



CITY FINANCE AND GOVERNANCE COMMITTEE

Agenda and Reports

for the Special meeting on

Tuesday, 1 April 2025

at 5.30 pm

in the Colonel Light Room, Adelaide Town Hall

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Our Adelaide.
Bold.
Aspirational.
Innovative.

CITY FINANCE AND GOVERNANCE COMMITTEE
Special Meeting Agenda, Tuesday, 1 April 2025, at 5.30 pm

Members – The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith
Councillor Dr Siebentritt (Chair)
Councillor Elliott (Deputy Chair)
Councillors Abrahamzadeh, Couros, Davis, Giles, Hou, Li, Martin, Noon and Snape

Agenda

Item		Pages
1.	Acknowledgement of Country At the opening of the City Finance and Governance Committee meeting, the Chair will state: ‘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 Leave of Absence - Councillor Li	
3.	Declaration of Conflict of Interest	
4.	Deputations	
5.	Workshops	
5.1	2025/26 Business Plan & Budget - Final Review of Budgets and Projects	3 - 16
6.	Closure	

Workshop: 2025/26 Business Plan & Budget - Final Review of Budgets and Projects

Tuesday, 1 April 2025
City Finance and Governance Committee

Presenter: Anthony Spartalis,
Chief Operating Officer

Strategic Alignment - Our Corporation

Public

PURPOSE OF WORKSHOP

The City Finance and Governance Committee has had previous discussions about funding for strategic projects, and operational expenditure to finalise the draft 2025/26 Business Plan and Budget. Further revisions have been made to the version presented on 18 March 2025, and is summarised in the attached presentation.

Strategic and Capital projects initially proposed and presented on 18 and 25 March 2025 remain budgeted, except insofar as they have been excluded in the revision process outlined in this (1 April 2025) workshop presentation. The original projects lists can be found on slides 12 – 15 and 7 - 9 [in the presentations from [18 March](#) and [25 March](#)]

The Committee is being asked in the Workshop to review the final proposed list of strategic and capital projects, and the proposed level of AEDA funding (presented as a proportion of rates revenue).

KEY QUESTIONS

1. Are Council Members supportive of the list of strategic and capital projects for inclusion in the Draft 2025/26 Business Plan and Budget presented by Administration?
2. Are Council Members supportive of the proposed level of AEDA Funding, noting any further increase will require rate increases?

- END OF REPORT -

Our Corporation

2025/26 Business **Plan and Budget**

Final Review of Budgets
and Projects

1 April 2025

Anthony Spartalís, Chief Operating Officer

Introduction

Building a Business Plan and Budget



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Date	Forum	Type	Theme	Topic	
3 Dec	Spec CFG	Workshop	Introduction	Introduction and process for building the 2025/26 BP&B – parameters and priorities (as per LTFP and Strategic Plan)	✓
10 Dec	CEO Briefing	Workshop	Budget	Current position (LTFP, precommitments, retimes) and Subsidiary budget allocations (also launch member bids)	✓
11 Feb	CEO Briefing	Workshop	Plan and Budget	The build of the 2025/26 BP&B – assumptions, set 25/26 priorities and revenue levers	✓
21 Feb	ARC	Presentation	Plan and Budget	The 2025/26 BP&B – priorities, parameters, assumptions and current position	✓
11 Mar	Spec CFG	Workshop	Budget	Operating Budget review – ESCOSA Findings, base budget, service changes, Strategic Projects allocation to strategies/plans and member ideas	✓
18 Mar	CFG	Workshop	Plan	Review of Strategic Projects and Subsidiary Draft BP&Bs (ACMA and AEDA)	✓
25 Mar	Spec CFG	Workshop	Plan	Review of Capital Projects	✓
1 Apr	Spec CFG	Workshop	Plan and Budget	Final review of budgets and projects (balanced budget)	
11 Apr	ARC	Presentation	Draft BP&B	Draft 2025/26 BP&B - update	
15 Apr 22 Apr	CFG Council	Report	Draft BP&B	Draft 2025/26 BP&B for community consultation purposes	
29 Apr – 20 May	N/A	Public	Consultation	Community Consultation (including presentation of Draft 2025/26 BP&B to Subsidiary boards)	
27 May	Council	Public	Consultation	Special hearing for public consultation	
10 Jun	Council	Report	Consultation	Receipt of submissions	
17 Jun 24 Jun	CFG Council	Report	Final BP&B	Final 2025/26 BP&B	

Current Position

25/26 Projections Based on Current Assumptions (at 18 March 2025)

\$'000s	2025-26 Base	Strategic Projects	Capital Projects	Service Changes	Identified Savings / opportunities	Revised Base	Adopted LTFF	Variance
Income								
Rates Revenues	154,908	-	-	-	-	154,908	154,896	12
Fees and Charges	87,368	170	328	-	319	88,185	86,341	1,844
Grants, Subsidies and Contributions	4,454	653	-	99	-	5,206	4,646	560
Other Income	1,047	-	-	-	-	1,047	1,218	(171)
Total Income	247,777	823	328	99	319	249,346	247,101	2,245
Expenses								
Employee Costs	89,394	1,249	-	605	-	91,248	88,853	(2,395)
Materials, Contracts & Other Expenses	79,978	(1,404)	78	164	(387)	78,429	77,757	(672)
Sponsorships, Contributions and Donations	5,600	978	-	-	(112)	6,466	6,334	(132)
Depreciation, Amortisation & Impairment	64,506	-	-	-	-	64,506	64,462	(44)
Finance Costs	717	-	-	-	-	717	3,626	2,909
Total Expenses	240,195	823	78	769	(499)	241,366	241,031	(335)
Operating Surplus / (Deficit)	7,582	-	250	(670)	818	7,980	6,070	1,910
Capital Program								
Renewal/Replacement of Assets	67,936	-	1	-	-	67,937	67,936	(1)
New and Upgraded Assets	39,119	-	(60)	-	-	39,059	39,119	60
Amounts received specifically for New and Upgraded Assets	-	-	(8,018)	-	-	(8,018)	-	8,018
Net outlays on Capital	107,055	-	(8,077)	-	-	98,978	107,055	(8,077)
Borrowings	58,245	-	(8,327)	670	(818)	49,770	94,834	45,064

Current Position

25/26 Projections Based on Current Assumptions (at 18 March 2025)

	Operating Position	\$'000s	Rates Equivalent Revenue & Increase
1	2025/26 Base Operating Position	7,582	5.6%
	Proposed Strategic Projects	0	
	Proposed Capital Projects impact on Operating Position	250	
	Proposed Service Changes	(670)	
2	Total proposed adjustments for consideration	(420)	
3	Proposed Identified Savings / Opportunities	818	
4	Revised Base Operating Position	7,980	5.3%
5	Targeted Position	8,541	5.7%
6	Shortfall	(561)	0.4%

Key Financial Principle:

- 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

- Base Operating Position incorporates Q2 adjustments, and LTFP assumptions (CPI of 3.0% applied)
- Total proposed adjustments for consideration. Funding these equates to a 0.3% increase to Rates Revenue.
- Administration has identified Savings and Opportunities for consideration. These equate to a 0.6% reduction to Rates Revenue.
- The revised operating position having taken into consideration 2 and 3 above.
- Targeted Operating Position to fund Upgrade of Community Buildings in the Park Lands, service new borrowings, and account for growth on new developments to service increased maintenance in future years.
- Difference between 4 and 5, equates to an additional 0.4% increase to Rates Revenue .

Operating Budget

Suggested Budget Amendments – NOT recommended

Council Member suggestions

Suggestion	Change (\$'000)	Comment
Strategic Projects		
Member recommendation – Adelaide Fashion Week. Reduce funding (or deliver every other year).	(160)	AEDA advise any further funding reduction (or biennial delivery) would make event unfeasible. AEDA to prioritise accordingly within its fixed allocation.
Member recommendation – ARCHI. Defer the program.	(303)	ARCHI is jointly funded over three years through matched State funding. Both State and Council have committed these funds.
Total – Strategic	(463)	
Capital Projects		
Member recommendation – Rundle Mall Sound System. Defer project for 2025/26	(770)	The current sound system has reached the end of its useful life. Design work on the replacement has been completed. Further delay creates Rundel Mall brand damage, and potential public safety risk.
Member recommendation – Depot electrification project. Defer project for 2025/26	(200)	Completion of the electrification process to reduce depot operational carbon footprint.
Member recommendation – re-include ACMA capital projects (parents room and dry/cool storage)	360	There was little Committee support for this proposal on 25 March 2025.
Member recommendation – reduce funding of Parklands Community Buildings to 1.0% from 1.5% of rates.	(675)	Contrary to a Council commitment in 2024/25 budget, and would impact work already in train, and the ability to raise 1:1:1 funding with partners
Total - Capital	(1,285)	

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Operating Budget

Suggested Budget Amendments – Recommended

Council Member and Administration suggestions, and identified savings

Recommendation	Comment	Budget (\$'000)		
		Proposed Initial	Proposed Revised	Adjustment
Operating Budget				
Administration recommendation – Consolidate - One fund of \$500k	Simplify grant programs and consolidate into Community Grant Fund.	656	500	(156)
Member recommendation - Winter Weekends activation activity – Remove 25/26 budget	Cease activity in 2025/26 due to other budget priorities.	93	-	(93)
Member recommendation - City Operations - trade consumables – Reduce 25/26 budget	Savings to be found through efficiencies.	184	162	(22)
Total – Operating		1,610	1,339	(271)
Strategic Projects				
Member recommendation - Update Climate Risk Assessment in line with public disclosure reporting requirements. To be delivered in 24/25 – Remove budget for 25/26	Work to be completed in 2024/25. Savings found through scope reduction.	75	-	(75)
Member recommendation - Positive Ageing Program - Pilot – Reduce budget for 25/26	Pilot first to gain learnings and outcomes. Look to leverage partnerships.	100	50	(50)
Member recommendation - Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscape– Reduce budget for 25/26	Savings to be found through efficiencies.	213	178	(35)
Member recommendation – Implementing the Disability Access and Inclusion Plan 2024-2028 (Year 2), Employee training and scoping for a sensory-friendly space – Reduce 25/26 budget	Savings to be found through efficiencies.	130	100	(30)
Member recommendation - Adelaide City Connector Bus promotion – Remove 25/26 budget	Need to review and understand service usage before committing funding to promotion.	50	-	(50)
Administration recommendation - CoA website revamp – Re-time		150	100	(50)
Total - Strategic		718	428	(290)
Capital Projects				
Member recommendation – Franklin St crossing		-	120	120
Total - Capital		-	120	120

Operating Budget

25/26 Proposed Balanced Budget Based on Assumptions and Feedback

Updated position based on amendments in the previous slide

\$'000s	2025-26 Base	Strategic Projects	Capital Projects	Service Changes	Identified Savings / opportunities	Council Member / Admin ideas	Revised Base	Adopted LTFP	Variance
Income									
Rates Revenues	154,908	-	-	-	-	-	154,908	154,896	12
Fees and Charges	87,368	170	328	-	319	-	88,185	86,341	1,844
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Total Income	247,777	823	328	99	319	-	249,346	247,101	2,245
Expenses									
Employee Costs	89,394	1,249	-	605	-	-	91,248	88,853	(2,395)
Materials, Contracts & Other Expenses	79,978	(1,404)	78	164	(387)	(561)	77,868	77,757	(111)
Sponsorships, Contributions and Donations	5,600	978	-	-	(112)	-	6,466	6,334	(132)
Depreciation, Amortisation & Impairment	64,506	-	-	-	-	-	64,506	64,462	(44)
Finance Costs	717	-	-	-	-	-	717	3,626	2,909
Total Expenses	240,195	823	78	769	(499)	(561)	240,805	241,031	226
Operating Surplus / (Deficit)	7,582	-	250	(670)	818	561	8,541	6,070	2,471
Capital Program									
Renewal/Replacement of Assets	67,936	-	1	-	-	-	67,937	67,936	(1)
New and Upgraded Assets	39,119	-	(60)	-	-	120	39,179	39,119	(60)
Amounts received specifically for New and Upgraded Assets	-	-	(8,018)	-	-	-	(8,018)	-	8,018
Net outlays on Capital	107,055	-	(8,077)	-	-	120	99,098	107,055	(7,957)
Borrowings	58,245	-	(8,327)	670	(818)	(441)	49,329	94,834	45,505

Current Position

25/26 Proposed Balanced Budget

Updated position based on Council Member and Administration Suggestions

	Operating Position	\$'000s	Rates Equivalent Revenue & Increase
1	2025/26 Revised Base Operating Position	7,980	5.3%
2	Proposed Amendments	561	
3	Proposed Operating Position	8,541	5.0%
4	Targeted Position	8,541	5.0%
5	Surplus / (Shortfall)	-	-%

Key Financial Principle:

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

1. The Revised Base Operating Position incorporates Q2 adjustments, and LTFP assumptions (CPI of 3.0% applied), proposed adjustments previously presented to fund service changes and strategic projects.
2. Total proposed adjustments of \$0.561m
3. The proposed operating position having taken into consideration 2 above.
4. Targeted Operating Position Upgrade to fund Community Buildings in the Park Lands, service the borrowings, and account for growth on new developments to service increase in maintenance in future years.
5. The revised base operating position is in line with the targeted position

Operating Budget

AEDA Allocation

AEDA budget as per the updated position, compared to the AEDA Board requested amount

\$'000s	2025/26 Proposed Initial		2025/26 Updated Position		2025/26 AEDA Board Request		Variance (Updated and Request)	
	Budget	Proportion of rates	Budget	Proportion of rates	Budget	Proportion of rates	Budget	Proportion of rates
Total AEDA funding	8,910	6.20%	9,776	6.83%	13,598	9.50%	(3,822)	2.67%

The updated position for AEDA incorporates budget for additional activity aligned with the Economic Development Strategy. This results in a 6.83% allocation of Rates Revenue.

If Council wishes to increase the funding allocation to AEDA beyond 6.83%, a rate increase is required.

Operating Budget

Operating Savings/Opportunities Over Past 6 Financial Years

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Financial Year	Driver	Savings (\$'000s)
2020/21	Re-shape	20,000
2021/22	Efficiency target	4,750
2022/23	Efficiency target	4,800
Current Council Term		
2023/24	Savings/Opportunities identified to fund service changes, rate increase reduction	408
2024/25		7,717
2025/26		818
Total		38,493

- Significant savings have been identified over the past 6 financial years
- This term of Council has contributed \$8.943m (plus \$0.561m proposed for 2025/26)
- Identification of any potential further savings will be subject to service reviews

Capital Budget Renewal Program by Asset Class

Undertaking – Renewal Program by Asset Class

Asset Renewal Funding Ratio (ARFR) for each Asset Class within the Capital Budget Renewal Program

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(\$'000)							
Asset Class	AMP 2025/26		Adopted LTFP 2025/26 Budget		Proposed 2025/26 Budget		Variance
	Budget	ARFR	Budget	ARFR	Budget	ARFR	Budget
Asset Renewal Delivery Resource	6,308	100%	5,898	93.5%	5,898	93.5%	-
Buildings	11,261	100%	10,529	93.5%	15,115	134.2%	(4,586)
Lighting & Electrical	5,305	100%	4,960	93.5%	4,960	93.5%	-
Park Lands & Open Space	3,019	100%	2,823	93.5%	1,600	53.0%	1,223
Plant, Fleet & Equipment	3,653	100%	3,415	93.5%	3,715	101.7%	(300)
Transport*	28,823	100%	26,950	93.5%	24,489	85.0%	2461
Urban Elements	5,162	100%	4,826	93.5%	3,624	70.2%	1,202
Water Infrastructure	9,129	100%	8,536	93.5%	8,536	93.5%	-
TOTAL	72,659	100%	67,936	93.5%	67,937	93.5%	(1)

The Renewal Program has been developed based on condition audit and risk. The 2025/26 program has been impacted by:

- Retimes of Main Street Revitalisation projects (Hindley Street, Gouger Street, Hutt Street)
- North Adelaide Golf Course renewals (except where deemed necessary) have been retimed to future years, pending further discussion/direction from the State Government regarding the golf course redevelopment

Capital Budget

Capital Project Delivery Cost Breakdown

Undertaking – 25/26 Project Delivery Costs

Breakdown of the 25/26 Project Delivery Costs within the Proposed Capital Projects for the Draft 25/26 Business Plan and Budget

25/26 Project Delivery Costs		Expenditure (\$'000)	
		N/U	Renewal
Direct Overhead	Staff who work on specific capital projects (Project Managers, designers, engineers, etc.)	2,850	3,254
Indirect Overhead	Portion of staff who work on the broader capital program (PMO, Asset Planners, Asset Managers, etc.)	1,775	1,578
Corporate Overhead	Portion of corporate support services (Finance, IM, etc.) and Leadership Team (ADs and Executive)	1,200	1,066
Interest	Interest on borrowings	1,252	-
TOTAL		7,077	5,898

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Next Steps

Timeline and process



The proposed timelines seek to manage the process in an efficient and transparent manner.

- ARC will receive an update on the draft Business Plan & Budget at their meeting on 11 April.
- The Draft 2025/26 Business Plan and Budget, for community consultation, will be tabled at CFG on 15 April.

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Date	Topic	
3 Dec	Introduction and process for building the 2025/26 BP&B – parameters and priorities (as per LTFP and Strat Plan)	✓
10 Dec	Current position (LTFP, precommitments, retimes) and Subsidiary budget allocations (also launch member bids)	✓
11 Feb	Building the 2025/26 BP&B – assumptions, set 25/26 priorities and revenue levers	✓
21 Feb	ARC - 2025/26 BP&B – priorities, parameters, assumptions and current position	✓
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18 Mar	Review of Strategic Projects and Subsidiary Draft BP&Bs (ACMA and AEDA)	✓
25 Mar	Review of Capital Projects	✓
1 Apr	Final review of budgets and projects (balanced budget)	✓
11 Apr	ARC - Draft 2025/26 BP&B - update	
15 Apr 22 Apr	Draft 2025/26 BP&B for community consultation purposes	
29 Apr – 20 May	Community Consultation (including presentation of Draft 2025/26 BP&B to Subsidiary boards)	
27 May	Special hearing for public consultation	
10 Jun	Receipt of submissions	
17 Jun 24 Jun	Final 2025/26 BP&B	