audit trail entries recorded for all system components for each event:						
10.3.1	User identification?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐
10.3.2	Type of event?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐
10.3.3	Date and time?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐
10.3.4	Success or failure indication?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐
10.3.5	Origination of event?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐
10.3.6	Identity or name of affected data, system component, or resource?	▪ Interview personnel. ▪ Observe audit logs. ▪ Examine audit log settings.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
10.4	Are all critical system clocks and times synchronized through use of time synchronization technology, and is the technology kept current? ***Note:*** *One example of time synchronization technology is Network Time Protocol (NTP).*	▪ Review time configuration standards and processes.	☐	☐	☐	☒	☐
10.4.1	Are the following processes implemented for critical systems to have the correct and consistent time:						
	(a) Do only designated central time server(s) receive time signals from external sources, and are time signals from external sources based on International Atomic Time or UTC?	▪ Review time configuration standards and processes. ▪ Examine time-related system parameters.	☐	☐	☐	☒	☐
	(b) Where there is more than one designated time server, do the time servers peer with each other to keep accurate time?	▪ Review time configuration standards and processes. ▪ Examine time-related system parameters.	☐	☐	☐	☒	☐
	(c) Do systems receive time only from designated central time server(s)?	▪ Review time configuration standards and processes. ▪ Examine time-related system parameters.	☐	☐	☐	☒	☐
10.4.2	Is time data is protected as follows: (a) Is access to time data restricted to only personnel with a business need to access time data?	▪ Examine system configurations and time-synchronization settings.	☐	☐	☐	☒	☐
	(b) Are changes to time settings on critical systems logged, monitored, and reviewed?	▪ Examine system configurations and time-synchronization settings and logs.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
10.4.3	Are time settings received from specific, industry-accepted time sources? (This is to prevent a malicious individual from changing the clock). *Optionally, those updates can be encrypted with a symmetric key, and access control lists can be created that specify the IP addresses of client machines that will be provided with the time updates (to prevent unauthorized use of internal time servers).*	▪ Examine system configurations.	☐	☐	☐	☒	☐
10.5	Are audit trails secured so they cannot be altered, as follows:						
10.5.1	Is viewing of audit trails limited to those with a job-related need?	▪ Interview system administrators. ▪ Examine system configurations and permissions.	☐	☐	☐	☒	☐
10.5.2	Are audit trail files protected from unauthorized modifications via access control mechanisms, physical segregation, and/or network segregation?	▪ Interview system administrators. ▪ Examine system configurations and permissions.	☐	☐	☐	☒	☐
10.5.3	Are audit trail files promptly backed up to a centralized log server or media that is difficult to alter?	▪ Interview system administrators. ▪ Examine system configurations and permissions.	☐	☐	☐	☒	☐
10.5.4	Are logs for external-facing technologies (for example, wireless, firewalls, DNS, mail) written onto a secure, centralized, internal log server or media?	▪ Interview system administrators. ▪ Examine system configurations and permissions.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
10.5.5	Is file-integrity monitoring or change-detection software used on logs to ensure that existing log data cannot be changed without generating alerts (although new data being added should not cause an alert)?	▪ Examine settings, monitored files, and results from monitoring activities.	☐	☐	☐	☒	☐
10.6	Are logs and security events for all system components reviewed to identify anomalies or suspicious activity as follows? ***Note:*** *Log harvesting, parsing, and alerting tools may be used to achieve compliance with Requirement 10.6.*						
10.6.1	(a) Are written policies and procedures defined for reviewing the following at least daily, either manually or via log tools? – All security events – Logs of all system components that store, process, or transmit CHD and/or SAD – Logs of all critical system components – Logs of all servers and system components that perform security functions (for example, firewalls, intrusion-detection systems/intrusion-prevention systems (IDS/IPS), authentication servers, e-commerce redirection servers, etc.)	▪ Review security policies and procedures.	☐	☐	☐	☒	☐
	(b) Are the above logs and security events reviewed at least daily?	▪ Observe processes. ▪ Interview personnel.	☐	☐	☐	☒	☐
10.6.2	(a) Are written policies and procedures defined for reviewing logs of all other system components periodically—either manually or via log tools—based on the organization's policies and risk management strategy?	▪ Review security policies and procedures.	☐	☐	☐	☒	☐
	(b) Are reviews of all other system components performed in accordance with organization's policies and risk management strategy?	▪ Review risk assessment documentation. ▪ Interview personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
10.6.3	(a) Are written policies and procedures defined for following up on exceptions and anomalies identified during the review process?	▪ Review security policies and procedures.	☐	☐	☐	☒	☐
	(b) Is follow up to exceptions and anomalies performed?	▪ Observe processes. ▪ Interview personnel.	☐	☐	☐	☒	☐
10.7	(a) Are audit log retention policies and procedures in place and do they require that logs are retained for at least one year, with a minimum of three months immediately available for analysis (for example, online, archived, or restorable from backup)?	▪ Review security policies and procedures.	☐	☐	☐	☒	☐
	(b) Are audit logs retained for at least one year?	▪ Interview personnel. ▪ Examine audit logs.	☐	☐	☐	☒	☐
	(c) Are at least the last three months' logs immediately available for analysis?	▪ Interview personnel. ▪ Observe processes.	☐	☐	☐	☒	☐
10.8	*This requirement applies only to service providers.*						
10.9	Are security policies and operational procedures for monitoring all access to network resources and cardholder data: ▪ Documented ▪ In use ▪ Known to all affected parties?	▪ Review security policies and operational procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐

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Requirement 11: Regularly test security systems and processes

PCI DSS Question		Expected Testing	Response *(Check one response for each question)*				
			Yes	Yes with CCW	No	N/A	Not Tested
11.1	(a) Are processes implemented for detection and identification of both authorized and unauthorized wireless access points on a quarterly basis? ***Note:*** *Methods that may be used in the process include, but are not limited to, wireless network scans, physical/logical inspections of system components and infrastructure, network access control (NAC), or wireless IDS/IPS.* *Whichever methods are used, they must be sufficient to detect and identify any unauthorized devices.*	▪ Review policies and procedures.	☐	☐	☐	☒	☐
	(b) Does the methodology detect and identify any unauthorized wireless access points, including at least the following? – WLAN cards inserted into system components; – Portable or mobile devices attached to system components to create a wireless access point (for example, by USB, etc.); and – Wireless devices attached to a network port or network device.	▪ Evaluate the methodology.	☐	☐	☐	☒	☐
	(c) If wireless scanning is utilized to identify authorized and unauthorized wireless access points, is the scan performed at least quarterly for all system components and facilities?	▪ Examine output from recent wireless scans.	☐	☐	☐	☒	☐
	(d) If automated monitoring is utilized (for example, wireless IDS/IPS, NAC, etc.), is monitoring configured to generate alerts to notify personnel?	▪ Examine configuration settings.	☐	☐	☐	☒	☐
11.1.1	Is an inventory of authorized wireless access points maintained and a business justification documented for all authorized wireless access points?	▪ Examine inventory records.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
11.1.2	(a) Does the incident response plan define and require a response in the event that an unauthorized wireless access point is detected?	▪ Examine incident response plan (see Requirement 12.10).	☐	☐	☐	☒	☐
	(b) Is action taken when unauthorized wireless access points are found?	▪ Interview responsible personnel. ▪ Inspect recent wireless scans and related responses.	☐	☐	☐	☒	☐
11.2	Are internal and external network vulnerability scans run at least quarterly and after any significant change in the network (such as new system component installations, changes in network topology, firewall rule modifications, product upgrades), as follows: ***Note:*** *Multiple scan reports can be combined for the quarterly scan process to show that all systems were scanned and all applicable vulnerabilities have been addressed. Additional documentation may be required to verify non-remediated vulnerabilities are in the process of being addressed.* *For initial PCI DSS compliance, it is not required that four quarters of passing scans be completed if the assessor verifies 1) the most recent scan result was a passing scan, 2) the entity has documented policies and procedures requiring quarterly scanning, and 3) vulnerabilities noted in the scan results have been corrected as shown in a re-scan(s). For subsequent years after the initial PCI DSS review, four quarters of passing scans must have occurred.*							

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
11.2.1	(a) Are quarterly internal vulnerability scans performed?	▪ Review scan reports.	☐	☐	☐	☒	☐
	(b) Does the quarterly internal scan process address all "high risk" vulnerabilities and include rescans to verify all "high-risk" vulnerabilities (as defined in PCI DSS Requirement 6.1) are resolved?	▪ Review scan reports.	☐	☐	☐	☒	☐
	(c) Are quarterly internal scans performed by a qualified internal resource(s) or qualified external third party, and if applicable, does organizational independence of the tester exist (not required to be a QSA or ASV)?	▪ Interview personnel.	☐	☐	☐	☒	☐
11.2.2	(a) Are quarterly external vulnerability scans performed? ***Note:*** *Quarterly external vulnerability scans must be performed by an Approved Scanning Vendor (ASV), approved by the Payment Card Industry Security Standards Council (PCI SSC).* *Refer to the ASV Program Guide published on the PCI SSC website for scan customer responsibilities, scan preparation, etc.*	▪ Review results from the four most recent quarters of external vulnerability scans.	☐	☐	☒	☐	☐
	(b) Do external quarterly scan and rescan results satisfy the *ASV Program Guide* requirements for a passing scan (for example, no vulnerabilities rated 4.0 or higher by the CVSS, and no automatic failures)?	▪ Review results of each external quarterly scan and rescan.	☐	☐	☒	☐	☐
	(c) Are quarterly external vulnerability scans performed by a PCI SSC Approved Scanning Vendor (ASV?	▪ Review results of each external quarterly scan and rescan.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
11.2.3	(a) Are internal and external scans, and rescans as needed, performed after any significant change? ***Note:*** *Scans must be performed by qualified personnel.*	▪ Examine and correlate change control documentation and scan reports.	☐	☐	☐	☒	☐
	(b) Does the scan process include rescans until: – For external scans, no vulnerabilities exist that are scored 4.0 or higher by the CVSS, – For internal scans, a passing result is obtained or all "high-risk" vulnerabilities as defined in PCI DSS Requirement 6.1 are resolved?	▪ Review scan reports.	☐	☐	☐	☒	☐
	(c) Are scans performed by a qualified internal resource(s) or qualified external third party, and if applicable, does organizational independence of the tester exist (not required to be a QSA or ASV)?	▪ Interview personnel.	☐	☐	☐	☒	☐
11.3	Does the penetration-testing methodology include the following? ▪ Is based on industry-accepted penetration testing approaches (for example, NIST SP800-115) ▪ Includes coverage for the entire CDE perimeter and critical systems ▪ Includes testing from both inside and outside the network ▪ Includes testing to validate any segmentation and scope-reduction controls ▪ Defines application-layer penetration tests to include, at a minimum, the vulnerabilities listed in Requirement 6.5 ▪ Defines network-layer penetration tests to include components that support network functions as well as operating systems ▪ Includes review and consideration of threats and vulnerabilities experienced in the last 12 months ▪ Specifies retention of penetration testing results and remediation activities results	▪ Examine penetration-testing methodology. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
11.3.1	(a) Is *external* penetration testing performed per the defined methodology, at least annually, and after any significant infrastructure or application changes to the environment (such as an operating system upgrade, a sub-network added to the environment, or an added web server)?	▪ Examine scope of work. ▪ Examine results from the most recent external penetration test.	☐	☐	☐	☒	☐
	(b) Are tests performed by a qualified internal resource or qualified external third party, and if applicable, does organizational independence of the tester exist (not required to be a QSA or ASV)?	▪ Interview responsible personnel.	☐	☐	☐	☒	☐
11.3.2	(a) Is *internal* penetration testing performed per the defined methodology, at least annually, and after any significant infrastructure or application changes to the environment (such as an operating system upgrade, a sub-network added to the environment, or an added web server)?	▪ Examine scope of work. ▪ Examine results from the most recent internal penetration test.	☐	☐	☐	☒	☐
	(b) Are tests performed by a qualified internal resource or qualified external third party, and if applicable, does organizational independence of the tester exist (not required to be a QSA or ASV)?	▪ Interview responsible personnel.	☐	☐	☐	☒	☐
11.3.3	Are exploitable vulnerabilities found during penetration testing corrected, followed by repeated testing to verify the corrections?	▪ Examine penetration testing results.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
11.3.4	If segmentation is used to isolate the CDE from other networks:						
	(a) Are penetration-testing procedures defined to test all segmentation methods, to confirm they are operational and effective, and isolate all out-of-scope systems from systems in the CDE?	▪ Examine segmentation controls. ▪ Review penetration-testing methodology.	☒	☐	☐	☐	☐
	(b) Does penetration testing to verify segmentation controls meet the following? – Performed at least annually and after any changes to segmentation controls/methods. – Covers all segmentation controls/methods in use. – Verifies that segmentation methods are operational and effective, and isolate all out-of-scope systems from systems in the CDE.	▪ Examine results from the most recent penetration test.	☐	☐	☒	☐	☐
	(c) Are tests performed by a qualified internal resource or qualified external third party, and if applicable, does organizational independence of the tester exist (not required to be a QSA or ASV)?	▪ Interview responsible personnel.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
11.3.4.1	*This requirement applies only to service providers.*						
11.4	(a) Are intrusion-detection and/or intrusion-prevention techniques that detect and/or prevent intrusions into the network in place to monitor all traffic: – At the perimeter of the cardholder data environment, and – At critical points in the cardholder data environment.	▪ Examine system configurations. ▪ Examine network diagrams.	☐	☐	☐	☒	☐
	(b) Are intrusion-detection and/or intrusion-prevention techniques configured to alert personnel of suspected compromises?	▪ Examine system configurations. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
	(c) Are all intrusion-detection and prevention engines, baselines, and signatures kept up-to-date?	▪ Examine IDS/IPS configurations. ▪ Examine vendor documentation.	☐	☐	☐	☒	☐
11.5	(a) Is a change-detection mechanism (for example, file-integrity monitoring tools) deployed to detect unauthorized modification (including changes, additions, and deletions) of critical system files, configuration files, or content files? *Examples of files that should be monitored include:* • *System executables* • *Application executables* • *Configuration and parameter files* • *Centrally stored, historical or archived, log, and audit files* • *Additional critical files determined by entity (for example, through risk assessment or other means)*	▪ Observe system settings and monitored files. ▪ Examine system configuration settings.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
11.5 *(cont.)*	(b) Is the change-detection mechanism configured to alert personnel to unauthorized modification (including changes, additions, and deletions) of critical system files, configuration files or content files, and do the tools perform critical file comparisons at least weekly? ***Note:*** *For change detection purposes, critical files are usually those that do not regularly change, but the modification of which could indicate a system compromise or risk of compromise. Change detection mechanisms such as file-integrity monitoring products usually come pre-configured with critical files for the related operating system. Other critical files, such as those for custom applications, must be evaluated and defined by the entity (that is the merchant or service provider).*	▪ Observe system settings and monitored files. ▪ Review results from monitoring activities.	☐	☐	☐	☒	☐
11.5.1	Is a process in place to respond to any alerts generated by the change-detection solution?	▪ Examine system configuration settings.	☐	☐	☐	☒	☐
11.6	Are security policies and operational procedures for security monitoring and testing: ▪ Documented ▪ In use ▪ Known to all affected parties?	▪ Examine security policies and operational procedures. ▪ Interview personnel.	☐	☐	☐	☒	☐

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Maintain an Information Security Policy

Requirement 12: Maintain a policy that addresses information security for all personnel

Note: *For the purposes of Requirement 12, "personnel" refers to full-time part-time employees, temporary employees and personnel, and contractors and consultants who are "resident" on the entity's site or otherwise have access to the company's site cardholder data environment.*

PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
12.1	Is a security policy established, published, maintained, and disseminated to all relevant personnel?	▪ Review the information security policy.	☒	☐	☐	☐	☐
12.1.1	Is the security policy reviewed at least annually and updated when the environment changes?	▪ Review the information security policy. ▪ Interview responsible personnel.	☐	☐	☒	☐	☐
12.2	(a) Is an annual risk assessment process implemented that: – Identifies critical assets, threats, and vulnerabilities, and – Results in a formal, documented analysis of risk? *Examples of risk assessment methodologies include but are not limited to OCTAVE, ISO 27005 and NIST SP 800-30.*	▪ Review annual risk assessment process. ▪ Interview personnel.	☐	☐	☐	☒	☐
	(b) Is the risk assessment process performed at least annually and upon significant changes to the environment (for example, acquisition, merger, relocation, etc.)?	▪ Review risk assessment documentation. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
12.3	Are usage policies for critical technologies developed to define proper use of these technologies and require the following: ***Note:*** *Examples of critical technologies include, but are not limited to, remote access and wireless technologies, laptops, tablets, removable electronic media, e-mail usage and Internet usage.*						

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
12.3.1	Explicit approval by authorized parties to use the technologies?	▪ Review usage policies. ▪ Interview responsible personnel.	☒	☐	☐	☐	☐
12.3.2	Authentication for use of the technology?	▪ Review usage policies. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
12.3.3	A list of all such devices and personnel with access?	▪ Review usage policies. ▪ Interview responsible personnel.	☒	☐	☐	☐	☐
12.3.4	A method to accurately and readily determine owner, contact information, and purpose (for example, labeling, coding, and/or inventorying of devices)?	▪ Review usage policies. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
12.3.5	Acceptable uses of the technologies?	▪ Review usage policies. ▪ Interview responsible personnel.	☒	☐	☐	☐	☐
12.3.6	Acceptable network locations for the technologies?	▪ Review usage policies. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
12.3.7	List of company-approved products?	▪ Review usage policies. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
12.3.8	Automatic disconnect of sessions for remote-access technologies after a specific period of inactivity?	▪ Review usage policies. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
12.3.9	Activation of remote-access technologies for vendors and business partners only when needed by vendors and business partners, with immediate deactivation after use?	▪ Review usage policies. ▪ Interview responsible personnel.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
12.3.10	(a) For personnel accessing cardholder data via remote-access technologies, does the policy specify the prohibition of copying, moving, and storage of cardholder data onto local hard drives and removable electronic media, unless explicitly authorized for a defined business need? *Where there is an authorized business need, the usage policies must require the data be protected in accordance with all applicable PCI DSS Requirements.*	▪ Review usage policies. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
	(b) For personnel with proper authorization, does the policy require the protection of cardholder data in accordance with PCI DSS Requirements?	▪ Review usage policies. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
12.4	Do security policy and procedures clearly define information security responsibilities for all personnel?	▪ Review information security policy and procedures. ▪ Interview a sample of responsible personnel.	☒	☐	☐	☐	☐
12.4.1	*This requirement applies only to service providers*.						
12.5	(a) Is responsibility for information security formally assigned to a Chief Security Officer or other security-knowledgeable member of management?	▪ Review information security policy and procedures.	☐	☐	☐	☒	☐
	(b) Are the following information security management responsibilities formally assigned to an individual or team:						
12.5.1	Establishing, documenting, and distributing security policies and procedures?	▪ Review information security policy and procedures.	☐	☐	☐	☒	☐
12.5.2	Monitoring and analyzing security alerts and information, and distributing to appropriate personnel?	▪ Review information security policy and procedures.	☐	☐	☐	☒	☐
12.5.3	Establishing, documenting, and distributing security incident response and escalation procedures to ensure timely and effective handling of all situations?	▪ Review information security policy and procedures.	☐	☐	☒	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
12.5.4	Administering user accounts, including additions, deletions, and modifications?	▪ Review information security policy and procedures.	☐	☐	☐	☒	☐
12.5.5	Monitoring and controlling all access to data?	▪ Review information security policy and procedures.	☐	☐	☐	☒	☐
12.6	(a) Is a formal security awareness program in place to make all personnel aware of the cardholder data security policy and procedures?	▪ Review security awareness program.	☒	☐	☐	☐	☐
	(b) Do security awareness program procedures include the following:						
12.6.1	(a) Does the security awareness program provide multiple methods of communicating awareness and educating personnel (for example, posters, letters, memos, web based training, meetings, and promotions)? ***Note:*** *Methods can vary depending on the role of the personnel and their level of access to the cardholder data.*	▪ Review security awareness program. ▪ Review security awareness program procedures. ▪ Review security awareness program attendance records.	☐	☐	☐	☒	☐
	(b) Are personnel educated upon hire and at least annually?	▪ Examine security awareness program procedures and documentation.	☐	☐	☐	☒	☐
	(c) Have employees completed awareness training and are they aware of the importance of cardholder data security?	▪ Interview personnel.	☐	☐	☐	☒	☐
12.6.2	Are personnel required to acknowledge at least annually that they have read and understood the security policy and procedures?	▪ Examine security awareness program procedures and documentation.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
12.7	Are potential personnel (see definition of "personnel" above) screened prior to hire to minimize the risk of attacks from internal sources? *Examples of background checks include previous employment history, criminal record, credit history and reference checks.* ***Note:*** *For those potential personnel to be hired for certain positions, such as store cashiers who only have access to one card number at a time when facilitating a transaction, this requirement is a recommendation only.*	▪ Interview Human Resource department management.	☐	☐	☐	☒	☐
12.8	Are policies and procedures maintained and implemented to manage service providers with whom cardholder data is shared, or that could affect the security of cardholder data, as follows:						
12.8.1	Is a list of service providers maintained, including a description of the service(s) provided?	▪ Review policies and procedures. ▪ Observe processes. ▪ Review list of service providers.	☐	☐	☒	☐	☐
12.8.2	Is a written agreement maintained that includes an acknowledgement that the service providers are responsible for the security of cardholder data the service providers possess or otherwise store, process, or transmit on behalf of the customer, or to the extent that they could impact the security of the customer's cardholder data environment? ***Note:*** *The exact wording of an acknowledgement will depend on the agreement between the two parties, the details of the service being provided, and the responsibilities assigned to each party. The acknowledgement does not have to include the exact wording provided in this requirement.*	▪ Observe written agreements. ▪ Review policies and procedures.	☒	☐	☐	☐	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
12.8.3	Is there an established process for engaging service providers, including proper due diligence prior to engagement?	▪ Observe processes. ▪ Review policies and procedures and supporting documentation.	☒	☐	☐	☐	☐
12.8.4	Is a program maintained to monitor service providers' PCI DSS compliance status at least annually?	▪ Observe processes. ▪ Review policies and procedures and supporting documentation.	☐	☐	☒	☐	☐
12.8.5	Is information maintained about which PCI DSS requirements are managed by each service provider, and which are managed by the entity?	▪ Observe processes. ▪ Review policies and procedures and supporting documentation.	☐	☐	☒	☐	☐
12.9	*This requirement applies only to service providers*.						

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
12.10	Has an incident response plan been implemented in preparation to respond immediately to a system breach, as follows:						
12.10.1	(a) Has an incident response plan been created to be implemented in the event of system breach?	▪ Review the incident response plan. ▪ Review incident response plan procedures.	☒	☐	☐	☐	☐
	(b) Does the plan address the following, at a minimum:						
	– Roles, responsibilities, and communication and contact strategies in the event of a compromise including notification of the payment brands, at a minimum?	▪ Review incident response plan procedures.	☐	☐	☐	☒	☐
	– Specific incident response procedures?	▪ Review incident response plan procedures.	☐	☐	☐	☒	☐
	– Business recovery and continuity procedures?	▪ Review incident response plan procedures.	☐	☐	☐	☒	☐
	– Data backup processes?	▪ Review incident response plan procedures.	☐	☐	☐	☒	☐
	– Analysis of legal requirements for reporting compromises?	▪ Review incident response plan procedures.	☐	☐	☐	☒	☐
	– Coverage and responses of all critical system components?	▪ Review incident response plan procedures.	☐	☐	☐	☒	☐
	– Reference or inclusion of incident response procedures from the payment brands?	▪ Review incident response plan procedures.	☐	☐	☐	☒	☐
12.10.2	Is the plan reviewed and tested at least annually, including all elements listed in Requirement 12.10.1?	▪ Review incident response plan procedures . ▪ Interview responsible personnel.	☐	☐	☐	☒	☐

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PCI DSS Question		Expected Testing	Response (Check one response for each question)				
			Yes	Yes with CCW	No	N/A	Not Tested
12.10.3	Are specific personnel designated to be available on a 24/7 basis to respond to alerts?	▪ Observe processes. ▪ Review policies. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
12.10.4	Is appropriate training provided to staff with security breach response responsibilities?	▪ Observe processes. ▪ Review incident response plan procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
12.10.5	Are alerts from security monitoring systems included in the incident response plan?	▪ Observe processes. ▪ Review incident response plan procedures.	☐	☐	☐	☒	☐
12.10.6	Is a process developed and in place to modify and evolve the incident response plan according to lessons learned and to incorporate industry developments?	▪ Observe processes. ▪ Review incident response plan procedures. ▪ Interview responsible personnel.	☐	☐	☐	☒	☐
12.11	*This requirement applies only to service providers.*						

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Appendix A: Additional PCI DSS Requirements

Appendix A1: Additional PCI DSS Requirements for Shared Hosting Providers

This appendix is not used for merchant assessments.

Appendix A2: Additional PCI DSS Requirements for Entities using SSL/Early TLS for Card-Present POS POI Terminal Connections

PCI DSS Question		Expected Testing	Response *(Check one response for each question)*				
			Yes	Yes with CCW	No	N/A	Not Tested
A2.1	*For POS POI terminals (**at the merchant or payment-acceptance location**) using SSL and/or early TLS:* Are the devices confirmed to not be susceptible to any known exploits for SSL/early TLS ***Note:** This requirement is intended to apply to the entity with the POS POI terminal, such as a merchant. This requirement is not intended for service providers who serve as the termination or connection point to those POS POI terminals. Requirements A2.2 and A2.3 apply to POS POI service providers.*	▪ Review documentation (for example, vendor documentation, system/network configuration details, etc.) that verifies POS POI devices are not susceptible to any known exploits for SSL/early TLS.	☐	☐	☐	☒	☐
A2.2	*This requirement applies only to service providers.*						
A2.3	*This requirement applies only to service providers.*						

Appendix A3: Designated Entities Supplemental Validation (DESV)

This Appendix applies only to entities designated by a payment brand(s) or acquirer as requiring additional validation of existing PCI DSS requirements. Entities required to validate to this Appendix should use the DESV Supplemental Reporting Template and Supplemental Attestation of Compliance for reporting, and consult with the applicable payment brand and/or acquirer for submission procedures.

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Appendix B: Compensating Controls Worksheet

Use this worksheet to define compensating controls for any requirement where "YES with CCW" was checked.

Note: *Only companies that have undertaken a risk analysis and have legitimate technological or documented business constraints can consider the use of compensating controls to achieve compliance.*

Refer to Appendices B, C, and D of PCI DSS for information about compensating controls and guidance on how to complete this worksheet.

Requirement Number and Definition:

	Information Required	Explanation
1. Constraints	List constraints precluding compliance with the original requirement.	
2. Objective	Define the objective of the original control; identify the objective met by the compensating control.	
3. Identified Risk	Identify any additional risk posed by the lack of the original control.	
4. Definition of Compensating Controls	Define the compensating controls and explain how they address the objectives of the original control and the increased risk, if any.	
5. Validation of Compensating Controls	Define how the compensating controls were validated and tested.	
6. Maintenance	Define process and controls in place to maintain compensating controls.	

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Appendix C: Explanation of Non-Applicability

If the "N/A" (Not Applicable) column was checked in the questionnaire, use this worksheet to explain why the related requirement is not applicable to your organization.

Requirement	Reason Requirement is Not Applicable
Example:	
3.4	Cardholder data is never stored electronically
1.3.1, 1.3.2	Not Applicable - There are no cardholder data environment systems exposed to the internet.
1.3.6	Not Applicable - There are no systems which store electronic cardholder data.
1.3.7b	Not Applicable - There is no disclosure of private IP address information.
2.1.1, 4.1.1	Not Applicable - There are no entity wireless networks connected to the cardholder data environment or which transmit cardholder data. Secure 4G communication of EFTPOS devices is managed by the acquiring bank as part of their service.
2.6, 8.2.1b, 8.2.3b, 8.2.4b, 8.2.5b, 8.5.1, 11.3.4.1, 12.4.1, 12.9, 12.11	Not Applicable - The entity is not a service provider.
3.1, 3.4, 3.4.1, 3.5.2-4, 3.6.x, 3.7, 4.2a, 4.3, 6.6, 6.7, 7.1, 7.1.1, 7.1.4, 7.2.x, 7.3, 8.1.4, 8.1.6, 8.1.7, 8.1.8, 8.2.1a, 8.2.2, 8.2.4a, 8.2.5a, 8.2.6, 8.4, 8.8, 9.1.3, 9.2, 9.3, 9.4.1, 9.4.2,9.4.3, 9.4.4, 9.7.1, 9.8.2, 9.10, 10.x, 11.1, 11.1.1, 11.1.2, 11.2.1, 11.3.1, 11.3.2, 11.3.3, 11.4, 11.5, 11.5.1, 11.6, 12.2, 12.3.2, 12.3.4, 12.3.6, 12.3.7, 12.3.8, 12.3.10, 12.5, 12.5.1, 12.5.2, 12.5.4, 12.5.5, 12.6.1, 12.6.2, 12.7, 12.10.1, 12.10.2-6	12.10.1Not Applicable – This requirement is not applicable to any of entity's payment channels. The requirements identified in SAQ A and SAQ B-IP have been used to determine the applicability of requirements to entity's payment channels. The eligibility criteria of SAQ A and SAQ B-IP were found to be met through review of: • Payment processes; • POI device certification; • Attestation of Compliance documents for service providers.
3.3	Not Applicable - There are no business processes which require a full PAN to be displayed to personnel. There are no processes which have access to a full PAN.

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Requirement	Reason Requirement is Not Applicable
5.1.2	Not Applicable - All in scope City of Adelaide systems are commonly affected by malicious software (i.e. windows-based) in scope
6.3, 6.3.1, 6.3.2, 6.4.x, 6.5.x	Not Applicable - The entity does not develop applications associated with payment processing.
8.1.2, 8.6, 8.7, 9.1, 9.1.1,9.6, 9.6.1, 11.2.3, 11.3	Not Applicable - The entity does not store cardholder data in electronic format.
8.1.5	Not Applicable - Third parties do not remotely manage any components in the entity's CDE. IM-WI-012 - Vendor Remote Access Work Instruction (DOC-054) provides guidance on vendor remote access. The document requires that remote access is only enabled when required
9.5, 9.5.1	Not Applicable - The entity does not store cardholder data in electronic or physical format.
9.6.2, 9.6.3, 9.7, 9.8, 9.8.1	Not Applicable - Cardholder data is not stored on any physical or electronic media.
3.2a, 3.2b	Not Applicable - The entity is not an issuer.

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Appendix D: Explanation of Requirements Not Tested

If the "Not Tested" column was checked in the questionnaire, use this worksheet to explain why the related requirement was not reviewed as part of the assessment.

Requirement	Describe which part(s) of the requirement was not tested	Describe why requirements were not tested
Examples:		
Requirement 12	*Requirement 12.2 was the only requirement tested. All other requirements from Requirement 12 were excluded.*	*This assessment only covers requirements in Milestone 1 of the Prioritized Approach.*
Requirements 1-8, 10-12	*Only Requirement 9 was reviewed for this assessment. All other requirements were excluded.*	*Company is a physical hosting provider (CO-LO), and only physical security controls were considered for this assessment.*

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Section 3: Validation and Attestation Details

Part 3. PCI DSS Validation

This AOC is based on results noted in SAQ D (Section 2), dated *22 December 2023.*

Based on the results documented in the SAQ D noted above, the signatories identified in Parts 3b-3d, as applicable, assert(s) the following compliance status for the entity identified in Part 2 of this document: (***check one):***

☐	**Compliant:** All sections of the PCI DSS SAQ are complete, all questions answered affirmatively, resulting in an overall **COMPLIANT** rating; thereby *(Merchant Company Name)* has demonstrated full compliance with the PCI DSS.
☒	**Non-Compliant:** Not all sections of the PCI DSS SAQ are complete, or not all questions are answered affirmatively, resulting in an overall **NON-COMPLIANT** rating, thereby *City of Adelaide)* has not demonstrated full compliance with the PCI DSS. **Target Date** for Compliance: An entity submitting this form with a status of Non-Compliant may be required to complete the Action Plan in Part 4 of this document. *Check with your acquirer or the payment brand(s) before completing Part 4.*
☐	**Compliant but with Legal exception:** One or more requirements are marked "No" due to a legal restriction that prevents the requirement from being met. This option requires additional review from acquirer or payment brand. *If checked, complete the following:*

Affected Requirement	Details of how legal constraint prevents requirement being met

Part 3a. Acknowledgement of Status

Signatory(s) confirms:

(Check all that apply)

☒	PCI DSS Self-Assessment Questionnaire D, Version *3.2.1*, was completed according to the instructions therein.
☒	All information within the above-referenced SAQ and in this attestation fairly represents the results of my assessment in all material respects.
☐	I have confirmed with my payment application vendor that my payment system does not store sensitive authentication data after authorization.
☒	I have read the PCI DSS and I recognize that I must maintain PCI DSS compliance, as applicable to my environment, at all times.
☒	If my environment changes, I recognize I must reassess my environment and implement any additional PCI DSS requirements that apply.

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Part 3. PCI DSS Validation *(continued)*

Part 3a. Acknowledgement of Status *(continued)*

☒	No evidence of full track data[1], CAV2, CVC2, CVN2, CVV2, or CID data[2], or PIN data[3] storage after transaction authorization was found on ANY system reviewed during this assessment.
☐	ASV scans are being completed by the PCI SSC Approved Scanning Vendor *Tenable.*

Part 3b. Merchant Attestation

Signature of Merchant Executive Officer ↑	*Date:*
Merchant Executive Officer Name:	*Title:*

Part 3c. Qualified Security Assessor (QSA) Acknowledgement (if applicable)

If a QSA was involved or assisted with this assessment, describe the role performed:	The assessor confirmed the scope of the assessment based on interviews with entity personnel and conducted all activities to assess the compliance of the entity's operations and complete the SAQ.

Signature of Duly Authorized Officer of QSA Company ↑	*Date:*
Duly Authorized Officer Name:	*QSA Company:* **CyberCX**

Part 3d. Internal Security Assessor (ISA) Involvement (if applicable)

If an ISA(s) was involved or assisted with this assessment, identify the ISA personnel and describe the role performed:	Not Applicable

[1] Data encoded in the magnetic stripe or equivalent data on a chip used for authorization during a card-present transaction. Entities may not retain full track data after transaction authorization. The only elements of track data that may be retained are primary account number (PAN), expiration date, and cardholder name.

[2] The three- or four-digit value printed by the signature panel or on the face of a payment card used to verify card-not-present transactions.

[3] Personal identification number entered by cardholder during a card-present transaction, and/or encrypted PIN block present within the transaction message.

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Part 4. Action Plan for Non-Compliant Requirements

Select the appropriate response for "Compliant to PCI DSS Requirements" for each requirement. If you answer "No" to any of the requirements, you may be required to provide the date your Company expects to be compliant with the requirement and a brief description of the actions being taken to meet the requirement.

Check with the applicable payment brand(s) before completing Part 4.

PCI DSS Requirement	Description of Requirement	Compliant to PCI DSS Requirements (Select One)		Remediation Date and Actions (If "NO" selected for any Requirement)
		YES	NO	
1	Install and maintain a firewall configuration to protect cardholder data.	☐	☒	
2	Do not use vendor-supplied defaults for system passwords and other security parameters.	☐	☒	
3	Protect stored cardholder data.	☒	☐	
4	Encrypt transmission of cardholder data across open, public networks.	☒	☐	
5	Protect all systems against malware and regularly update anti-virus software or programs.	☒	☐	
6	Develop and maintain secure systems and applications.	☒	☐	
7	Restrict access to cardholder data by business need to know.	☒	☐	
8	Identify and authenticate access to system components.	☒	☐	
9	Restrict physical access to cardholder data.	☐	☒	
10	Track and monitor all access to network resources and cardholder data.	☒	☐	
11	Regularly test security systems and processes.	☐	☒	
12	Maintain a policy that addresses information security for all personnel.	☐	☒	
Appendix A2	Additional PCI DSS Requirements for Entities using SSL/Early TLS for Card-Present POS POI Terminal Connections.	☒	☐	

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PCI DSS Requirements v3.2.1	Milestone	Status *Please enter "yes" if fully compliant with the requirement*	If status is "N/A", please explain why requirement is Not Applicable	If status is "No", please complete the following		
				Stage of Implementation	Estimated Date for Completion of Milestone	Comments
1.1.2 Current network diagram that identifies all connections between the cardholder data environment and other networks, including any wireless networks	1	No		Planning	August 30, 2024	Update / develop network diagrams for all CDE systems including Envibe and the telephony network. Diagrams must include wireless networks and the CDE network components. Decommisioning of the Aquatic Centre will partially address this requirement by removing it from scope.
1.1.6 Documentation of business justification and approval for use of all services, protocols, and ports allowed, including documentation of security features implemented for those protocols considered to be insecure.	2	No		Planning	April 30, 2025	Document the required ports and protocols in use for all CDE systems including the Envibe network and Contact Centre. Document security features required to protect unencrypted telephony calls. Decommisioning of the Aquatic Centre will partially address this requirement by removing it from scope.
2.2.2 Enable only necessary services, protocols, daemons, etc., as required for the function of the system.	3	No		Planning	April 30, 2025	Document security features required to protect unencrypted telephony calls.
2.2.3 Implement additional security features for any required services, protocols, or daemons that are considered to be insecure.	2	No		Planning	April 30, 2025	Document security features required to protect unencrypted
2.2.5 Remove all unnecessary functionality, such as scripts, drivers, features, subsystems, file systems, and unnecessary web servers.	3	No		Planning	April 30, 2025	Review the configuration of the telephony servers
2.4 Maintain an inventory of system components that are in scope for PCI DSS.	2	No		Planning	April 30, 2025	Undate the PCI scope and inventory documentation to include Contact Centre workstations acting as telephony endpoints.

9.9.1 Maintain an up-to-date list of devices. The list should include the following: • Make, model of device • Location of device (for example, the address of the site or facility where the device is located) • Device serial number or other method of unique identification.	**2**	**No**		**Planning**	June 30, 2024	Review the list of EFTPOS terminal devices and ensure that all required information is accurate. Consider implementing a process to review the list on a quarterly or annual basis.
11.2.2 Perform quarterly external vulnerability scans, via an Approved Scanning Vendor (ASV) approved by the Payment Card Industry Security Standards Council (PCI SSC). Perform rescans as needed, until passing scans are achieved. ***Note:*** *Quarterly external vulnerability scans must be performed by an Approved Scanning Vendor (ASV), approved by the Payment Card Industry Security Standards Council (PCI SSC). Refer to the ASV Program Guide published on the PCI SSC website for scan customer responsibilities, scan preparation, etc.*	**2**	**No**		**Planning**	September 30, 2024	Work with the ASV scan provider to enable scanning of in scope IP addresses to provide a passing scan report. Specifically firewalls protecting CDE components, telephony components exposed to the internet and remote access services managed by City of Adelaide.
11.3.4 If segmentation is used to isolate the CDE from other networks, perform penetration tests at least annually and after any changes to segmentation controls/methods to verify that the segmentation methods are operational and effective, and isolate all out-of-scope systems from systems in the CDE.	**2**	**No**		**Planning**	April 30, 2025	Investigate options for removing the telephony system from the PCI scope. Consider options such as DTMF clamping, segmentation of the telephony system, online only payments or call back on an analogue PSTN / mobile phone.
12.1.1 Review the security policy at least annually and update the policy when the environment changes.	**6**	**No**		**Planning**	March 31, 2024	Review and update the security policy suite of documents at least annually.
12.5.3 Establish, document, and distribute security incident response and escalation procedures to ensure timely and effective handling of all situations.	**2**	**No**		**Planning**	March 31, 2024	Document the roles and responsibilities for development and distribution of incident response processes and procedures.
12.8.1 Maintain a list of service providers including a description of the service provided.	**2**	**No**		**Planning**	June 30, 2024	Review the management of service providers and ensure documentation of in scope service providers includes details of the services provided.
12.8.4 Maintain a program to monitor service providers' PCI DSS compliance status at least annually.	**2**	**No**		**Planning**	June 30, 2024	Educate new procurement personnel on the requirement to monitor service provider compliance status.

12.8.5 Maintain information about which PCI DSS requirements are managed by each service provider, and which are managed by the entity.	**2**	**No**		**Planning**	June 30, 2024	Document the requirements each service provider is responsible for maintaining on CofA's behalf. Service providers should include at least JP Media, Infor, Advam, MiClub, Envibe, Microsoft, Duncan Solutions and Designa.

Emergency Management Internal Audit

Wednesday, 15 May 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Kathryn Goldy, Acting Manager Governance

Public

Approving Officer:
Michael Sedgman, Acting Chief Executive Officer

EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit on the policies, processes, risks and controls relating to emergency management was performed.

The internal audit identified three moderate and three low risk rated findings, with one process improvement opportunity.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally and effectively, and to advise how it can improve performance.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 6.6 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.
2. Endorses the responses of the Administration to the Emergency Management Internal Audit Report as outlined in Attachment A to Item 6.6 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, and effectively, and to advise how it can improve performance.
Opportunities	Internal audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The Emergency Management Internal Audit was performed by KPMG, in accordance with the 2023-24 Internal Audit Plan.

Report

2. This audit aligns with the City Adelaide's (CoA) Strategic Risk – City Emergency: Insufficient emergency management preparation.
3. The Emergency Management Internal Audit focused on the policies, processes, risks and controls relating to Emergency Management. The audit considered the CoA's framework, including emergency response plans for appropriateness.
4. The objective of the Emergency Management Internal Audit included the following:
   - 4.1. Framework – governance and management controls, policies and procedures and identification of roles and responsibilities.
   - 4.2. Risk identification and Business Impact Assessments – identification and assessment of risks and disruption scenarios, critical business processes and functions and key IT systems/services supporting critical functions.
   - 4.3. Plan development – identification and high-level assessment of recovery strategies included in the Emergency Management Plan, plan maintenance procedures and version control.
   - 4.4. Recovery plans – recovery objectives, strategies and dependencies, procedures for activation, prioritisation, backup and restore procedures, community recovery strategies, resourcing of emergency response team, agreements with third party suppliers and alignment to the Emergency Management Plan.
   - 4.5. Exercising – exercise and test strategies for Emergency Management, including the development of exercise plans, execution to validate plans and recovery capabilities and reporting of exercise and test results.
   - 4.6. Continuous improvement – review and improvement cycle for emergency management and business continuity and staff awareness and training
5. The findings of the internal audit are indexed into the following risk ratings:

Finding	Risk Rating
Further emergency training and education of staff is required	Moderate
Emergency Management Policies, Procedures and Plans require uplift	Moderate
Consideration of sustainable resourcing and workforce planning is required to enhance emergency management readiness and execution of roles and responsibilities	Moderate
Diversification of mobile phone providers	Low
Update and integrate business continuity processes into tools supporting emergency management	Low
There is a desire and need to enhance the frequency of communication between Council Commanders	Low
Opportunity to enhance communication of Emerging Risks and Watch List downwards	Improvement Opportunity

6. Administration has considered the findings and provided actions and time frames to address these findings.

ATTACHMENTS

Attachment A – Emergency Management Internal Audit

- END OF REPORT -

KPMG

Emergency Management

Internal Audit Report

City of Adelaide

—

May 2024

Acknowledgement of Country

KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

Guided by our purpose to 'Inspire Confidence. Empower Change', we are committed to placing truth-telling, self-determination and cultural safety at the centre of our approach. Driven by our commitment to achieving this, KPMG has implemented mandatory cultural awareness training for all staff as well as our Indigenous Peoples Policy. This sincere and sustained commitment has led to our 2021-2025 Reconciliation Action Plan being acknowledged by Reconciliation Australia as 'Elevate' – our third RAP to receive this highest level of recognition. We continually push ourselves to be more courageous in our actions particularly in advocating for the Uluru Statement from the Heart.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.

*This acknowledgement of country has been developed within KPMG Indigenous Network (KIN) should you wish to modify the wording please reach out for consultation of the KIN. The KIN is a culturally safe and supportive space for Aboriginal and Torres Strait Islander colleagues from all geographies, divisions, and levels of the firm and you can get in touch by emailing smoates@kpmg.com.au

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Executive Summary

In accordance with the 2023/24 Internal Audit Plan for the Corporation of the City of Adelaide (CoA), an internal audit focusing on the policies, processes, risks and controls relating to Emergency Management was performed. The objective, scope and approach for this internal audit project are outlined below.

Objective

The objective of this internal audit project has considered the CoA's framework and processes for Emergency Management, including an assessment of the CoA's emergency response plans for appropriateness including associated development and maintenance processes.

Scope

The scope of this internal audit has considered the CoA's processes, practices and systems in relation to Emergency Management, with a specific focus on the following:

- Framework: Governance and management controls, policies and procedures and identification of roles and responsibilities.
- Risk identification and Business Impact Assessment: Identification and assessment of risks and disruption scenarios, critical business process and functions and key IT systems/services supporting critical functions.
- Plan development: Identification and high-level assessment of recovery strategies included in the Emergency Management Plan, plan maintenance procedures and version control.
- Recovery plans: Recovery objectives, strategies and dependencies, procedures for activation, prioritisation, backup and restore action procedures, community recovery strategies, resourcing of emergency response team, agreements with third party suppliers and alignment to the Emergency Management Plan.
- Exercising: Exercise and test strategies for Emergency Management, including the development of exercise plans, execution to validate plans and recovery capabilities and reporting of exercise and test results.
- Continuous improvement: Review and improvement cycle for Emergency Management and business continuity and staff awareness and training.

Scope exclusions:

Detailed assessment of emergency response plans for appropriateness and detailed assessment of, or consultation with, third party stakeholders (i.e. adjacent Councils or Emergency Services).

A detailed list of the scope and approach are included in Appendix 2.

Positive Observations

The CoA has developed and implemented a range of initiatives to further develop and improve their Emergency Management procedures over the last few years. Several positive observations during our review were identified regarding the CoA's Emergency Management, which are outlined below:

The CoA has developed an Emergency Management Steering Committee which includes attendance from Senior Management, the current Council Commander and representatives from the subsidiaries at Rundle Mall and Adelaide Central Market Authority. The Committee meets quarterly to discuss key emergency topics impacting the CoA. Emerging Risks is a standard agenda item that is covered within this Committee to ensure the CoA is well prepared for all new potential emergencies.

Council Commanders are selected based on capabilities as opposed to hierarchy. This is to ensure that Council Commanders have a clear understanding and solid knowledge base to be applied in the event of an emergency.

The CoA has delivered and is planning to deliver further scenario-based Emergency Management exercises simulating Emergency Management scenarios to internal Council employees and external stakeholders, including neighbouring Councils. Exercise scenarios including emerging responses to earthquakes, bomb threats and active shooters have either been completed or planned. Post-exercise completion, the CoA develops debrief papers which are circulated to relevant key stakeholders.

A comprehensive and mature suite of draft Policy, Procedures and Plans has been developed and adapted within the CoA regarding Emergency Management. This documentation has provided critical key information such as checklists for a range of roles that can be utilised in the event of an emergency.

Key Findings and Recommendations

The number of findings identified during the course of this internal audit is shown in the table below with detail of the findings in this report. Classification of internal audit findings are detailed in Appendix 3. These findings and recommendations were discussed with the CoA Management. Management has accepted the findings and has agreed action plans to address the recommendations.

Critical	High	Moderate	Low	PIO
-	-	3	3	1

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Background

Due to the COVID-19 pandemic, planning Emergency Management responses has received increased focus by organisations globally. The Commonwealth National Emergency Declaration Act 2020, introduced in response to the pandemic, prescribes duties to be undertaken in 'preparation, response and recovery of emergencies that are likely to cause harm' if a national emergency such as a global pandemic is declared.

In addition to Commonwealth legislation, councils must abide by local South Australian laws, regulations and directions regarding Emergency Management. Previous state-based emergencies impacting the CoA include major flooding and power outages.

The CoA is a unique organisation given the Council is responsible for employee and community safety, requiring strong Emergency Management protocols. The CoA has a wide range of controls and policies in place to effectively manage emergencies when they occur.

Preparation & Response of Emergencies

In the event of an emergency, the CoA has a range of obligations and actions to undertake to maintain the safety and wellbeing of residents and visitors. As part of the CoA's effective response protocols, the CoA has appointed six Council Commanders that are tasked with activating the Council Incident Management Team (CIMT); the Council Commander is responsible for executing activities to manage emergencies.

The appointed Council Commander is supported by advisors that assist with decision-making on behalf of the CoA in an emergency, minimising impact to the CoA's business operations and ensuring the safety of staff, Council residents and the public. Dependant on the nature of the emergency, the Council Commander will elect advisors with appropriate experience and expertise in order to effectively respond to the emergency on behalf of the CoA. This structure closely aligns to the Incident Management structure used by Australian Emergency Services under the Australian Interservice Incident Management System (AIIMS).

Policy and Procedures

Governance of Emergency Management across the CoA is spread across a suite of plans, policies and procedures which are managed by various areas across the organisation. The below list is the suite of the CoA's key Emergency Management artefacts:

- BCP & IT Disaster Recovery Plan
- Crisis Communication Guidelines
- CoA Emergency Management Plan
- CoA Emergency Operations Manual
- CoA Leadership Management Process
- Workplace Emergency & Evacuation Plans
- Workplace Emergency Guideline

Governance

Emergency Management Steering Committee: The CoA has implemented an Emergency Management Steering Committee which meets quarterly to provide strategic planning for workplace emergencies and Emergency Management activities. Committee attendees include a key team member from each business unit, typically a member of the Senior Leadership Team (SLT), as well as the active Council Commander. This Committee provides an opportunity for a representative from each business unit to discuss key items impacting Emergency Management including trends and emerging risks.

Strategic Risk and Internal Audit (SRIA): The SRIA monthly meetings include a range of standing agenda items that address emergency related items such as: New Emerging Risks, Watch List, Emergency Management, High Risk items, etc. These standing agenda items provide an opportunity to discuss mitigation strategies for risks that may arise in a future emergency.

Training and Education

Council Commanders are required to undertake specific training which is conducted by the Local Government Association (LGA). This training is conducted in a group setting with trainees from a variety of councils from across South Australia. The selection process for the CoA staff to undertake the Council Commander role is dependent on their experience and capabilities.

The CoA has recently conducted Exercise Crumble, a scenario-based planning training exercise that simulated emergency responses in the event of an earthquake. Several external stakeholders were invited to take part in this exercise including SAPOL and neighbouring council, the City of Charles Sturt. The purpose of this collaborative exercise was to test the CoA's response to an emergency at a localised-level and collaborate with relevant external stakeholders in workshopping an Emergency Response Plan. From discussions with stakeholders and participants, they advised that there is a desire to continue delivering scenario-based training due to the success and value delivered in Exercise Crumble.

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Background

Recent Timeline of the CoA's Emergency Management Roadmap

Since the COVID-19 global pandemic expectations on Emergency Management have shifted for many organisations in Australia as challenges from COVID-19, Australia's decline in skilled labour and evolving regulatory processes, such as the 'Right to Disconnect' Fair Work Act provision, continue to impact business continuity planning.

The shift in attitudes towards organisational working culture can impact how Australia's workforce, including the CoA, view the criticality of Emergency Management to provide a structured framework for decision-making at a time when the CoA requires greater agility to respond to emergency incidents and ongoing challenges.

The timeline of key incidents impacting the CoA's Emergency Management maturity is captured below.

2017

- KPMG performed an internal audit on Emergency Management.
- It was identified that clarity on roles and responsibilities and improving resourcing needs was required to uplift Emergency Management protocols.
- This led to the creation of documents including the Crisis Communication Plan to further enhance and clarify roles and responsibilities.
- Additionally, the CoA improved their Emergency Management resourcing model.

2019-2020

- The CoA last reviewed and updated Emergency Management policies, procedures and processes in 2019, incorporating recommendations from the 2017 Internal Audit report.
- In March 2020, an unprecedented worldwide emergency was experienced as the COVID-19 global pandemic was declared, changing the landscape of organisational working globally.
- The pandemic greatly impacted the CoA's operations to provide services to the community and rapidly demanded enhanced Emergency Management protocols.

2024

- Emergency Management does not have a distinct operational arm despite it being critical to core operations. Additionally, Emergency Management resourcing is shared with security management.
- Whilst Emergency Management activities are currently operating well, there is an opportunity to implement additional resources to further enhance the CoA in their journey towards maturing Emergency Management protocols and procedures.
- The CoA has introduced scenario-based training exercises to emergency incident response knowledge across the CoA.

The Roadmap Forward

The CoA has recognised the need to further improve Emergency Management protocols since previously updating documents and procedures in 2019, prior to the pandemic. The current drafted documents demonstrate that the CoA has a mature environment to respond to various types of emergencies from cyber-attacks to natural disasters. It was observed that key stakeholders are adequately prepared and have the supporting tools and resources to effectively perform duties with minimal impact to the CoA's day-to-day operations in an emergency. Additionally, the CoA has planned and executed training initiatives to further enhance and develop their responses to emergencies.

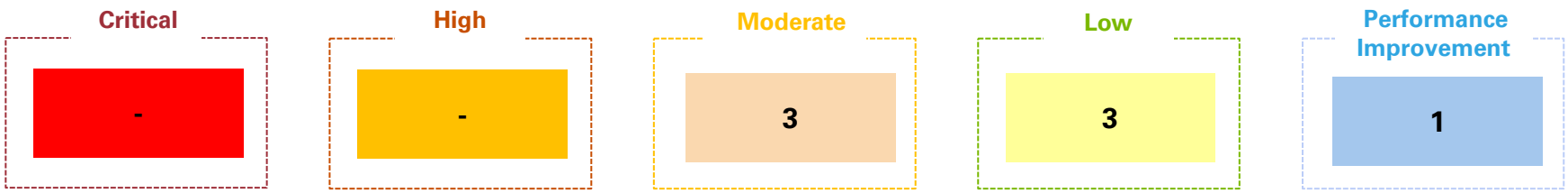
The roadmap forward requires the CoA to continue the journey of uplifting Emergency Management processes, practices and systems to further improve Emergency Management maturity levels. This involves aligning response procedures across all Council functions to ensure widespread adequate preparation in responding to and managing any type of emergency alongside continuing business operations and delivering services to the community.

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Internal Audit Findings

Internal Audit identified three (3) moderate risk-rated findings, three (3) low risk-rated finding and one (1) performance improvement opportunities (PIO). The details of the findings are provided in the 'Detailed Findings' section of this report. These findings have been individually rated as follows:



Rating	Ref #	Description
Moderate	F1	Further Emergency Management training and education of staff is required
Moderate	F2	Emergency Management Policies, Procedures and Plans require improvement
Moderate	F3	Consideration of sustainable resourcing and workforce planning is required to elevate Emergency Management readiness and execution of roles and responsibilities
Low	F4	Diversification of mobile phone providers
Low	F5	Update and integrate business continuity processes into tools supporting Emergency Management
Low	F6	There is a desire and need to increase the frequency of communication between Council Commanders
PIO	PIO 1	Opportunity to improve communication of Emerging Risks and Watch List throughout the organisation

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Detailed Findings

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Observations and Recommendations

Finding 1: Further Emergency Management training and education of staff is required

Rating: Medium

Observations

Whilst Emergency Management training is currently provided to relevant CoA staff, several areas were identified to uplift current training provided. This included inconsistencies and gaps identified in the delivery of Emergency Management training across the CoA.

Council Commanders Refresher Training

- Council Commanders are only required to participate in one Local Government Functional Support Group (LGFSG) training prior to becoming a Council Commander. There can be long periods elapsing between when Council Commanders have received initial training and when they are rotated into the activated Council Commander role.
- Whilst Council Commanders have a strong understanding of their responsibilities in the event of an emergency, a lack of understanding of some critical processes was observed i.e., accessing contact details to communicate information to employees.
- Additionally, it is noted that due to the variety of the CoA locations (Depot, Community Centres, Town Hall) there is an opportunity for Council Commanders to get an understanding of each site to ensure Council Commanders have knowledge of each site in the event of an emergency.

CoA Staff Emergency Response Training

- Emergency Management information provided to staff through training on responding to incidents can be further uplifted. Staff are well trained in how to respond in an orderly manner during a building evacuation initiated via an alarm in several scenarios including fire and earthquakes. However, training should distinguish as to how staff should respond to a soft evacuation in comparison to a life-threatening emergency.
- It was observed that current policies, including the Workplace Emergency Evacuation Plans do not consider soft evacuation protocols that align to the CoA's Business Continuity Plan. For example, it is not documented in evacuation procedures that in a soft evacuation all workers must safely evacuate Council premises with laptops and/or other important working materials so they are able to continue working remotely.
- Additionally, it is not documented that the CoA staff are to bring their necessary personal belongings in a soft evacuation to ensure they can safely access their homes (i.e. keys, bus card, credit card, ID, phone, medical devices (e.g. EpiPen, asthma inhaler). The lack of understanding of these processes may impact on the ability to continue critical business operations and provide services.

(Continued on next page)

Recommendation(s)

It is recommended that the CoA:

1. Update current Workplace Emergency Evacuation Plans to include clear guidance on:
   a. In the event of an emergency on Council premises and a soft evacuation is required, laptops and all personal essential belongings must be taken to ensure there is minimal disruption to ongoing business operations.
   b. Evacuation accessibility in processes for non-ambulant staff.
2. Uplift the training/induction pack to include:
   a. How to execute an orderly shut-down of work procedures including which belongings must be taken (i.e. laptop).
   b. Define and distinguish the difference in emergency response processes for a soft evacuation and a life-threatening evacuation.
   c. Information on Council Commanders i.e. who they are, what their role is, when they should be contacted and how they should be contacted.

Agreed Management Actions

1. Corporate Governance will update all Workplace Emergency Evacuation Plans to include:
   a. Clear guidance on soft evacuations and what equipment can be considered to be taken with the staff member.
   b. Processes for non-ambulant staff.
2. All training/induction pack will be updated to include:
   a. Shutdown of work procedures.
   b. Soft evacuation.
   c. Council Commanders (direction to be given how to find information on Emergency Management).
3. Consideration will be given to tailoring specific training for certain groups with Council / locations etc.
4. Refresher courses will be investigated with the LGFSG for Council Commanders and tailoring it to Local Government.

(Continued on next page)

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Observations and Recommendations

Finding 1: Further Emergency Management training and education of staff is required

Rating: Medium

Observations

CoA Staff Emergency Response Training (continued)

- The CoA Management are committed to educating staff on how to properly evacuate in an emergency in a safe and informed manner. It is acknowledged that the Coordinator, Security and Emergency Management has identified these deficiencies in current procedural documentation alongside opportunities to further improve processes for an orderly shut-down of work procedures that are inclusive for non-ambulant staff.
- Further, it is understood that evacuation training delivered to the City Library in February 2024 included consideration of preparing an 'emergency bag' to bring when evacuating buildings.

Council Commanders' roles in Emergency Management requires clarification

- From consultations performed, it was expressed that inductions should include information on the role of Council Commanders in the event of an emergency. It was observed that some staff cannot distinguish between the role of a Council Commander and Fire Warden in a Fire Evacuation as they do not have clarity over roles and responsibilities.

Risk(s)

Limited Emergency Management training and education for the CoA staff may cause a risk of:

- Lack of knowledge of the CoA Emergency Management processes and controls which may lead to ineffective Emergency Management by the CoA individuals.
- The CoA staff, including Council Commanders, may be unclear on roles and responsibilities regarding Emergency Management which may expose CoA staff to greater risk.
- The absence of continuous training can create a gap in skills, knowledge or updated Emergency Management approaches which may result in a Council Commander being inadequately prepared to responded to an emergency when rostered.

Recommendation(s)

3. With consideration to resourcing and capacity, it is recommended the Council considers adapting its Emergency Management training structure to include scenario-based planning exercises that are tailored to specific functions as part of overall periodic Emergency Management training.
4. Provide a refresher training to all Council Commanders on core Emergency Management processes based on the Council's Emergency Operations Centre (CEOC). This includes:
   a. Specifically tailoring training to incident response management for localised emergencies as identified as risks specific to the CoA.
   b. At a minimum, refresher trainings should be provided annually.
   c. Require Council Commanders to visit the CoA's primary operational sites such as the depot to understand how the site operates by performing tests on shift i.e., checking access keys work and checking the black boxes are in appropriate locations.

Agreed Management Actions

Responsibility:

1. Manager Governance
2. Manager Governance
3. Manager Governance
4. Manager Governance

Target Dates:

1. 31 December 2024
2. 30 September 2024
3. 30 June 2025
4. 31 December 2024

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Observations and Recommendations

Finding 2: Emergency Management Policies, Procedures and Plans require improvement

Rating: Medium

Observations	Recommendation(s)	Agreed Management Actions
The CoA is currently reviewing and updating Emergency Management artefacts to support the improvement of the Emergency Management process. The Council previously updated their Emergency Management processes including policies, procedures and plans in 2019, incorporating recommendations made in the previous internal audit conducted in 2017. The following inconsistencies were identified in the CoA's current Emergency Management framework: • A range of key Emergency Management policies, plans and procedures are incomplete and remain in draft. This includes the Emergency Management Plan that has been in draft since November 2022. Additionally, there are outdated references to processes that are no longer observed by the Council contained within the framework. For example, i-responda is referenced within policies and procedures such as the Emergency Management Plan. However, stakeholder consultations have confirmed that i-responda is not used by the Council in Emergency Management processes. • The Business Continuity Plan (BCP) was not reviewed in December 2023 as outlined in the BCP, noting reviews should occur annually. The last BCP review was conducted in December 2022. As a result, core artefacts linked in the BCP including the Staff and Volunteer Contact List (Phone and Email) and Text Out Procedure are outdated. • Similarly, the IT Disaster Recovery Plan (ITDPR) was last reviewed in April 2023, yet the ITDPR outlines that reviews should occur every 6 months. The ITDPR missed review in October 2023, noting the next 6-monthly review occurs in April 2024. • A Community Recovery Strategy has not been developed. However, it is referenced within the Council Strategic Risk Opportunity Register as a risk mitigation for the City Emergency risk. It is acknowledged that the finalisation of Emergency Management documents, in particular the Emergency Management Plan is at the forefront of the Risk function's agenda. Presently, they have limited resourcing and capacity to execute (refer to Finding 3). **Risk(s)** • Lack of accuracy and completeness in key Emergency Management policies, plans and procedures presents a risk that Council staff may not be adequately informed to respond to emergencies. • Additionally, the misalignment of documentation across Council may cause confusion amongst staff when responding to an emergency.	It is recommended that the CoA: 1. Follow a refresh process that applies to other policies, procedures and manuals at the Council (i.e. refresh emergency procedure documentation every term). 2. Dedicate resourcing to update and review policies, procedures and plans in draft state for relevance. This may require additional resources to share responsibilities of the Risk and Audit Analyst reducing additional workload (refer to recommendations in Finding 3).	1. The CoA will review, update and finalise all Emergency Management policies and operating guidelines and ensure there is a review period included. 2. Consideration will be given to identify resourcing capacity to assist with the update and review of policies, procedures and plans. **Responsibility:** 1. Manager Governance 2. Manager Governance **Target Dates:** 1. 31 December 2024 2. 30 June 2024

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Observations and Recommendations

Rating: Medium

Finding 3: Consideration of sustainable resourcing and workforce planning is required to elevate Emergency Management readiness and execution of roles and responsibilities

Observations

During discussions with key stakeholders, it was observed that the activities required for effective Emergency Management may not be sustainable given the demand and breadth of current key activities. Further, Emergency Management is only effective if the CoA has experienced and trained staff with adequate knowledge to respond to an incident.

The responsibility of Emergency Management is assigned to the Coordinator, Security and Emergency Management, with risk based and documentation activities shared between the Team Leader Governance & Legal and Risk & Audit Analyst. It is acknowledged that prior to the current Coordinator, Security and Emergency Management joining the Council in December 2022, the role of Security Coordinator did not contain Emergency Management tasks such as training fire wardens and facilitating scenario planning exercises.

Specifically, our review noted the following:

- The CoA has contracted external providers (Fire Safety Australia and First Five Minutes) to provide fire safety exercises. Outsourcing fire training exercises may not ensure that knowledge is internally maintained by the CoA, can be costly and does not provide tailored training to the CoA's premise requirements. It is acknowledged that the Council is of a size where internalising fire training exercises rather than outsourcing is feasible, as funds can be redirected to support an internal and tailored service whilst still meeting necessary standards.
- Presently, key personnel currently assigned to update and review the large suite of critical Emergency Management documents and procedures do not have capacity due to other work commitments and priorities. This has resulted in delays in updating revisions to documents (refer to Finding 2 for synergies). Documents include:
  - Emergency Management Plan.
  - Council Emergency Operations Manual.
  - Business Continuity Plan.
  - Community Recovery Strategy.
- The Council has experienced a recent turnover of experienced staff trained as Council Commanders, resulting in the need to train new Council Commanders to fulfil this role. It was noted that the Council is experiencing a higher rate of attrition relative to their acceptable tolerance level.
- Relying on core team members to complete several critical roles can create a key person risk. If these core team members were unable to continue performing their role, the Council may be impacted as other staff may not have a requisite knowledge to fulfil these roles.

(Continued on next page)

Recommendation(s)

It is recommended that the CoA:

1. Consider Emergency Management as an operational arm within the overall governance structure as it represents core business operations.
2. Have a dedicated Emergency Management resource governed by the current responsible function.
3. Perform a cost/benefit analysis considering whether it is value-accretive to have a dedicated Emergency Management resource fulfil this role as opposed to outsourcing/contracting emergency response exercises.
4. Dedicate resourcing to update the critical suite of Emergency Management documentation and tools that requires periodic review and ongoing management. For example, updating the Business Continuity Plan (BCP) to include changes to key contacts mobile numbers. This BCP will need to be updated on Council Commander USBs (refer to recommendation 3 for further details).

Agreed Management Actions

1. The governance structure will be considered after the currently vacant position of Manager Governance is filled.
2. The governance structure will be considered after the currently vacant position of Manager Governance is filled.
3. In conjunction with the review of the governance structure a cost/benefit analysis will be undertaken to determine whether in-house resourcing is supported for the delivery of exercises which are currently outsourced.
4. The governance structure will be considered after the currently vacant position of Manager Governance is filled.

Responsibility:

1. Manager Governance
2. Manager Governance
3. Manager Governance
4. Manager Governance

Target Dates:

1. 30 June 2025
2. 30 June 2025
3. 30 June 2025
4. 30 June 2025

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Observations and Recommendations

Rating: Medium

Finding 3: Consideration of sustainable resourcing and workforce planning is required to elevate Emergency Management readiness and execution of roles and responsibilities

Observations	Recommendation(s)	Agreed Management Actions
• A large number of the Council's workforce is expected to retire within the next five years. This could impact the CoA through the loss of experience and knowledge across all areas of the business, including understanding the processes and intricacies of their business area to respond to incident and Emergency Management. **Risk(s)** Increasing individual workloads with responsibilities by amalgamating Emergency Management activities within existing functions may result in: • Capacity limitations to execute all activities, including procedures becoming out of date due to insufficient time to document procedural documentation updates. • The creation of a key person risk as only few select individuals have the skills, knowledge and competencies to perform activities related to managing, monitoring or responding to emergencies and incidents.		

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Observations and Recommendations

Finding 4: Diversification of mobile phone providers

Rating: Low

Observations

The majority of the CoA staff mobile phones are with the network service provider Optus. Concentrating mobile phones to a single service provider creates potential issues if the network fails.

In the event of contacting a Council Commander during an emergency, calls are diverted to their mobile phones in which the service provider is Optus. As the cards are not dual simmed devices, if Optus experiences an outage, then the Council Commanders cannot be contacted.

KPMG raised this finding in the 2017 Emergency Management Internal Audit Report. Since the previous review undertaken, Optus experienced a nationwide outage of mobile phone and internal services in November 2023. The outage impacted approximately 10 million Optus customers as well as hundreds of thousands of businesses, including government services, public health systems and public transport systems.

The diversification of mobile phone providers is imperative to business continuity and recovery. In the event of an emergency, communicating with team members and community stakeholders is critical. Embedding mobility into your business continuity plan means thinking about how your teams can access the services required in an emergency to continue operations.

Risk(s)

- With all mobile phones using the same network provider, there is a risk that if the Optus network (current provider) experiences another outage and becomes unavailable, critical communications will be impacted.
- If the network becomes unavailable during an emergency, this will significantly impact the Council's communications and likely hinder any form of communication while the server is inoperative.

Recommendation(s)

It is recommended that the CoA:

1. Implement effective communication processes in an emergency by requiring Council Commanders, Executive Leadership team and the Emergency Management team have diverse mobile providers.
2. Collate a list of all staff phone numbers and their network providers. In an emergency, Council Commanders are aware of who can be contacted if networks are compromised.

Agreed Management Actions

1. In consultation with Information Management, discuss requirements of diversifying mobile providers for select Council Commanders, Executive Leadership Team and the Emergency Management Team.
2. Consider the benefits of gathering mobile phone providers from staff and whether this is a breach of CoA's privacy policy.
3. Consider diverse mobile phone providers as part of the Council's approach to market for mobile telecommunication services in 2024/25 financial year, including impacts to budget and service delivery.

Responsibility:

1. Manager Governance
2. Manager Governance
3. Manager Information Management

Target Dates:

1. 31 December 2024
2. 30 September 2024
3. 30 April 2024

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Observations and Recommendations

Finding 5: Update and integrate business continuity processes into tools supporting Emergency Management

Rating: Low

Observations

To support business continuity of the CoA and recovery of operations in the event of an emergency, several tools and processes embedded in the Emergency Management Plan (EMP) and Business Continuity Plan (BCP) must be updated so they are fit-for-purpose.

These include the following:

1. Reintroduce USBs storing key information critical to Emergency Management response

- It is understood that the CoA previously used USBs to store copies of critical procedural documentation including the EMP and BCP, and key contact information that can be accessed in the event of an emergency, particularly where network servers are impacted and shared files cannot be accessed. From enquiring with stakeholders, it is noted that this process is no longer maintained. USBs have not been updated in recent years with current procedural documentation, procedures and plans.

2. Black boxes are not up-to-date

- The contents of Black Boxes stored across three Council locations are not regularly updated to include copies of the most relevant information, reducing its effectiveness. From enquiries with Management, it is observed that there is an overall lack of knowledge as to the location of Black Boxes by Council Commanders.
- Additionally, the Council Emergency Operations Manual (CEOM) states that content of these boxes should be checked every three months by the Emergency Management Specialist. When enquired with Management, we note that the periodic checks ceased when the role of Emergency Management Specialist was restructured in early 2020.

Risk(s)

- In the event of an emergency and the network server is unavailable, there is risk that key documentation which is current and relevant is not accessible to provide guidance on emergency responses.

Recommendation(s)

It is recommended that the CoA:

1. Provide USB sticks to all Council Commanders which contain current and relevant documentation that is of assistance within an emergency. USBs are to be updated annually at minimum or when a policy or plan is updated. USBs should be password protected to mitigate against security threats.
2. Establish support and review processes to ensure contents within Black Boxes remain current and relevant containing hard copies of the relevant Emergency Management plans and manual. Black Boxes are to be updated annually at minimum or when a policy or plan is updated.
3. Require that each time a Council Commander rotates on duty they inspect a Black Box at its physical location (i.e. once every 18 months).
4. Require the information contained with the USB and Black Boxes should be updated and loaded on the Council's SharePoint, so it is stored in a central repository that is accessible to all staff for understanding and familiarity.

Agreed Management Actions

1. Provide USBs to all Council Commanders once all policies have been updated and inform Information Management that Council Commanders will hold USBs.
2. A review will be conducted on contents of Black Boxes and will be updated.
3. At the Emergency Management Steering Committee, the outgoing and incoming Council Commander will inspect the Black Box. Set up as a standing Agenda Item as part of the meeting.
4. All procedures on the USB and checklist of the Black Box will be available online for council commanders.

Responsibility:

1. Manager Governance
2. Manager Governance
3. Manager Governance
4. Manager Governance

Target Dates:

1. 30 June 2025
2. 30 September 2024
3. 30 June 2024
4. 31 December 2024

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Observations and Recommendations

Finding 6: There is a desire and need to increase the frequency of communication between Council Commanders

Rating: Low

Observations

Incoming and outgoing Council Commanders do not have a handover process or touchpoint to discuss relevant Emergency Management issues. Previously, Council Commanders met bi-annually to formally discuss incident management and emerging risks. This formal meeting no longer takes place.

There is room to foster continuous improvement by sharing knowledge and lessons learned by creating a forum where information can be openly shared and debriefed with the Committee. This can be achieved by the current Council Commander communicating key instances of emergencies experienced and how they were handled. For example, the current Council Commander should communicate how many calls were received during this tenure, what the calls related to, what support was asked for, etc.

To improve communication and emerging issues identification, incidents that occur should be uploaded to the SharePoint for all Council Commanders to access. It is noted that only the Council Commander on duty must attend the Emergency Management Steering Committee and report on recent incidents. By uploading a summary of all incidents to SharePoint, this shares knowledge and insight which can better prepare the next Council Commander to deal with any pre-existing issues.

Risk(s)

- Council Commanders do not communicate between shifts which may cause critical information or observations of emerging risks to not be shared, which could lead to knowledge gaps and inadequate preparation for an emergency.

Recommendation(s)

It is recommended that the CoA:

1. Consider the most appropriate communication channels for Council Commanders to communicate Emergency Management content amongst all relevant parties.
2. Upload a copy of reported incidents to SharePoint for all Council Commanders to access, fostering transparency and promoting trend analysis and issue spotting.
3. Coincide the Emergency Management Steering Committee meeting with the incoming Council Commander. This will require all Council Commanders to attend two meetings in their capacity as both incoming and outgoing Council Commanders. This can streamline the exchange of knowledge between Council Commanders.
4. Set up a Microsoft Teams chat for Council Commanders enabling means for communication.

Agreed Management Actions

1. Develop a SharePoint page for Council Commanders and all relevant information will be posted here, including a Teams group.
2. Upload minutes and incidents / debriefs / review will be included on the Council Commander SharePoint.
3. Outgoing and incoming Council Commanders will be at each Emergency Management Steering Committee Meeting.
4. Teams group/chat will be set up for Council Commanders, this will coincide with the SharePoint site.

Responsibility:

1. Manager Governance
2. Manager Governance
3. Manager Governance
4. Manager Governance

Target Dates:

1. 31 December 2024
2. 31 December 2024
3. 30 June 2024
4. 31 December 2024

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Observations and Recommendations

PIO 1: Opportunity to improve communication of Emerging Risks and Watch List throughout the organisation

Rating: PIO

Observations	Recommendation(s)	Agreed Management Actions
There is an opportunity for CoA to improve communication of emerging risks as well as the Watch List within the CoA. • The SRIA and the Emergency Management Committee hold key discussions identifying emerging risks that may potentially impact the CoA. Additionally, the SRIA develops a Watch List documenting emerging risks which are monitored, as well as any key items which SRIA attendees believe are critical to the COA. • Discussions on emerging risks at SRIA and Emergency Management Committee meetings are not formally communicated with Senior Managers and Associate Directors. Increased knowledge of emerging risks within the CoA will allow for increased awareness, identification and monitoring of trends. This may lead to better preparedness for future risks. • It is acknowledged that there is a strong process for communicating emerging risks upwards which is encouraged and supported by the SRIA and Emergency Management Committee.	It is recommended that the CoA: 1. Communicate emerging risks and watch lists to Senior Managers and Associate Directors. This can be achieved by incorporating discussion of emerging risks and the watch list as an agenda item in the SLT monthly meetings.	1. The agenda for SLT monthly meetings will include a standing agenda item "Emerging Risks / Watch List' so the Manager Governance can share the information, including any information from the Emergency Management Steering Committee. **Responsibility:** 1. Manager Governance **Target Dates:** 1. 30 June 2024

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Appendix 1 - Scope and Approach

Scope

The scope of this internal audit considered the CoA's processes, practices and systems in relation to Emergency Management, with a specific focus on the following:

- Framework: Governance and management controls, policies and procedures and identification of roles and responsibilities.
- Risk identification and Business Impact Assessment: Identification and assessment of risks and disruption scenarios, critical business process and functions and key IT systems/services supporting critical functions.
- Plan development: Identification and high-level assessment of recovery strategies included in the Emergency Management Plan, plan maintenance procedures and version control.
- Recovery plans: Recovery objectives, strategies and dependencies, procedures for activation, prioritisation, backup and restore procedures, community recovery strategies, resourcing of emergency response team, agreements with third party suppliers and alignment to the Emergency Management Plan.
- Exercising: Exercise and test strategies for Emergency Management, including the development of exercise plans, execution to validate plans and recovery capabilities and reporting of exercise and test results.
- Continuous improvement: Review and improvement cycle for Emergency Management and business continuity and staff awareness and training.

Scope exclusions:

Detailed assessment of emergency response plans for appropriateness (we considered processes in place in relation to their development and maintenance), and detailed assessment of, or consultation with, third party stakeholders (i.e. adjacent Councils or Emergency Services).

Approach

This engagement was performed using the following approach:

- Reviewed key documentation to gain an understanding of Emergency Management processes, controls, applicable policies and reporting and accountability arrangements.
- Conducted a total of six interviews with key stakeholders to gain a high-level understand of the CoA's Emergency Management practices, including response strategy, emergency sites, supporting processes and technologies.
- Undertook a walkthrough of relevant processes, systems and controls to consider the extent to which current practices adequately support the resumption of business operations and disaster recovery.
- Discussed findings with CoA Management.
- Drafting and finalisation of an internal audit report outlining internal audit findings, recommendations and any performance improvement opportunities.
- Presentation of the report to the CoA Audit Committee.

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Appendix 2 - Stakeholders Consulted

The table below outlines all personnel who were involved in discussions and contributed to the observations in this report.

Department	Role
Annette Pianezzola	Risk and Audit Analyst
Jason Barnden	Coordinator, Security and Emergency Management
Janet Crook	Team Leader, Corporate Governance & Legal
Steve Zaluski	Associate Director, Regulatory Services and Council Commander
Sonjoy Ghosh	Manager, Information Management and Council Commander
Noni Williams	Associate Director, City Operations and Council Commander
Jennifer Kalionis	Associate Director, City Culture

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Appendix 3 - Classification of Findings

The following framework for internal audit ratings is based on the City of Adelaide's risk assessment matrix.

Rating	Definition	Examples of business impact	Action(s) required
Extreme/Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	• Detrimental impact on operations or functions. • Sustained, serious loss in reputation. • Going concern of the business becomes an issue. • Decrease in the public's confidence in the CoA. • Serious decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty. • Life threatening.	• Requires immediate notification to the CoA Audit Committee via the Presiding Member. • Requires immediate notification to CoA's Chief Executive Officer. • Requires immediate action planning/remediation actions.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	• Major impact on operations or functions. • Serious diminution in reputation. • Probable decrease in the public's confidence in the CoA. • Major decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. • Extensive injuries.	• Requires immediate CoA Director notification. • Requires prompt management action planning/remediation actions.

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Appendix 3 - Classification of Findings

The following framework for internal audit ratings is based on the City of Adelaide's risk assessment matrix.

Rating	Definition	Examples of business impact	Action(s) required
Moderate	Issue represents a control weakness, which could have or is having a moderate adverse effect on the ability to achieve process objectives.	• Moderate impact on operations or functions. • Reputation will be affected in the short-term. • Possible decrease in the public's confidence in the CoA. • Moderate decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. • Medical treatment required.	• Requires CoA Director and/or Associate Director attention. • Requires short-term management action.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	• Minor impact on internal business only. • Minor potential impact on reputation. • Should not decrease the public's confidence in the Council. • Minimal decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. • First aid treatment.	• Timeframe for action is subject to competing priorities and cost/benefit (i.e. 90 days).

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Appendix 4 - Disclaimer

Inherent Limitations

This report has been prepared as outlined in the Scope Section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirely and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures are on sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by City of Adelaide management and personnel consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

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Post Audit Implementation Internal Audit

Wednesday, 15 May 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Kathryn Goldy, Acting Manager Governance

Public

Approving Officer:
Michael Sedgman, Acting Chief Executive Officer

EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focusing on findings from previous audits was performed. Overall, thirty-three audit actions were assessed (fourteen of these were KPMG audits and nineteen were CoA internal audits).

The internal audit identified four high and two moderate risk-rated findings.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.
2. Endorses the responses of the Administration to the Post Audit Implementation Internal Audit Report as outlined in Attachment A to Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Internal audit is an essential component of a good governance framework. It enables the Council to ensure it performs its function legally, effectively and efficiently.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Internal audit is an essential component of a good governance framework. It is the mechanism that enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, and effectively, and to advise how it can improve performance.
Opportunities	Internal audit suggests a range of improvement opportunities related to the are being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The Post Audit Implementation Internal Audit was performed by City of Adelaide's (CoA) Risk and Audit Analyst, in accordance with the 2023-24 Internal Audit Plan. The report, along with management comments can be found in **Attachment A**.

2. The Post Audit Implementation review for 2024 focused on previous audit findings and how effectively actions and controls have been managed and implemented.

Report

3. This audit aligns with CoA's Strategic Risk – Compliance: Non-compliance of Council policies and legislative requirements.

4. The review identified any gaps and / or delays in the implementation of associated actions, for all audits completed in the 2020-21 and 2021-22 financial years with a focus on those findings rated high (thirteen) and moderate (twenty).

5. A desktop review of each finding was conducted, with twenty-seven of the actions deemed to be satisfactorily completed and implemented. Six actions have been determined as incomplete.

6. The findings of the internal audit are indexed into the following risk ratings:

Report Title	Finding	Risk Rating
Project Management	Rigour in undertaking cost estimates prior to agreeing on funding and undertaking initial planning	High
Project Management	Amendments to governance structures to increase alignment with risk and complexity of projects	High
Software Asset Management	Lack of adequate oversight in contract monitoring	Moderate
Management of Leave Entitlements	Timesheets not completed or approved	High
Fleet Management and Fuel Cards	No formal induction provided to designated drivers or cardholders	High
Fleet Management and Fuel Cards	No formal safety checklist available for designated drivers	Moderate

7. Management has considered the findings and provided actions and time frames to address these findings, as detailed in **Attachment A**.

ATTACHMENTS

Attachment A – Post Audit Implementation Internal Audit

- END OF REPORT -

INTERNAL AUDIT REPORT:
POST AUDIT IMPLEMENTATION REVIEW

Prepared by: Annette Pianezzola, Risk & Audit Analyst

February 2024

CITY OF ADELAIDE


CITY OF
ADELAIDE

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Distribution			
For action:		For information and approval:	
Kathryn Goldy	Acting Manager Governance	City of Adelaide	Strategic Risk and Internal Audit Group
Mark Goudge	Associate Director Infrastructure	City of Adelaide	Audit & Risk Committee
Nicole Van Berkel	Acting Manager Finance & Procurement	Michael Sedgman	Acting Chief Executive Officer
Louise Williams	Manager People		
Noni Williams	Associate Director City Operations		

1. EXECUTIVE SUMMARY

In accordance with the 2023/24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focussing on findings from previous audits was performed. The objective, scope, approach and findings are outlined below.

2. OBJECTIVES

The Post Audit Implementation Review for 2024 focused on the findings of previous audits and how effectively actions/controls have been managed and implemented. This review is included in the 2023/24 Internal Audit Plan to provide a level of comfort to the City of Adelaide Executive Team, the Executive Strategic Risk & Internal Audit Group (SRIA) and the CoA Audit & Risk Committee. The review also identified any gaps and/or delays in the implementation of associated actions. All audits completed in 2020/21 and 2021/22 financial years were included in this review with a focus on those findings rated high and moderate.

3. METHODOLOGY

From December 2023 to February 2024, discussions were held with the relevant stakeholders (ie. managers/team leaders) to discuss the findings and relevant actions (ie. management comments) from the audits completed on their areas in 2020/21 and 2021/22. Thirty-three (33) actions were reviewed independently by Annette Pianezzola, Risk and Audit Analyst. Action owners were asked to provide evidence, and examples of how the actions have been implemented.

A desktop review of each finding was conducted, with twenty-seven (27) of the actions deemed to be satisfactorily completed and implemented. Six (6) actions have been determined as incomplete and have now been registered in the Promapp software system for monitoring and review. These findings are listed below:

The following audits were reviewed	Provider	Year	Total	High	Moderate	Assessed incomplete
Project Management	KPMG	2020/21	8	2	6	2 (High)
Employee Gifts & Benefits	CoA	2020/21	2	-	2	
Training & Development	CoA	2020/21	4	1	3	
Software Asset Management	KPMG	2020/21	2	-	2	1 (Moderate)
Management of Leave Entitlements	CoA	2020/21	2	1	1	1 (High)
North Adelaide Golf Course Financial Processes	CoA	2021/22	2	-	2	
Planning, Development & Infrastructure Act 2016	KPMG	2021/22	2	1	1	
Fleet Management & Fuel Cards	CoA	2021/22	9	6	3	1 (High) 1 (Moderate)

Payroll Operations	KPMG	2021/22	2	2	-	
Total			**33**	**13**	**20**	**6**

4. CONSULTATION

The following CoA stakeholders were involved in meetings throughout this audit:

- Michelle Arbon, Acting Manager Strategy, Insights & Performance
- Geoffrey Jose, Team Leader Spatial Systems
- Caitlin Evans, Manager Infrastructure Planning
- Geoff Regester, Manager Infrastructure Delivery
- Sia Orman, Corporate Governance Advisor
- Davin Jaehne, Talent Acquisition Advisor
- Daniel Clisby, Centre Manager Aquatic Centre
- Jason Barnden, Coordinator Security & Emergency Management
- Kirsty Omenzetter, Business Partner Safety Compliance & Systems
- Michelle Donaldson, Coordinator Culture & Leadership
- David Carroll, Technology, Infrastructure & Platforms Lead
- Bec Aitken, Team Leader People Services
- Ali Anderson, Lead Payroll Services
- Craig Dykstra, Team Leader Service Desk
- Dominic Fitzsimons, Team Leader Golf Course
- Seb Grose, Manager City Development
- Aleta Gunn, Fleet Coordinator
- Jerome Munchenberg, Consultant Solution Architect
- Simon Cope, Team Leader Procurement & Contract Management

5. SUMMARY OF FINDINGS ASSESSED AS INCOMPLETE

The risk rating assigned has been re-assessed in context of the actions already completed and the actions outstanding.

Ref #1 Project Management Review	**Rating: High**
The objective of the internal audit was to focus on the governance, risks and controls in relation to the management of the CoA's projects for a sample of CoA projects, including the Gawler Place Upgrade and City Bikeways projects.	
Internal Audit Year: 2020 - 2021	**Program:** Infrastructure
Original description of finding and management comments	**Review Findings and Agreed Actions**
Finding: *Rigour in undertaking cost estimates prior to agreeing on funding and undertaking initial planning.* ***Management Comments:*** *1. Under the ICDC Framework, authority to proceed during the commit phase requires concept designs of 30%. If costs estimates change at key points then options are presented to the CTG and PCG for a decision request on how to proceed. This could be to reduce scope, increase budget, revise timelines/staging or cancel the project. With referrals onto ELT or Council as required dependant on project type and delegation.* *2. Commenced: A Risk Based Governance approach has been adopted. This will form part of the revisions currently being made to add complexity and risk ratings to projects. These will inform the level of governance provided to the projects as part of the initiate phase and will be continually reviewed an updated as projects progress.* *3. Consideration will be given to whether budget can be allocated to engage an external cost consultant to build a cost estimating framework suitable to CoA projects. This Framework will reference the specific complexities of projects in the City of Adelaide. A proposal will be developed to scope out potential deliverables.*	**Review finding:** 1. The Project Management Framework (ICDC), describes the processes and the roles and responsibilities during the lifecycle of a project. The framework starts from its early planning, through to its delivery/implementation and then closure. It provides a consistent approach to managing projects in order to ensure CoA deliver on its strategic outcomes. There are five stages in the framework: Initiate, Commit/Concept, Design/Detail Planning, Deliver, and Close. Within each stage of the framework, there are number of critical steps that must be followed and it is identified at the Commit/Concept stage 'design to 30%'. In addition, the Project Governance Terms of Reference (ToR) was developed to support CoA staff involved with projects. The ToR outlines the roles of the Project Management Office (PMO), the governance structure, Change Triage Group (CTG) and Program Control Group (PCG) amongst other things. CTG's role is to review all changes and decisions that are submitted via the change request process, providing an internal controls function to measure compliance with the governance processes within the project management practice. CTG also reviews any information for completeness before it is issued to the PCG, including updates from Steering Committees and Major Projects. One of the

4. The above consultant will assist in building a library of rates and assist in upskilling of identified CoA staff. *5. The CoA will review the suitability and function of the Design Manual, with a view to simplify and cost items within the manual. The Manager Design and Technical Services will develop a proposal with estimated time inputs for consideration.* <u>Summary</u> In summary the actions that have not been completed are: • Address the gap in capabilities relating to costs estimations, the upskilling of internal staff or developing a panel of cost estimators. • Updating the Design Manual to factor in cost estimations of projects.	core functions of CTG is to discuss and consider the impacts to cost/budgets. PCG have carriage of projects in the adopted Annual Business Plan and Budget. PCG is provided with the relevant information to enable members to provide advice and give direction on the projects outlined in the CoA Long Term Financial Plan. A role of PCG is make decisions on change requests that impact costs, schedule or scope with the strategic program and budget or over the threshold of CTG for capital program and budget. 2. The Project Management Framework has adopted a project status reporting tool for strategic and capital projects. The relevant projects are created in this tool with all relevant details. Risks, issues and opportunities are identified within the tool and rated. Any risks that are highlighted as high are highlighted and escalated. In addition, projects also undergo a risk workshop to undergo a full risk assessment which is retained in Content Manager and linked back to the project in the status reporting tool. 3. In consultation with the Manager Infrastructure Delivery, it is standard practice for all major / new and upgrade projects to validate pricing using an external cost estimator. Currently CoA is using Rider Levett Bucknall as the preferred external cost advisor on recent works. 4. In consultation with the Manager Infrastructure Planning, Assetic has been updated with the library of rates, however it has not yet upskilled CoA staff. Currently, the program has submitted a business bid for 2024-25 for an internal cost estimator. 5. In consultation with the Manager Technical Services, this action has not been completed as the Design Manual will be reviewed and updated once the Asset Management Plans have been endorsed by Council by June 2024.

	Recommendation: 1. Progress with the submission of an in-house cost estimator to assist with cost estimations on projects. 2. Once the Asset Management Plans have been endorsed by the Council, review and update the Design Manual with a view to simplify and cost items within the manual.
Management action: 1. If business bid submission is approved, recruit for an in-house cost estimator. Target Date: 30 September 2024 2. In consultation with Technical Services team, review and update the Design Manual. This will be greatly aided by the introduction of the cost estimator role and will commence after the endorsement of the Asset Management Plans scheduled for mid-2024. Target Date: 30 June 2025	
Position Responsible:	Associate Director Infrastructure
Target Date:	As above

Ref #2 Project Management Review	Rating: Moderate
The objective of the internal audit was to focus on the governance, risks and controls in relation to the management of the CoA's projects for a sample of CoA projects, including the Gawler Place Upgrade and City Bikeways projects.	
Internal Audit Year: 2020-2021	**Program:** Strategy, Insights & Performance
Original description of finding and management comments	**Review Findings and Agreed Actions**
Finding: *Amendments to governance structures to increase alignment with risk and complexity of projects.* ***Management Comments:*** *1. A zero-tolerance approach was taken to rolling out the ICDC Framework in a one size fits all concept, which was a strategic decision. It was implemented to enable the CoA to change behaviours across multiple teams and embed the new process into BAU. It was identified that there was a need for strict enforcement and repetition to facilitate a cultural shift in attitude to change management and to enable sufficient training to take place.* *The next phase of focused risk-based governance was to be rolled out once there was a comprehensive understanding of variation and change controls were embedded. This change was delayed by COVID delegation changes and is now being implemented.* *A Complexity Matrix has been recently implemented that will be used to categorise projects into different governance process streams. Risk Based Governance (Project Management team and Governance) are currently rewriting the guidelines and Terms of Reference for Infrastructure Governance to align with that concept.* *2. A tailored governance process will be established for grant funded projects. This will include completing initiate documentation and approval workflows before the application is submitted.*	**Review:** 1. The Project Management Framework, describes the processes and the roles and responsibilities during the lifecycle of a project. The framework starts from its early planning, through to its delivery/implementation and then closure. It provides a consistent approach to managing projects in order to ensure CoA deliver on its strategic outcomes. A governance model is the overarching set of tools, processes, guidelines, procedures, policies, templates and systems that are used to support and oversee the management of a project. A complexity matrix has been embedded into the system that supports the strategic and major projects. This matrix assists in the classification of projects when resourcing and balancing the workload of staff between more complex projects and minor projects. 2. In consultation with the Manager Strategy, Insights & Performance, it was noted that a grant funding working group was to commence to assist with any grant funded opportunities for PCG and SLT. The framework of this working group is still in development and is yet to be finalised. 3. Outlined in the Project Governance Terms of Reference (ToR), there are a number of Steering Committees that meet on regular basis. The ToR outlines the roles and responsibilities of each group, complexity of projects they oversee, membership of the committees and purpose of the group. The ToR provides the guidance to support each group / committee.

3. The current Framework enables for a Steering Committee to be formed, this is decided on a project by project basis. The requirement to form a Steering Committee will be reviewed in accordance with the new governance guidelines and Terms of Reference, with processes developed to support this. *4. Commenced: A workflow will be developed to facilitate change request for low risk and renewals projects (which will enable approval outside of CTG/PCG meetings when appropriate). Delegations are being written into the Terms of Reference to be approved by the Associate Director and Director.* <u>Summary</u> In summary the action that has not been completed is: • Ensuring that an approach in the initial phase of project management in which grant funding is requested to prior to Council approval being received and concept designs are developed.	4. All change requests go through Program Control Group (PCG) and Change Triage Group (CTG). The process for a change request is located on the Project Management Office sharepoint site which is available to all Project Managers. This details what is required as part of the change request and the timeframe of reviewing and approving the request. The change request form is located on the sharepoint site and it is workflowed to the relevant areas for review and approval. **Recommendation:** Finalise the framework for the grant funding working group and implement this working group to assist council in identifying opportunities for grant funding to assist strategic and capital projects.

Management action:

The Grants and External Funding function aims to create enduring funding partnerships that support the growth and success of the City of Adelaide (CoA). Grant centralisation provides a consistent, governed approach to managing grants across the City of Adelaide (CoA) to ensure we deliver on our strategic outcomes aligned to the various strategies. A coordinated working group will review and improve the existing Governance Framework and policies to centralise the grant function across CoA.

Position Responsible:	Manager Strategy, Insights & Performance
Target Date:	30 June 2024

Ref #3 Software Asset Management	Rating: Moderate
The objective of this engagement was to consider the effectiveness of the CoA's software asset management processes and controls and identify opportunities for improvement	
Internal Audit Year: 2020-2021	**Program:** Finance & Procurement
Original description of finding and management comments	**Review Findings and Agreed Actions**
Finding: *Lack of adequate oversight in contract monitoring.* ***Management Comments:*** *1. Management agreed to run a risk assessment as per corporate standards to identify any critical projects carrying high risk.* *2. Management agreed to arrange monthly catch ups between Procurement and IM to review contract management activities.* *3. Management agreed that regular check-ins will be formalised with Procurement and will be included in the monthly check-ins.* Summary In summary the action that has not been completed is: • Monthly meetings between Procurement and Information Managements team have not continued.	**Review:** 1. A tiering tool is being used when developing the Procurement Plan to identify the Procurement Tier, which utilises the existing risk assessment criteria to identify top critical contracts carrying high risks. Any high risk contracts will be reported to SRIA, this is a standing agenda item for the Committee. 2. & 3. Monthly meetings were set up between Procurement and Information Management (IM) to discuss software management contracts and this moved to bi-monthly as the meetings became more mature. The discussions not only included software contracts that were managed by IM but also software contracts managed by other programs. Both programs found the meetings to be valuable and beneficial, all information was then uploaded into the Procurement and Contract Management System (PCMS). If any actions were identified in the meetings, these were recorded and actioned appropriately. Through discussions with Information Management, it was identified that the last meeting held was in June 2022. **Recommendation:** Reinstate the regular monthly meetings between Procurement and Information Management as both programs identified that the meetings were beneficial and valuable for information sharing.

Management action: Procurement and IM have agreed to reinstate meetings on a monthly basis from March 2024	
Position Responsible:	Manager Finance & Procurement
Target Date:	Completed

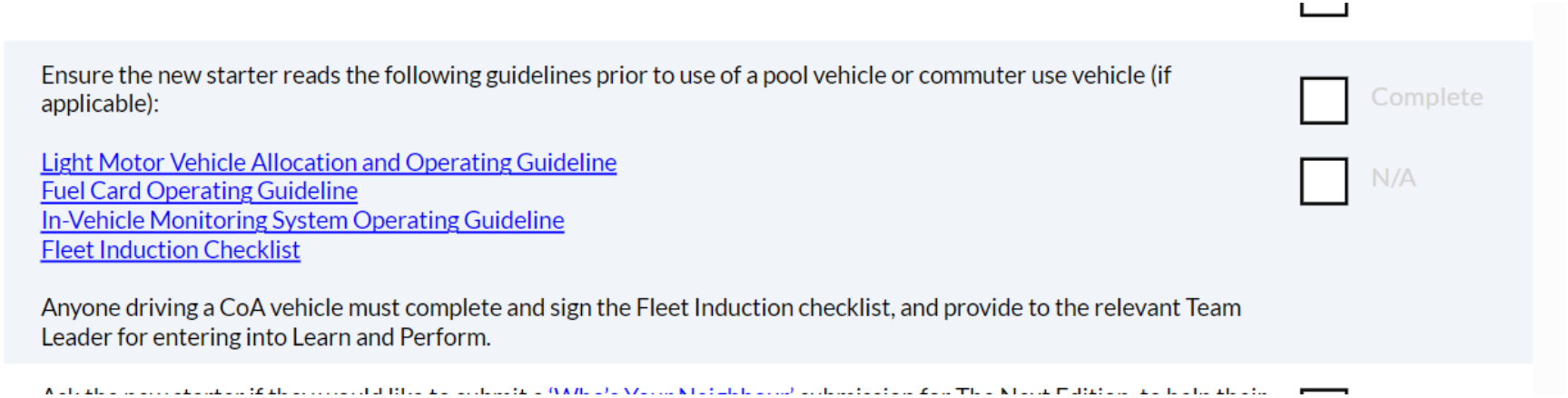
Ref #4 Management of Leave Entitlements	Rating: High
The objective of this audit assessed the current leave entitlements, such as leave records and flexi time records, management leave status and the financial impact on Council.	
Internal Audit Year: 2020-2021	**Program:** People Services
Original description of finding and management comments	**Review Findings and Agreed Actions**
Finding: *Timesheets not completed or approved.* ***Management Comments:*** *1. Determine the ramifications for not completing or approving timesheets.* *2. Determine who will generate and monitor the relevant report on a regular basis and inform the relevant employee/leader of their responsibility. In addition, identify an escalation process if the behaviour continues.* *3. Provide awareness training to all salaried employees regarding the necessity of completing accurate timesheets.* *4. Provide awareness training to all leaders who manage salaried employees regarding the necessity of approving timesheets within the relevant timeframe.* *5. In consultation with Information Management, review and amend the reports to reflect accurate information.* <u>Summary</u> In summary the actions that have not been completed are: • Timesheets are not completed by employees or approved by leaders within the relevant cycles. • Regular reporting to management to inform leaders when timesheets have not been completed.	**Review:** Leave entitlements and leave taken reports are accessible to Executive, Associate Directors, and Managers via the People Metrics Dashboard (introduced in 2023), with People Services Business Partners also continuing to have discussions with leaders regarding the taking of leave and appropriate management of leave balances. Guidance on flexitime processes and procedures is available via the Leader Resources page on the intranet. However, in discussions with various leaders and employees the awareness of the necessity to complete and approve accurate timesheets varies and training is not delivered in a consistent manner. It is noted that some employees were not aware that they had to complete a timesheet, and some leaders were unaware they had to approve timesheets. The current FlexiTime system has significant functionality and reporting limitations, however a review of flexitime was undertaken in May 2023, and any identified concerns regarding the non-completion of timesheets was addressed with individuals at that time. An organisation wide workforce management project is currently underway in which a fully integrated Human Resource Information System (HRIS) will be implemented including a time and attendance solution to be deployed across the whole of City of Adelaide. This system will replace the current FlexiTime system which has significant functionality and reporting limitations . The new time and attendance solution will result in new ways of working for all employees and leaders, and training will be rolled out once the system is implemented; scheduled for Q2 2024/25

• Training staff and leaders of their responsibilities in completing timesheets.	**Recommendation:** 1. Implement the Workforce Management Solution. 2. Ensure online training and awareness is provided to all employees and leaders to ensure they are aware of their responsibilities when completing and approving timesheets.
Management action: 1. Implement the Workforce Management Solution system across CoA. 2. Train employees and leaders in how to use the system, including approving timesheets / flexi time.	
Position Responsible:	Manager People
Target Date:	31 December 2024

Ref #5 Fleet Management & Fuel Cards	Rating: High
The objective of this audit considered CoA's policies and / or operating guideline, processes and practices of fleet management including the management of fuel cards. This review assessed the adequacy of systems and controls with respect to fleet assigned to employees. The review also audited the process for monitoring the use of vehicles and ongoing maintenance checks.	
Internal Audit Year: 2021-2022	**Program:** City Operations
Original description of finding and management comments	**Review Findings and Agreed Actions**
Finding: *No formal induction provided to designated drivers or cardholders* ***Management Comments:*** *1. Create a formal induction process that is documented and provided to the relevant teams when vehicles are assigned to them.* *2. Each time a new designated driver is assigned a fuel card, ensure they complete an Acknowledgement and Acceptance of Conditions of Use of Council Fuel Card.* *3. Provide on an annual basis the current Light Motor Vehicle Allocation & Use Operating Guideline and Fuel Card Operating Guideline to all programs/teams that have vehicles assigned to them. Leaders are to share the information to all relevant team members.* *4. Liaise with People Experience team on how to make the induction/refresher training beneficial and look at hosting it an online module.* Summary In summary the action that has not been completed is: • No formal induction process created to be provided to designated drivers and/or cardholders of their roles and responsibilities with CoA vehicles	**Review:** 1. In discussion with the Fleet Coordinator, there is no formal induction process documented to provide to the relevant teams when vehicles are assigned to them. An online module regarding fleet is included in the City Operations induction, however this is limited to this program only. 2. Each new employee given a fuel card is given an Acknowledgement and Acceptance of Conditions of Use of Council Fuel Card form for them to complete and a copy is retained in the relevant folder in Content Manager. 3. Operating Guidelines are provided to the relevant programs/teams on an annual basis. 4. As part of the City Operations induction training (online), there is a section regarding the use of fleet at CoA. However as the majority of fleet sits within the City Operations program, the online module has only been rolled out to this program and not across the CoA. **Recommendation:** Create a formal induction process, document this and roll this out to all relevant teams that are assigned vehicles. This induction should be provided to all designated drivers and cardholders to ensure that they are informed and aware of their responsibilities.

Management action:

New Starter Checklist notes a Week 1 requirement for new starters to read Fleet-related Operating Guidelines, as well as to sign Fleet Induction Checklist. Light Motor Vehicle Allocation and Operating Guideline is currently under review and awaiting final approval. Fleet Induction Checklist link to be updated with updated form (now called Acknowledgement and acceptance of Conditions of Use of City of Adelaide Council Fleet Vehicles



Position Responsible:	Associate Director City Operations
Target Date:	30 June 2024

Ref #6 Fleet Management & Fuel Cards	Rating: Moderate
The objective of this audit considered CoA's policies and / or operating guideline, processes and practices of fleet management including the management of fuel cards. This review assessed the adequacy of systems and controls with respect to fleet assigned to employees. The review also audited the process for monitoring the use of vehicles and ongoing maintenance checks.	
Internal Audit Year: 2021-2022	**Program:** City Operations
Original description of finding and management comments	**Review Findings and Agreed Actions**
Finding: *No formal safety checklist available for designated drivers* ***Management Comments:*** *1. Create a formal checklist to be provided to the relevant teams or designated drivers. The checklist should entail the relevant requirements (but not limited to) such as:* • *Cleanliness and roadworthy* • *Checking for faults* • *Oil, water and tyres* • *Frequency of the inspections* *All completed checklists should be filed in the Council's records management system.* *2. Inform all relevant teams the requirements of the safety checklists, provide them a template they can use.* <u>Summary</u> In summary the action that has not been completed is: • No formal checklist created to be placed in CoA vehicles so visual inspections can be performed	**Review:** 1. In consultation with the Fleet Coordinator, it has been confirmed that a formal checklist has been created to cover all aspects identified. However, the fleet management office does not have any oversight as to whether the checklists are being completed. 2. During investigations, it was difficult to confirm if relevant teams were informed that a checklist must be completed for each vehicle. **Recommendation:** Confirm with relevant teams, if the checklist is being completed and where the records are being stored. If not completed, provide the relevant teams, the template of the checklist.

Management action:
Rather than be conducted in isolation, Fleet Services to connect with WHS to incorporate Vehicle Safety Inspections as part of biannual Site Inspections.

Position Responsible:	Associate Director City Operations
Target Date:	30 June 2024

APPENDIX 1: RISK MATRIX OF INTERNAL AUDIT FINDINGS

The following framework for the internal audit ratings is consistent with the CoA Risk Management Operating Guidelines and the Risk Management International Standard ISO31000:2018. The descriptions have been tailored to illustrate risk to the business operations.

5.1 CoA Risk Matrix

CoA Risk Matrix		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	Almost Certain	Medium	High	Extreme	Extreme	Extreme
	Likely	Medium	High	High	Extreme	Extreme
	Possible	Low	Medium	High	High	Extreme
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	Medium

8.3 Risk & Finding Descriptions

Rating	Definition	Action	Indicative Timeframe (variations to be agreed by SRIA)
Extreme	The finding represents a control weakness which could have or is having an extreme adverse impact on the business and the ability to meet objectives. • Extreme decline in quality and customer service leading to a decrease in community's confidence in Council • Extreme breakdown in process that leads to illegal activity • Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty	Finding reported to Director immediately and response plan developed with appropriate Associate Director. Implementation updates and status reporting managed through Promapp.	Actions managed in Promapp with a timeframe of no more than 3 months for completion.
High	The finding represents a control weakness which could have or is having a high adverse impact on the business and the ability to meet objectives. • Major decline in quality and customer services leading to a decrease in community's confidence in Council • Serious breakdown in process that may lead to increased and unacceptable risk • Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty	Finding reported to the appropriate Associate Director immediately and response plan developed with appropriate Manager. Managed through Promapp.	Actions managed in Promapp with a timeframe of no more than 6 months for completion.
Medium	The finding represents a control weakness which could have or is having a medium adverse impact on the business and the ability to meet objectives. • Medium decline in quality and customer services leading to a decrease in community's confidence in Council • Medium operational breakdown in process that may lead to increased and unacceptable risk • Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution and/or penalty	Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp.	Actions managed in Promapp with a timeframe of no more than 9 months for completion.
Low	The finding represents a minor control weakness which could have or is having a low/ minimal but reportable adverse impact on the business and the ability to meet process objectives. • Minimal decline in quality and customer services • Minor breakdown in process that is not likely to affect risk • Minor breach of legislation or contractual non-compliance that will not likely result in litigation, prosecution and/or penalty	Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp.	Actions managed in Promapp with a timeframe of no more than 12 months for completion.

Project Health Check Internal Audit

Wednesday, 15 May 2024
Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:
Kathryn Goldy, Acting Manager Governance

Public

Approving Officer:
Michael Sedgman, Acting Chief Executive Officer

EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focusing on a health check of project management activities was performed.

The internal audit identified two moderate risk rated findings and one low risk rated finding, with two process improvement opportunities.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legal, effectively, and to advise how it can improve performance.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 6.8 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.
2. Endorses the responses of the Administration to the Project Health Check Internal Audit Report as outlined in Attachment A to Item 6.8 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, and effectively, and to advise how it can improve performance.
Opportunities	Internal audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The Project Health Check Internal Audit was performed by KPMG, in accordance with the 2023-24 Internal Audit Plan.

Report

2. This audit aligns with City of Adelaide's (CoA) Strategic Risk – Project Delivery: Projects not delivered to quality, time or budget.
3. The Project Health Check Internal Audit focused on the assessment of the CoA's project management mechanisms, governance structure, project team roles and responsibilities and project status reporting processes. The internal audit also analysed the project management methodology and practices for the Paxton's Walk and Vaughan Place Project and Wyatt Street UPark lift project.
4. Capital Projects for the CoA are planned, designed and delivered using a centralised approach overseen by the Project Management Office (PMO). The teams involved in the management of projects include Design, Infrastructure, Asset Management, Project Management and Governance. Projects are often implemented as a means for council to achieve the Annual Business Plan and Budget adopted by Council each year.
5. The objective of the Project Health Check Internal Audit included the following:
    5.1. Governance structures in relation to project management, including the role of the CoA's Project Management Office (PMO), decision making processes, and consideration of relevant monitoring and reporting mechanisms to applicable stakeholders as outlined in the grant requirements.
    5.2. High-level review of project activities associated with the scope, quality and cost management of projects, including procurement, resourcing, scheduling, budgeting, variation management and project decision gateway and approval processes.
    5.3. Budget management and variation management process, including review and approvals of both time and budget.
    5.4. Project and change management considerations including project risk management and issues identification and assessment process.
    5.5. Project Management training provided to relevant staff.
    5.6. Project management roles and responsibilities, including contingency management and accountabilities throughout each phase of the project lifecycle, and how key project information is recorded and communicated where accountabilities change.
    5.7. Processes of project closure and handover of deliverables, including financial closure, post-implementation review and contractor performance review.
6. The findings of the internal audit are indexed into the following risk ratings:

Finding	Risk Rating
Additional rigour is required in the development and management of project budgets	Moderate
Amendments to the PMO Framework to further align with the risk and complexity of projects	Moderate
Further clarity and accountability required to support the uptake of the Project Status Reporting Tool	Low
Opportunity to holistically consider the CoA's capital works at a portfolio level	Improvement Opportunity
Opportunity to provide a standard external stakeholder management template	Improvement Opportunity

7. Administration has considered the findings and provided actions and time frames to address these findings.

ATTACHMENTS

Attachment A – Project Health Check Internal Audit

- END OF REPORT -

KPMG

Project Health Check

Internal Audit Report
City of Adelaide

April 2024



Acknowledgement of Country

KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

Guided by our purpose to 'Inspire Confidence. Empower Change', we are committed to placing truth-telling, self-determination and cultural safety at the centre of our approach. Driven by our commitment to achieving this, KPMG has implemented mandatory cultural awareness training for all staff as well as our Indigenous Peoples Policy. This sincere and sustained commitment has led to our 2021-2025 Reconciliation Action Plan being acknowledged by Reconciliation Australia as 'Elevate' – our third RAP to receive this highest level of recognition. We continually push ourselves to be more courageous in our actions particularly in advocating for the Uluru Statement from the Heart.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.

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Executive Summary

In accordance with the 2023/24 Internal Audit Plan for the City of Adelaide (CoA), an internal audit focussing on a health check of project management activities was performed.

Objective

The overall objectives of the internal audit focused on the assessment of the CoA's project management mechanisms, governance structure, project team roles and responsibilities and project status reporting processes. The internal audit included a deep dive of the project management methodology and practices for Paxton's Walk and Vaughan Place Project and Wyatt Street Lift.

Scope of Services

The scope of this internal audit included consideration over the following areas:

- Governance structures in relation to project management, including the role of the CoA's Project Management Office (PMO), decision making processes, and consideration of relevant monitoring and reporting mechanisms to applicable stakeholders as outlined in the grant requirements.
- High-level review of project activities associated with the scope, quality and cost management, including procurement, resourcing, scheduling, budgeting, variation management and project decision gateway and approval processes.
- Budget management and variation management process, including review and approvals of both time and budget.
- Project and change management considerations including project risk management and issues identification and assessment process.
- Project management training provided to relevant staff.
- Project management roles, responsibilities, including contingency management and accountabilities throughout each phase of the project lifecycle, including how key project information is recorded and communicated where accountabilities change.
- Processes of project closure and handover of deliverables, including financial closure, post-implementation review and contractor performance review.

A detailed list of the scope and approach is included in Appendix 2.

Positive Observations

Overall, it was noted that several changes and initiatives have been implemented to improve the delivery of major projects by the CoA within the last twelve months.

Several positive observation were noted from the CoA's continuous and conscious efforts for project management improvement, which are outlined below:

All stakeholders consulted demonstrated that they were **highly knowledgeable** of their respective roles and the broader end-to-end project management process.

Continuous improvements observed in uplifting system design and useability which resulted in improving transparency, monitoring and reporting capabilities:

- Executive Dashboard which summaries information and streamlines reporting.
- Reporting is linked to source data from various systems used across the CoA, such as Technology One, MS Project Scheduling, etc.
- Exceptions reporting is clear and is easy for Team Leaders to determine which projects require follow-up by Managers.
- Data is captured to understand Project Manager and Design team capacity based on number and complexity of projects, to assist in understanding resourcing availability for new projects.
- **Onsite construction supervisors** assist in maintaining oversite of the **quality** of construction and in **managing relationships** with sub-contractors.

The **PMO** has been implementing continuous improvement initiatives across the project management processes and provides a central coordination for the management of projects across the COA. In addition, the **PMO Intranet page** contains key information on each stage of the project lifecycle, which is easy to access for Project Managers, and clearly outlines **roles and responsibilities**, and how to **engage with other areas of the Council**, such as risk and community engagement.

Summary of Findings

The number of findings identified during the course of this internal audit are shown in the table below with detail of the findings in this report. Classification of internal audit findings are detailed in Appendix 4. These findings and recommendations were discussed with CoA Management. Management has accepted the findings and has agreed action plans to address the recommendations.

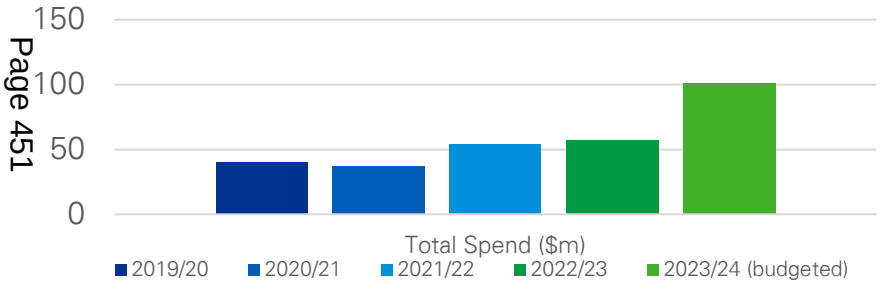
Critical	High	Moderate	Low	PIO
-	-	2	1	2

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Background

Capital Projects for the CoA are planned, designed and delivered using a centralised approach overseen by the Project Management Office (PMO). The teams involved in the management of projects includes Design, Infrastructure, Asset Management, Project Management and Governance. Projects are often implemented as a means for the CoA to achieve the Annual Business Plan & Budget (ABP&B) adopted by Council each year.

The value of projects delivered over the last five (5) financial years and the spend budgeted (excluding overheads) for FY24 has been provided below. Overall, the total value of projects to be delivered by the CoA has increased from the prior year by 75.4%. Although the scope of this review has focused on the delivery of two specific projects, it is recognised that the increase in capital program delivery size has presented other significant challenges to the CoA, including human and financial resource capacity to deliver (refer PIO1).



Governance and reporting

The CoA Change Triage Group (CTG) (weekly) and the Project Control Group (PCG) (fortnightly) meet regularly to discuss any proposed changes in accordance with their delegation. Changes considered include schedule, budget, scope, contingencies, new projects (where prior approval has not been received as part of the Integrated Business Plan) and stage gate approvals outlined in the initiate, commit, deliver, close (ICDC) project approach.

A core function of the CTG is to provide oversight over the program of work and risk and issue management. For items within their delegations the CTG will consider and approve changes where appropriate. For change management activities above their delegation a recommendation will be provided to the PCG. The PCG focus includes change requests over $100k, changes to baseline schedules, project cancellations and items which may be politically sensitive.

Project Delivery Approach

The key five-stage, high-level processes undertaken across all project programs at the CoA in accordance with the PMO are summarised below:

Initiate: The opening phase allows for a project's strategic alignment, objectives, budget, resourcing and opportunities/risks to be identified and outlined and clarified by applicable members including project managers, asset planners and other relevant project stakeholders. Within clarification, projects can be reviewed and approved by the Executive Team.

Commit/Concept: The development of a Project Management Plan (PMP) through meetings which includes project scheduling, budget forecast and completion of Safety and Risk analysis.

Design/Detail Planning: Similarly, to the Commit/Concept phase, this phase looks at planning but on a more detailed level. Project team members come together and inspect the relevant requirements, tasks, timelines and actions needed to be actioned for the project. This formulates a process and action plan that can be executed.

Deliver: The phase in which project work is performed. After extensive planning, the timeline is executed and followed which relevant work being completed as required.

Close: The final phase, project closure occurs with the project manager verifying that all relevant parties such as the client, stakeholders or customers have approved the work performed.

Project Status Reporting Tool

The Project Status Reporting Tool is the system used by the PMO and Project Managers to manage projects and provide data for reporting to those in governance. As a result, the CoA has the ability to capture key data points across projects to assist in decision making and planning. The data captured is collated by the system into Management Dashboards, including the Capital Works Status Update and Management Dashboard, Expenditure Dashboard, Design Dashboard and Detailed Project List, etc.

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Background

Paxton's Walk & Vaughan Place

The Paxton's Walk Revitalisation project had the goal to bring new life into the East End pedestrian link by making the walkway a more 'vibrant, welcoming, green and accessible place'. The location has been a focal point of Adelaide growth and usage with Lot Fourteen, The Botanic Gardens, the University of Adelaide and East End all being within walking distance. In addition, works on Vaughan Place allowed for improved drainage away from footpaths.

Budget

It was advised that the initial budget was based on a proposed allocation of funding based on similar scale projects, that was value engineered by the Project Team, through the design development phase. On 10 June 2021, a grant of $2.2m was awarded to the CoA via the "Open Space and Places for People" Grant, which required a $500,000 contribution from the Council.

In the acquittal report dated 19 September 2023, it was outlined that the total available funding for the project was $2,738,134, compared to the actual spend of $2,449,255. A difference of $288,879.

Timeline

An outlined timeline is shown below:

- Design and land ownership transfer completed by end of September 2021.
- Tendering and council approval passed in February 2022.
- Project Commence date planned for April 2022.
- Construction official begun in August 2022.
- The project was completed by March 2023.

Construction and implementation was set to take 21 weeks. However, due to design complexities and subcontractor delays, the project reach completion in March rather than January 2023.

Wyatt Street Lift

The Wyatt Street Lift renewal project was a complete replacement of three (3) multi-floor lifts found within the Wyatt Street UPark. The project was to increase the serviceability and accessibility for the UPark attendees along with making the upper levels of the car park more accessible.

Budget

Initially the budget for the Wyatt Street project was approved at approximately $1.2m. However, following a competitive tender process, submissions were received below $720k (including contingency), including that of the successful contractor awarded the project. Subsequently, a Change Request was submitted reducing the approved budget by $480k, to be reallocated to other projects.

It was advised that the initial budget was based on an annual lift inspection report from lift specialist, Elevator Direction, which included a capital expenditure plan with forecast cost estimates and a prioritised schedule over a 5 year period.

Timeline

Due to the potential for greater business disruption for the UPark Carpark, the Wyatt Street Lift was an accelerated priority in an attempt for a timelier completion. In addition, only one lift was operated on at a time to allow for access to the UPark, to be sustainable throughout the process. A timeline outlining key events in relation to the lift renewal are outlined below:

- The tender for the lift renewal was published on 22 September 2021.
- The tender was closed on 12 October 2021.
- Planned work schedule for Lift 1: August 2022 to October 2022
- Planned work schedule for Lift 2: October 2022 to February 2023
- Planned work schedule for Lift 3: February 2023 to May 2023

Challenges arose that caused extended delays such as stolen building equipment, an unforeseeable workers strike along notable defects found by contractors adding additional required work. With these delays, the final "Safe to Operate" certificate was issued on the 8 September 2023.

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Internal Audit Findings

Internal Audit identified two (2) moderate risk-rated findings, one (1) low risk-rated finding and two (2) performance improvement opportunities (PIO). The details of the findings are provided in the 'Detailed Findings' section of this report. These findings have been individually rated as follows:



Rating	Ref #	Description
Moderate	**F1**	Additional rigour is required in the development and management of project budgets
Moderate	**F2**	Amendments to the PMO Framework to further align with the risk and complexity of projects
Low	**F3**	Further clarity and accountability required to support the uptake of the Project Status Reporting Tool
PIO	**PIO1**	Opportunity to holistically consider the CoA's capital works at a portfolio level
PIO	**PIO2**	Opportunity to provide a standard external stakeholder management template

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Finding 1 – Additional rigour is required in the development and management of project budgets

Moderate

Finding(s):

Additional rigour is required in the development and management of project budgets. A similar finding was previously raised in the Project Management Review completed by KPMG in December 2020.

Details on the budgets for the two sampled projects are outlined on Page 6.

From Internal Audit's review of documentation and stakeholder discussions, the following issues were observed:

A) Development and review of project budgets

At a portfolio level, an annual budget is developed for Major Projects, New/Upgrade and Renewals. It is understood the development of these budgets is based on an initial estimate that is then inherited by the Project Managers.

At a project level, per the PMO Framework the following budgeting key stages include:

- Initiate Phase: The Project Brief and Budget is approved.
- Commit/Concept Phase: Design completed to 30%.
- Design/Detail Planning Phase: Design completed to 100%.
- Budgets & scheduling to be reviewed at each stage gate (Initiate, Commit/Concept, Design/Detail Planning, Deliver and Close).

It is important that budgets are formally reviewed at each stage gate as the definition/design of a project becomes more certain, to assist in forming more accurate budgets.

It appears that prior to issuing the Tender, a review of the budget was not conducted for the Wyatt Street Lift Project:

- The approved budget from the Project Brief was $1.2m. It was advised that the initial budget was based on an annual lift inspection report from lift specialist, Elevator Direction, which included a capital expenditure plan with forecast cost estimates and a prioritised schedule over a 5 year period. This was evident from the Replacement Value for the Lift as of 1 July 2020 at $1.275m.
- Following a competitive tender process, submissions were received below $720k (including contingency), including that of the successful contractor awarded the project.
- Subsequently, a Change Request was submitted reducing the approved budget by $480k, to be reallocated to other projects.

(Continued on the following page)

Recommendation(s):

It is recommended the CoA:

A) Development and review of project budget

Conduct a review to understand the source of budget variances.

1. Update the PMO guidance to provide clarity on the level of confidence in budget estimates at different project stage gates. This could be achieved by expressing the budget amount as a wide range (+/-40%) at an early stage of development where certainty is low and narrowing this range as the project is developed (+/-10%) as the level of certainty increases.
2. Educate relevant staff on any updates to the PMO framework / guidance.
3. Gather data on the variance of budgets through stage gates, to assist in determining the source of budget variations as the Council's PMO function matures.

(Continued on the following page)

Agreed Management actions:

A. Development and review of project budget

1. A review will be completed by the PMO, and findings will be reported to the "Budget & Contingency Working Group" for discussion and action.
2. The Training and Education of Project Managers & Asset Planners is a continual process however the process and tools are already in place. The PMO onboards all new staff with one on one training. All enhancements to the PSRT tool and reports are communicated to Staff via monthly IDT meetings and "PMO News" a new communications recently implemented.
3. In preparation of the FY25-26 budget, the Asset Planning Team will review unit rates and the costs to deliver projects in 23-24 to improve the estimation of budgets for 25-26. Contingency will also be applied to budgets based on either risk/complexity of projects. A guideline for project contingency (developed, budgeted for and managed over the duration of the project including the release of contingency) is currently being developed by the Budget & Contingency Working Group. At the completion of the 24-25 program delivery the PMO will provide findings from the PSRT on project budgets accuracy. As part of this review, data will be gathered on the variance of budgets through the different stage gates, to assist in determining the source of budget variations.

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Finding 1 – Additional rigour is required in the development and management of project budgets

Moderate

Finding(s):

(Continued from the previous page)

Project budget certainty is directly tied to design/definition development. This means that budgets set during the 'Initial Phase' should be assumed to have a substantial degree of inaccuracy (e.g. +/- 50%). Further development of design will reduce this inaccuracy but will elongate delivery timeframes. This trade-off should be navigated with guidance that aligns to the Council's tolerance for uncertainty. The PMO governance should outline an expected level of design (expressed as a %) and corresponding certainty of costs (expressed as range of +/- variance. Ongoing monitoring of budget variance should be used to further inform this guidance.

B) Contingency management

There is an opportunity for improvement in the CoA's management of contingency budgets. Currently, contingency is managed within each project, and is generally built up on a 10% flat rate. The following was observed in relation to contingency budgets:

- Contingency budgets are utilised at the Project Mangers discretion for individual projects, and there is no transparency in current financial reporting on the component of total project budgets that are contingency.
- It has also been advised that contingency is given to all projects regardless of size/risk type, which can result in unutilised funds sitting within smaller projects. Better practice would see a "contingency pool" of funds available for small/low risk projects.

As a result, there is a lack of transparency in the management of individual project budget as to whether project underruns are the result of unused contingency. In addition, the amount of project contingency used across projects is unclear.

C) Project financial reporting

It is recognised that transparency of the ongoing financial position and budgets for projects has been improving with the recent improvements made to the Project Status Reporting Tool (PSRT). However, the usefulness of the data in the PSRT is limited by the quality of the data inputs, see Finding 3.

(Continued on the following page)

Recommendation(s):

(Continued from the previous page)

B) Contingency Management

1. Define the purpose of contingency.
2. For small/low risk projects, implement a "contingency pool" of funds.
3. For more complex projects, contingency to be stated separately within the total budget of each project.
4. Consideration should be given to how this will be captured in the PSRT.

See Finding 2, for recommendations on the 'Complexity Rating' of projects.

C) Project financial reporting

1. See Finding 2 for recommendations on further guidance on the use of PSRT by staff.

Agreed Management actions:

(Continued from the previous page)

Responsibility:

1. Associate Director Infrastructure
2. Associate Director Infrastructure and Manager Finance & Procurement
3. Associate Director Infrastructure and Manager Finance & Procurement
4. Associate Director Infrastructure and Manager Finance & Procurement

Target Dates:

1. 30 September 2024
2. 31 December 2025
3. 31 December 2025
4. 30 September 2024

B. Contingency Management

1. Contingency will be applied to budgets based on either risk/complexity of projects. A guideline for project contingency (developed, budgeted for and managed over the duration of the project including the release of contingency) is currently being developed by the Budget & Contingency Working Group. This will be rolled out to PM's for new stages or projects & new projects in the 24-25 program.
2. The Finance team has implemented a Contingency Task in the Finance system to enable new projects in 24/25 to identify and manage the contingency budget as a task line within the overall project budget.
3. *Refer the above Management action 2.*
4. 24/25 Finance and PMO will be displaying contingency on projects separate to budgets in Finance system, PSRT and Dashboards.

(Continued on the following page)

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Finding 1 – Additional rigour is required in the development and management of project budgets

Moderate

Finding(s):

(Continued from the previous page)

Risk(s):

A lack of rigour in the development and ongoing management of project budgets, increases the risk of the following:

- Where there is a regular occurrence of significant cost underruns, or unutilised contingency funds, there is a risk of missed opportunities to fund other capital projects aligned to the Council's strategic initiatives.
- Cost overruns may have a negative financial impact and reputational impact on the CoA. In addition, there may be significant time and effort incurred associated with managing the cost and agreeing on additional funding.
- A lack of transparency in financial reporting may result in gaps of decision useful information for those in leadership.

Recommendation(s):

Agreed Management actions:

(Continued from the previous page)

Responsibility:

1. Associate Director Infrastructure
2. Manager Finance & Procurement
3. Manager Finance & Procurement
4. Manager Strategy, Insights & Performance

Target Dates:

1. 30 September 2024
2. Completed
3. Completed
4. 30 September 2024

C) Project financial management

1. Contingency will be applied to budgets based on either risk/complexity of projects. A guideline for project contingency (developed, budgeted for and managed over the duration of the project including the release of contingency) is currently being developed by the Budget & Contingency Working Group. This will be rolled out to PM's for new stages or projects & new projects in the 24-25 program. (Refer further detail Finding 2, Management Response 1a).

Responsibility:

1. Associate Director Infrastructure

Target Date:

1. 30 September 2024

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Finding 2 – Amendments to the PMO Framework to further align with the risk and complexity of projects

Moderate

Finding(s):

The PMO Framework provides clear guidance on how all projects should be managed through the initiative to close phases. However, this utilises a 'one size fits all approach'.

A similar finding was previously raised in the Project Management Review completed by KPMG in December 2020.

As outlined on page 4, guidance for Project Managers is provided by:

- Information available on the PMO Intranet Page
- PMO Introduction document
- PMO Guidelines document.

Through stakeholder consultation and review of documentation, the following issues were observed:

- In response to the recommendations from the December 2020 Report, a Complexity Matrix had been implemented to categorise projects into different governance process streams. However, whilst it is acknowledged that as part of the development of the Project Brief, a 'Complexity Rating' is determined, the PMO Framework does not provide guidance on how to utilise this rating. The 'Complexity Rating' is based on asset complexity, external stakeholder engagement, contract value, project type, and timeline.
- The level of depth required for key processes is not prescribed by the PMO Framework. This was specifically evident for:
  - Risk management: when to escalate risks to Program Control Group (PCG), Asset Renewals Governance is not prescribed and is reliant on Project Manager discretion.
  - Quality management: there is lack of clarity on the requirements to engage external consultants (i.e., design, cost estimation and project management) based on the level of complexity, risk and value of projects.
  - Governance Structures: When a Steering Committee for a project is required but is not prescribed in the PMO Framework. It is noted that the Paxton St project did not have a Steering Committee and had a complexity rating of 'High'.
  - Lessons learned: Lessons learned were completed for one (1) of two (2) projects sampled.

(Continued on the following page)

Recommendation(s):

It is recommended the CoA:

1. Update the PMO Framework and provide guidance for project complexity, aligned to the 'Complexity Rating' undertaken as part of the Project Brief. For example, define:
   a. Level of details required to be input into the PSRT.
   b. Guidance on level of engagement across the CoA, including risk, sustainability, stakeholder engagement, etc.
   c. The requirement for a Steering Committee which may be required for "Major" projects. A set of criteria may be established outlining when a Steering Committee is required (e.g. political in nature, high public interest, etc.). Reporting requirements and timeframes should also be defined, this may include the development of a report template, including design, safety, budget, schedule, customer (e.g. public) and risks.

   Further consideration should be given to whether the current project 'Complexity Rating' Framework is appropriate for the Council. Additional information on better practice 'Complexity Rating' framework has been provided to the PMO separate from this report.
2. Subsequent stage gate approvals may be used as a forum for reconsidering classification where appropriate.

(Continued on the following page)

Agreed Management actions:

1. The PMO framework / guideline will be updated to provide more guidance for project complexity to assist Project Managers as part of the Project Brief. The updated guidelines will include:
   a. Level of details required to be put into the PSRT (at a minimum).
   b. Level of engagement expected such as risk, sustainability, stakeholder,r etc.
   c. Requirements for a Steering Committee for 'major projects' - including a set of criteria established outlining when this Committee is required.
   d. Reporting requirements and timeframes, including design, safety, budget, schedule, customer and risks.
2. Higher level gates already exist through the project lifecycle and PMO reporting process. These include Initiate / Commit / Design / Procurement / Construct / Completion phases. Other specific Gates within major projects are identified through the schedule. The formation of steering committees is currently ad hoc and on an 'as needs basis', generally for higher risk complex works. Moving forward the framework will provide guidance on Steering Committee ToRs, including when these are needed, participation, agenda and reporting, etc.

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Finding 2 – Amendments to the PMO Framework to further align with the risk and complexity of projects

Moderate

Finding(s):

(Continued from the previous page)

- As discussed in Finding 3, there is a lack of clarity of the requirements and depth of detail required to be entered into the Project Status Reporting Tool (PSRT) for higher complexity, risk and value projects, compared to low risk and value projects.

It was observed for the projects sampled that Project Managers are already 'scaling' the level and depth of key project management processes. However, this is informally applied at the Project Managers' discretion.

Risk(s):

In the absence of a scalable approach to project management, there is a risk that:

- Insufficient rigor in undertaken in managing higher complexity projects, and allocations of resources is applied to large complex.
- Projects of low risk and complexity are over scoped and resourced, or have requirements to complete tasks which do not provide value to the Council, resulting in inefficiencies.

In addition, where the complexity and risk related to projects is not effectively considered in the initial planning stages of a project, there is a risk that projects are under scoped or resourced. This may include lack of consideration for time and resourcing required to manage complex projects, or time required to undertake stakeholder management, a current focus are of the CoA.

Recommendation(s):

(Continued from the previous page)

3. Once updated, the 'scalable' PMO Framework should be formally implemented through communications to the Project Managers and training.

An example of Project Profiling has been included in Appendix 1.

Agreed Management actions:

(Continued from the previous page)

3. The PMO team remains active in communicating changes to the PM group, TLs and Managers. Guidance will be forthcoming about future changes and improvements to the process. This will be driven by the PMO team and supported through documentation accessible to PMs.

Responsibility:

1. Associate Director Infrastructure
2. Associate Director Infrastructure
3. Manager Strategy, Insights & Performance

Target Date:

1. 30 June 2025
2. 30 September 2024
3. 30 September 2024

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Finding 3 – Further clarity and accountability required to support the uptake of the Project Status Reporting Tool

Low

Finding(s):

The CoA has recently implemented the Project Status Reporting Tool (PSRT). Whilst the PSRT has resulted in oversight and transparency improvements to the management of projects at the CoA, the effectiveness of the PSRT is limited by the quality of the data entered by Project Managers. Further clarity on the requirements to use the system and top-down driven accountability is required, to support the consistent use of the PSRT across the CoA.

The PSRT is the system utilised by the PMO, Project Managers and those in governance to manage and oversee the progress of the CoA's projects. It is understood that the primary purpose of the PSRT is not to manage projects, but rather to ensure transparency and ease in communication of project status to those in governance. This system has been through continuous improvement initiatives in the last year. It is acknowledged that feedback on the system and requests for changes can be made formally at any time via the IT help desk, "PMO Improvement Requests" form.

Through stakeholder discussions and review of documentation it was observed that:

Inconsistent use of the PSRT between Project Managers: There was a difference in the level of detail captured in the PSRT between the two projects sampled, including a significant number of gaps in the data captured in the Wyatt Street Project PSRT page, compared to Paxton Street which is summarised below:

	Paxton	Wyatt
Executive Summary entered	Yes	Yes
Milestones entered	Yes	Partially
Practical Completion Date entered	Yes	Yes
Risks captured	Yes	Partially
Documentation from TRIM linked	Yes	No
Contains up to date budget forecasts	Yes	No
Change Requests	Yes	Not Applicable

Through discussions with Project Managers it was advised that there is a lack of clarity on the requirements to use the system. As a result, Project Managers are inconsistently capturing details in the PSRT based on their discretion. For example, where projects are more complex, or require external reporting (i.e., for projects funded by grants, like Paxton Street) more detail is captured in the system. However, less is captured for smaller projects (like Wyatt Street) due to the time commitment to update all of the data.

There is an opportunity to clarify the level of detail required to be captured in the system, for different risk/value projects.

(Continued on the following page)

Recommendation(s):

It is recommended the CoA:

1. Improve clarity of requirements to enter information into PSRT:
   a. Clarify the level of detail required to be captured in the system, for different risk/value projects. See Finding 2.
   b. Document the requirements for Project Managers to utilise the PSRT in the PMO Framework, PMO guidance document and intranet.
2. Enforce consistent use through top-down driven accountability:
   a. The PMO to utilise exception reporting to send out periodic emails to Team Leaders as a reminder to ensure Project Managers keep the PSRT up-to-date with current milestones.
   b. Communicate and re-enforced with internal stakeholders engaging on the projects, to utilise the PSRT as the source of truth for the status of projects.

It is acknowledged that due to the current pressures and the limited capacity of Project Managers whilst delivering the FY2024 program of works, additional support and resources may be required to assist Project Managers to learn to utilise the PSRT system.

Agreed Management actions:

1. *See Finding 2 recommendation 1(a) Management comments.*
2. E-learning material will be developed for PM's to recap on how to use the PSRT, raise CRs, complete project briefs and utilise available reports. These will be available to staff via the PMO Oscar page and are in addition to the information already on the site, one-on-one induction training, PMO News and IDT monthly updates.

Responsibility:

1. Manager Strategy, Insights & Performance
2. Manager Strategy, Insights & Performance and Associate Director Infrastructure

Target Date:

1. 30 June 2025
2. 31 December 2025

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Finding 3 – Further clarity and accountability required to support the uptake of the Project Status Reporting Tool

Low

Finding(s):

(Continued from the previous page)

- **Gaps in PMO guidance:** Currently PMO guidance does not capture the use of the PSRT system. For example, it was noted that the Wyatt Street Project did not link key project documents from TRIM to the PSRT as part of closing out the project. However, this is not listed as a step within the close phase of the PMO Framework.
- **Opportunity to further utilise exception reporting:** Whilst exception reporting is available, there is an opportunity for this to be further leveraged by the PMO and Team leaders to drive accountability in meeting requirements to keep PSRT data up-to-date.

It is acknowledged that the Project Management team are currently under increased pressure to deliver the current $100m of works scheduled for FY2024, compared to $57m spent in FY2023, see Page 5. As such, there is limited capacity amongst the Project Managers. However, it was confirmed in consultation with the Manager Infrastructure Delivery, that the implementation of the system is a priority of the team.

As stated above, the PMO system is in a state of continuous improvement to enable an increase in transparency and capture of data on projects managed by CoA. However, further clarity and re-enforced accountability is required to support the uptake of the system and improve data quality.

Risk(s):

Without sufficient clarity and accountability to drive the consistent use of the PSRT there is a risk that:

- Data relied upon from the system is not complete or accurate.
- Project Manager time is used inefficiently captured data in the system that is not useful (i.e., on low risk and low value projects).
- There is inconsistent uptake of the PSRT system across CoA, and benefits of the system are not realised.

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PIO 1 – Opportunity to holistically consider the CoA's capital works at a portfolio level

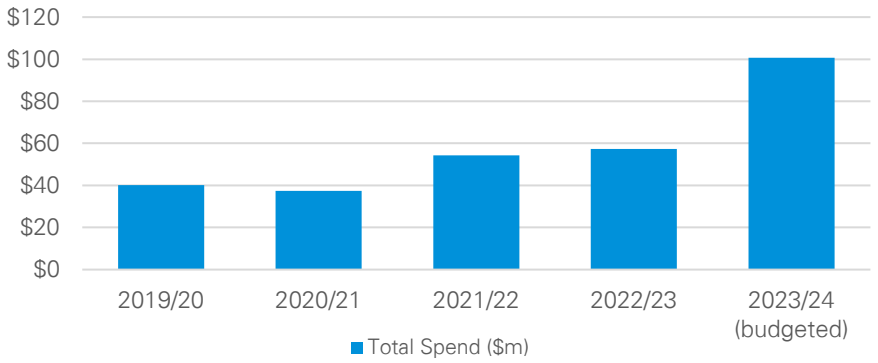
PIO

Observation(s):

There is an opportunity to take a more holistic approach to the consideration of the CoA's budget planning at a portfolio level.

The project's selected as samples for the internal audit have demonstrated that the CoA are delivering projects in line with the expectations provided by the PMO. It is recognised however, that the sampling approach does not provide a holistic picture of the fragmented nature of the CoA capital delivery portfolio, which includes a large amount of small projects. The high number of small projects limits the opportunity for economies of scale with delivery likely to remain labour intensive. The existing system is functioning well and the PMO is an important enabler, however continuing fragmentation and growth in the portfolio size will likely strain the CoA's ability to deliver infrastructure in-line with the Council's aims/budgets. Managing this growth will require a considered portfolio delivery strategy, potentially encompassing or supplementing existing PM resources with contractors and outsourcing key programs of work.

It is acknowledged that the review of the process to develop and approve project budgets at the portfolio level, including consideration of project carryovers, was not within the scope of this Internal Audit. However, our review noted a significant increase in the capital works program compared to prior years, presenting a further opportunity for the CoA to consider the overall capacity of the Project Management team to execute on the approved Capital Delivery Program. The current budget for capital projects for FY24 is $100.7m, which is $53.4m higher than the average spend for the last four (4) years, being $47.3m. It is understood that approximately $30m across 33 projects was carried forward to FY24 from FY23. This includes one (1) project for the Central Market Arcade redevelopment budgeted for $15m. The value of projects delivered over the last four (4) financial years and the spend budgeted for FY24 is provided in the below figure.



(Continued on the following page)

Recommendation(s):

It is recommended the CoA review its framework for the management of project carryovers and the development of the annual portfolio budgets, including:

1. High-level analysis of resources in the broader context of managing the past and future delivery of the capital works program, including consideration of the existing workforce capacity.
2. Project planning, program planning and prioritisation processes in place the minimise the level of project carryovers.
3. Project budgeting and scheduling processes for multi-year projects.
4. The categorisation and reporting of project carryovers.

Agreed Management actions:

1. Resourcing review is on track for completion by the end of June 2024. Implementation of recommendations from the review will be dependent upon a number of considerations including but not limited to Business Plan & Budget process and CEO direction. A timeframe cannot be provided at this stage.

2-4. The Infrastructure Team will have reviewed and updated all existing asset management plans by 30 June 2024. The outcome of the Asset review is a 10-year asset management plan that will be utilised to inform the LTFP for the next 10 years. These plans are then utilised to prioritise works in the next ABP&B and capital program moving forward. This is an existing process that will continue moving forward. At present, Fleet and Equipment and IM do not have asset management plans and hence their programs are driven from the LTFP budget allocation. The Stormwater Management Plan updates are underway and is to be delivered in the next 2-3 years.

Responsibility:

1. Associate Director Infrastructure

2-4. Associate Director Infrastructure

Target Date:

1. 30 September 2024

2-4. 31 December 2026

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PIO 1 – Opportunity to holistically consider the CoA's capital works at a portfolio level

PIO

Observation(s):

(Continued from the previous page)

Changes in staff FTEs over the last three (3) years has been outlined below. This demonstrates that the projected budget spend for 2023/34 has increased by approximately 102% since 2021/22, whereas FTEs have increased by 40%.

Year	2021/22	2022/23	2023/24
Team Leader	1	2	2
Project Manager	6.6	4.8	5.8
Coordinator	-	2	-*
Construction Supervisor (fixed term)	3	2	2
Project Managers (fixed term)	-	5	5
Total	**10.6 (no temp staff)**	**15.8 (2 temp staff)**	**14.8 (5 temp staff)**

** In 2023/24 the Coordinator role moved to Project Manager role, other Coordinator role was for a 1-year fixed term.*

It is recognised that through the Project Status Reporting Tool (PSRT) data on capacity of Project Managers and Designers is captured in the Management Report "Timesheet – Employee Summary".

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PIO 2 – Opportunity to provide a standard external stakeholder management template		PIO
Observation(s): There is an opportunity to provide standard templates for tracking external stakeholder engagement with community members for Project Managers. It was advised in relation to the two (2) projects sampled that whilst evidence related to external stakeholder feedback was retained, this was not tracked in a log. Better practice would see external stakeholder communications and feedback, including any resulting actions, documented in a stakeholder engagement tracker with the supporting documentation.	**Recommendation(s):** It is recommended the CoA implement a standard template for logging external stakeholder feedback and any actions be created and saved to TRIM with supporting information.	**Agreed Management actions:** A stakeholder engagement register recently been formed and actioned through the community engagement plan, example is the NS Bikeways project. This will be rolled out across future projects. The register will be applied to projects with close community interface or where there is material impact. It will include details of the project information shared and any issues, expectations or follow-up required. This information / register will be located in TRIM. **Responsibility:** Associate Director Infrastructure **Target Date:** 31 December 2024

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Appendices

Appendices

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Appendix 1 - Project Profiling

A project may be profiled based on a criteria of risk and complexity. Examples of risk and complexity criteria are outlined below. Certain projects may automatically be considered as a "Major" project, e.g. projects raised via a Motion on Notice, or where a Funding Deed is agreed with the State Government.

Risks

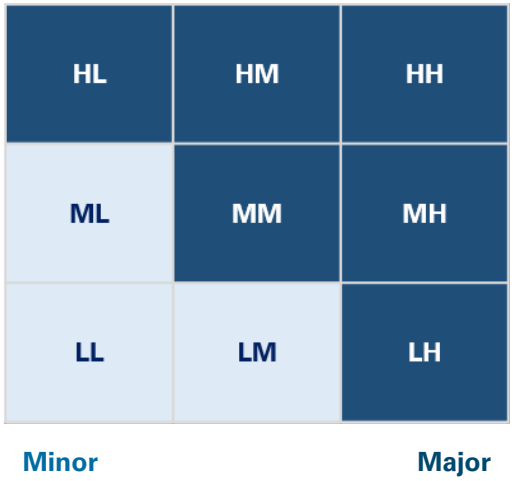
- Is there high public exposure or media interest.
- Is there strong political interest or a high-level of legal risk.
- It is repeatable work which the CoA has a history of undertaking.
- Are there likely to be any significantly high safety or environmental risks.

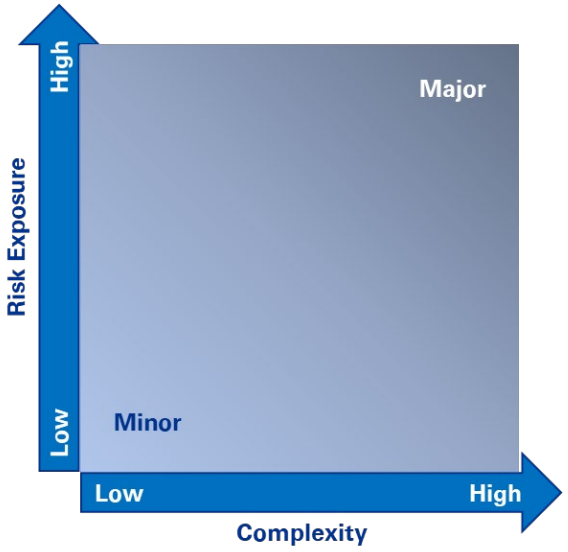
Complexity

- Are there a high number of stakeholders or multiple portfolios involved.
- Are costs difficult to estimate due to unknown circumstances in scope or conditions.
- Is the project dependant on other outcomes (e.g. funding commitments).
- Are there land access issues.

Profiling

Each of the risks and complexities identified may be considered on a qualitative basis to guide project governance. Once the project has initially been profiled by a Project Manager the classification should be endorsed by the PCG.





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Appendix 2 - Scope and Approach

Scope

The objective of this internal audit included consideration over the following specific areas:

- Governance structures in relation to project management, including the role of the CoA's Project Management Office (PMO), decision making processes, and consideration of relevant monitoring and reporting mechanisms to applicable stakeholders as outlined in the grant requirements.
- Performing a high-level review of project activities associated with the scope, quality and cost management, including procurement, resourcing, scheduling, budgeting, variation management and project decision gateway and approval processes.
- Budget management and Variation management process, including review and approvals of both time and budget.
- Project and change management considerations including project risk management and issues identification and assessment process.
- Project management training provided to relevant staff.
- Project management roles, responsibilities, including contingency management and accountabilities throughout each phase of the project lifecycle, including how key project information is recorded and communicated where accountabilities change.
- Processes of project closure and handover of deliverables, including financial closure, post-implementation review and contractor performance review.

Approach

This engagement was performed using the following approach:

- A review of all relevant documentation and systems that related to project management methodologies and processes including selected guidelines, templates and tools, including the review of CoA's Project Management Framework.
- Engaged in multiple consults with the relevant stakeholders identified by CoA to gain a deeper understanding of the current approaches and processes that were in place for project management.
- Sample testing of the two projects selected (Wyatt Street Lift and Paxton's Walk & Vaughan Place) to assess the application and compliance with CoA's project management methodology and process.
- The review of monitoring and reporting activities of relevant governing committees, Project Sponsor's and other key stakeholders allowing for the assessment of the ongoing reporting of project activities and relevant issues escalation processes.
- Close-out meeting with the internal audit project sponsor and key stakeholders to discuss initial findings and recommendations.
- The drafting and finalisation of the internal audit reporting which outlines the internal audit findings, recommendations and any performance improvement opportunities that were noted.

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Appendix 3 - Stakeholders Consulted



The table below outlines all personnel who were involved in discussions and contributed to the outputs of this engagement.

Personnel	Role
Mark Goudge	Associate Director Infrastructure
Bree Goodchild	Manager Strategy, Insights and Performance
Anthony Spartalis	Manager, Finance and Procurement
Geoff Regester	Manager Infrastructure Delivery
Michelle Arbon	Team Leader, Project Management Office
Chris Liedig	Team Leader, Project Delivery
Stephanie Chen	Project Manager Infrastructure Delivery
Ashleigh Wilkes	Project Manager Infrastructure Delivery

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Appendix 4 - Classification of Internal Audit Findings

The following framework for internal audit ratings has been developed and agreed with the CoA's Management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in reports will be discussed and rated with the CoA's Management.

Rating	Definition	Examples of business impact	Action(s) required
Extreme/Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	• Detrimental impact on operations or functions. • Sustained, serious loss in reputation. • Going concern of the business becomes an issue. • Decrease in the public's confidence in the CoA. • Serious decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty. • Life threatening.	• Requires immediate notification to the CoA Audit Committee via the Presiding Member. • Requires immediate notification to CoA's Chief Executive Officer. • Requires immediate action planning/remediation actions.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	• Major impact on operations or functions. • Serious diminution in reputation. • Probable decrease in the public's confidence in the CoA. • Major decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. • Extensive injuries.	• Requires immediate CoA Director notification. • Requires prompt management action planning/remediation actions.

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Appendix 4 - Classification of Internal Audit Findings (continued)

Moderate	Issue represents a control weakness, which could have or is having a moderate adverse effect on the ability to achieve process objectives.	• Moderate impact on operations or functions. • Reputation will be affected in the short term. • Possible decrease in the public's confidence in the CoA. • Moderate decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. • Medical treatment required.	• Requires CoA Director and/or Associate Director attention. • Requires short-term management action.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	• Minor impact on internal business only. • Minor potential impact on reputation. • Should not decrease the public's confidence in the Council. • Minimal decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. • First aid treatment.	• Timeframe for action is subject to competing priorities and cost/benefit (i.e. 90 days).

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Appendix 5 - Disclaimers

Inherent Limitations

This report has been prepared as outlined in the Executive Summary of this report. The services provided in connection with the engagement comprise an advisory engagement which is not subject to Australian Auditing Standards or Australian Standards on Review or Assurance Engagements, and consequently no opinions or conclusions intended to convey assurance will be expressed. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate. We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, City of Adelaide's management and personnel. We have not sought to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with City of Adelaide. The internal audit findings expressed in this report have been formed on the above basis.

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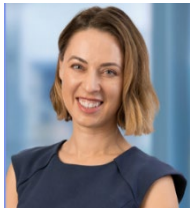
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Exclusion of the Public

Friday, 15 May 2024
Audit and Risk Committee

Program Contact:
Kathryn Goldy, Acting Manager Governance

Public

Approving Officer:
Michael Sedgman, Acting Chief Executive Officer

EXECUTIVE SUMMARY

Section 90(2) of the *Local Government Act 1999 (SA)* (the Act), states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.

It is the recommendation of the Chief Executive Officer that the public be excluded from this Audit and Risk Committee meeting for the consideration of information and matters contained in the Agenda.

11.1 Strategic Risk and Internal Audit Update [section 90(3) (i) of the Act]

The Order to Exclude for Item 11.1

1. Identifies the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
2. Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
3. In addition, identifies for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

ORDER TO EXCLUDE FOR ITEM 11.1

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (i) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 15 May 2024 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 11.1 [Strategic Risk and Internal Audit Update] listed on the Agenda.

   Grounds and Basis

   This Item is confidential in nature because the report includes information on Council litigation.

   The disclosure of information in this report could reasonably be expected to prejudice the outcome of Council's actual litigation.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 15 May 2024 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 11.1 [Strategic Risk and Internal Audit Update] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (i) of the Act.

DISCUSSION

1. Section 90(1) of the *Local Government Act 1999 (SA)* (the Act), directs that a meeting of a Council Committee must be conducted in a place open to the public.

2. Section 90(2) of the Act, states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.

3. Section 90(3) of the Act prescribes the information and matters that a Council may order that the public be excluded from.

4. Section 90(4) of the Act, advises that in considering whether an order should be made to exclude the public under section 90(2) of the Act, it is irrelevant that discussion of a matter in public may -

   '(a) cause embarrassment to the council or council committee concerned, or to members or employees of the council; or

   (b) cause a loss of confidence in the council or council committee; or

   (c) involve discussion of a matter that is controversial within the council area; or

   (d) make the council susceptible to adverse criticism.'

5. Section 90(7) of the Act requires that an order to exclude the public:

   5.1 Identify the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.

   5.2 Identify the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.

   5.3 In addition identify for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

6. Section 87(10) of the Act has been utilised to identify in the Agenda and on the Report for the meeting, that the following matters are submitted seeking consideration in confidence.

   6.1. Information contained in Item 11.1 – Strategic Risk and Internal Audit Update

      6.1.1 Is not subject to an Existing Confidentiality Order

      6.1.2 The grounds utilised to request consideration in confidence is section 90(3) (i) of the Act

      Information relating to the actual litigation, or litigation that the council or council committee believes on reasonable ground will take place, involving the council or an employee of the council.

ATTACHMENTS

Nil

- END OF REPORT -

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