



AUDIT AND RISK COMMITTEE

Agenda and Reports

for the meeting on

Friday, 14 November 2025

at 9.00 am

in the Colonel Light Room, Adelaide Town Hall

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Our Adelaide.
Bold.
Aspirational.
Innovative.

AUDIT AND RISK COMMITTEE
Meeting Agenda, Friday, 14 November 2025, at 9.00 am

Membership	The Lord Mayor (ex-officio) 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 Matthew Fletcher John Jovicevic Councillor Janet Giles

Agenda

Item	Pages
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	
Leave of absence – The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio)	
3. Confirmation of Minutes	
That the Minutes of the meeting of the Audit and Risk Committee held on 24 September 2025 and the Special meeting held 17 October 2025, be taken as read and be confirmed as an accurate record of proceedings.	
View public 24 September 2025 and 17 October 2025 Minutes here .	
4. Declaration of Conflict of Interest	
5. Presiding Member Reports	
6. Reports	
6.1 Q1 BP&B Progress Report	4 - 102
6.2 Internal Audit Progress Report	103 - 107
6.3 Record Keeping Internal Audit	108 - 124
6.4 Non-Current Asset Accounting Operating Guideline Review	125 - 210
7. Emerging Key Risks	
8. Independent Member Discussion	

9.	Other Business	
10.	Exclusion of the Public	211 - 213
	In accordance with sections 90(2),(3) and (7) of the <i>Local Government Act 1999 (SA)</i> 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	Activity of Strategic Risk and Internal Audit Group [S90(3) (i)]	214 - 218
11.2	Shortlist of External Audit Proponents [S90(3) (k)]	219 - 307
12.	Closure	

Q1 2025/26 BP&B Update

Friday, 14 November 2025

Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:

Rebecca Hayes, Associate

Director Governance & Strategy

Public

Approving Officer:

Anthony Spartalis, Chief

Operating Officer

EXECUTIVE SUMMARY

This report presents the performance and delivery status of Council's commitments against the City of Adelaide's 2025/26 Business Plan and Budget (BP&B) for the first quarter (July to September 2025) for the Audit and Risk Committee's consideration. The report provides an overview of portfolio and project achievements, in addition to the performance of Council subsidiaries.

The year-to-date operating position as at 30 September 2025 is an operating surplus of \$9.678m, which is \$4.407m higher than the year-to-date budget of \$5.271m, for this period.

The projected year end operating position is an operating surplus of \$8.541m which remains consistent with the adopted budget.

Total estimated operating revenue is forecast to be \$251.571m which is \$2.602m higher than the adopted budget of \$248.969m. This is mainly due to additional commercial parking revenue of \$1.186m; expiation, late payments and recoveries income of \$0.698m; Adelaide Town Hall of \$0.503m; funding for Strategic Projects of \$0.201m, and other movements of \$0.014m.

Total estimated operating expenditure (including depreciation) is forecast to be \$243.030m, which is \$2.602m higher than the adopted budget of \$240.248m. This is due to additional funding for Strategic Projects of \$1.050m, and permanent increases to the budget of \$1.552m including employee costs, search fees, FERU lodgements and subscription fees associated with the increase in expiation income of \$0.715m, Adelaide Town Hall \$0.420m associated with an increase in revenue, Adelaide New Years Eve event \$0.115m, increase in insurance premiums \$0.261m, and other movements of \$0.041m.

The year-to-date Capital Expenditure as at 30 September 2025 is \$17.321m, which is \$7.823m ahead of the adopted budget of \$9.498m for the period. This is a result of the continued effort to deliver the annual capital program.

Quarterly reports are provided to support Council in monitoring the integrity of Council's financial statements and reporting, as well as reviewing and overseeing progress on the BP&B. This process 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 2025/26 Business Plan and Budget Quarter 1 update as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 14 November 2025.
2. Approves adjustments for the 2025/26 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 14 November 2025.

3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 30 September 2025, which includes:
 - 3.1. An operating surplus of \$9.678m (\$4.407m higher than the budget of \$5.271m, for the period)
 - 3.2. Total operating revenue of \$64.500m (\$2.554m higher than the budget of \$61.946m, for the period)
 - 3.3. Total operating expenses (including depreciation) of \$54.822m (\$1.853m lower than the budget of \$56.675m, for the period)
 - 3.4. Total Capital Expenditure of \$17.321m (\$7.823m higher than the budget of \$9.498m, for the period)
 - 3.5. Net cash surplus position of \$5.185m.
 4. Approves budgeted year end Operating Position, which includes:
 - 4.1. An operating surplus of \$8.541m (consistent with the adopted budget of \$8.541m)
 - 4.2. Total operating revenue of \$251.571m (\$2.602m higher than the adopted budget of \$248.969m)
 - 4.3. Total operating expenses (including depreciation) of \$243.030m (\$2.602m higher than the adopted budget of \$243.030m).
 5. Approves total capital expenditure of \$122.293m for 2025/26 year (\$7.995m higher than the adopted budget of \$114.298m).
 6. Approves total borrowings of \$51.818m projected to 30 June 2026 (\$1.744m higher than the adopted projected borrowings of \$50.074m to 30 June 2026).
 7. Receives the Council Subsidiary Quarter 1 updates as contained 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 14 November 2025.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Quarterly reporting supports Council's <i>financial sustainability</i> objective within the 2024-2028 Strategic Plan.
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 <i>Local Government Act 1999</i> (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.
2025/26 Budget Allocation	Not as a result of this report
Proposed 25/26 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
25/26 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

2025/26 BUSINESS PLAN PRIORITIES

1. Council continues to make good progress on delivering on its Strategic Plan 2024-2028 and is well progressed with the Key Actions prioritised in the 2025/26 Annual Business Plan and Budget (for more detail, please see 'Spotlight on Strategic Plan Priorities and Projects' section of **Attachment A**).
2. As at Quarter 1, all Annual Priorities from the 2025/26 Business Plan and Budget have commenced and are on track to be completed by the end of the financial year and are detailed below.

Our Community

- 2.1. Support increased residential growth and housing affordability through partnerships and advocacy.
- 2.2. Celebrate and elevate our community culture and the profiles of multicultural communities and create welcoming programs and services.

Our Environment

- 2.3. Make public electric vehicle charging available for all users, including micro-mobility, catalysing the uptake of electric vehicles in Adelaide and improving Council and community performance on transport emissions.
- 2.4. Work with partners to create innovative ways to create or convert underutilised areas to green space.

Our Economy

- 2.5. 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.
- 2.6. Provide services and information that contribute towards a high productivity economy.

Our Places

- 2.7. Work with partners to increase active and diverse transport measures to ensure drivers, cyclists and pedestrians can safely and easily move within the city with a goal to minimise road incidents and decrease fatalities.
- 2.8. Encourage repurposing, adaptive reuse and improvement of buildings and facilities.

Our Corporation

- 2.9. Create, maintain and integrate plans and policies that reflect and guide decision making and support our city and our community to thrive.
- 2.10. Attract and retain people with skills and behaviours which align with our organisational objectives and values.

FINANCIAL SUMMARY

Year-to-Date

3. The year-to-date operating position as at 30 September 2025 is an operating surplus of \$9.678m, which is \$4.407m higher than the adopted budget of \$5.271m for the period. The variance is driven by:
4. Total operating revenue of \$64.500m is \$2.554m higher than the budget of \$61.946m for the period, and includes the following key movements:
 - 4.1. Additional rates revenue of \$0.132m mainly from interest and penalties applied to overdue rates balances
 - 4.2. Additional fees and charges of \$2.230m across parking \$1.084m, expiations, late payments and recoveries \$0.392m, Adelaide Town Hall \$0.454m (partially offset by increased expenditure), and timing of Outdoor Dining Fees of \$0.402m
 - 4.3. Grants, subsidies and contributions are (\$0.191m) unfavourable due to the timing of the recognition of grants, largely due to the Financial Assistance Grants, where 50% of the annual contribution was received in the 2024/25 Financial Year
 - 4.4. Additional other income of \$0.383m due to reimbursements \$0.120m and insurance claims \$0.207m.
5. Total operating expenditure of \$54.822m is \$1.853m lower than the budget of \$56.675m for the period, and includes the following key movements:
 - 5.1. Employee costs \$1.518m favourable partially offset by temporary labour backfill of (\$1.212m)

- 5.2. Strategic Projects are \$0.898m favourable and include timing of Social Planning Homelessness Resource \$0.215m, Resilient Flood Mapping \$0.214m and asset condition audits \$0.146m
- 5.3. Sponsorships, Contributions and Donations are \$0.478m favourable and include timing of Event and Festivals Sponsorships within AEDA \$0.183m
- 5.4. Depreciation is \$1.126m favourable, due to the timing of the delivery of the capital program, revaluations, and remeasurement of lease liabilities, offset by an increase in finance costs of (\$0.436m).
6. The year-to-date Capital Expenditure as at 30 September 2025 is \$17.321m, which is \$7.823m ahead of the adopted budget of \$9.498m for the period. This is a result of the continued effort to deliver the annual capital program.
7. As at 30 September 2025, Council had a cash surplus of \$5.185m, with \$0.068m in bank accounts and \$4.505m in deposits.

Projected Annual Financial Summary

8. The proposed Quarter 1 review delivers an end of year operating surplus of \$8.541m, (in line with the adopted budget):
 - 8.1. Total estimated operating revenue of \$251.571m (\$2.602m higher than the adopted budget of \$248.969m).
 - 8.2. Total estimated operating expenses (including depreciation) of \$243.030m (\$2.602m higher than the adopted budget of \$240.428m).
9. Operating revenue has increased by \$2.602m from the adopted budget of \$248.969m to the estimated income of \$251.751m. This is mainly due to additional commercial parking revenue of \$1.186m, expiation, late payments and recoveries income of \$0.698m, and Adelaide Town Hall of \$0.503m and funding for Strategic Projects of \$0.201m, and other movements of \$0.014m.
10. Operating expenditure increased by \$2.602m from the adopted budget of \$240.428m to the estimated expenditure of \$243.030m. This is due to additional funding for Strategic Projects \$1.050m, and permanent increases to the budget of \$1.552m including search fees, FERU lodgements and subscription fees associated with the increase in expiation income of \$0.715m, Adelaide Town Hall \$0.420m associated with an increase in revenue, Adelaide New Years Eve event \$0.115m, increase in insurance premiums \$0.261m, and other movements of \$0.041m.
11. Total proposed Capital Expenditure for the year is \$122.293m (increase of \$7.995m compared to adopted budget of \$114.298m) mainly through the continuation of new and upgraded projects from 2024/25. The renewal program has been reprioritised to be delivered in line with the adopted budget.
12. Grant funding to support capital expenditure on new and upgraded assets of \$13.667m (\$5.649m increase to adopted budget of \$8.018m) mainly through the continuation of projects from 2024/25.
13. Borrowings are proposed to increase to \$51.818m as at 30 June 2026 (\$1.744m increase to the adopted budget of \$50.074m) as a result of the changes above.
14. Updated financial statements are provided from page 53 in **Attachment A**.

PROJECT DELIVERY SUMMARY

Strategic Projects

15. In 2025/26, Council has a commitment of \$7.146m (\$6.23m net of grant funding) to deliver 32 Strategic Projects. At the end of this quarter 26% was committed or spent.

Capital Works Program

16. In 2025/26, Council has a commitment of \$ 114.298m to deliver 284 projects as part of its Capital Works Program. At the end of this quarter 19 New and Upgrade projects and 27 Renewal projects reached practical completion.

ADJUSTMENTS TO THE 2025/26 BUSINESS PLAN AND BUDGET

Operating Program

17. Adjustments to program deliverables and budgets for the quarter (permanent changes to BAU which will flow through to the 2026/27 budget) are offset by adjustments to 2025/26 Strategic Projects (which are once-off in nature):

- 17.1. Permanent changes to the budget of \$0.849m net increase in revenue including commercial parking \$1.186m, expiation, late payment and recoveries \$0.698m, net increase in Adelaide Town Hall \$0.083m, offset by an increase in expenditure associated with expiations (\$0.715m), insurance premiums (\$0.261m), increase in funding to deliver the Adelaide New Years Eve event (\$0.115m), and other minor changes of \$0.027m.
- 17.2. Adjustments to Strategic Projects (temporary in nature) for the quarter total (\$0.849m) increase in net expenditure (\$1.050m increase in gross expenditure), consisting of:
 - 17.2.1. Inclusion of 5 new strategic projects: Election 2026 (\$0.0185m), Black Friday (\$0.050m), COP 31 pre-planning (\$0.123m), Commercial Parking Internal Audit – system consolidation (\$0.450m), and Clipper Ship (\$0.030m)
 - 17.2.2. Continuation of the School Safety Review project from 2024/25 (\$0.011m)
 - 17.2.3. Inclusion of 4 externally funded projects: Social Work in Libraries Evaluation Framework, Library Community Cohesion Programs, DHS Grant – Volunteers Connectors Program, Gawler Place Ram Raid Bollard. All 100% funded for a total of \$0.057m
 - 17.2.4. Increase in funding for 88 O'Connell St Redevelopment of (\$0.144m), 100% recovered through the developer.
18. Further detailed information on these changes is from page 47 (Operating Program - Adjustments) in **Attachment A**.

Capital Program

19. Capital expenditure is proposed to increase to \$122.293m for the year, which is higher than the adopted budget of \$114.298m.
 - 19.1. New and Upgrade projects has increased by \$7.995m from the adopted budget of \$46.361m to a proposed budget as at Quarter 1 of \$54.356m
 - 19.2. The Renewals budget has remained consistent at \$67.937m.
20. Adjustments to the Capital program include:
 - 20.1. Re-timing of projects from EOY 24/25 \$7.981m
 - 20.2. Accrued grant interest in Quarter 1 of \$0.014m
21. Further detailed information on these changes is available from page 48 (Capital Program - Adjustments) in Attachment A.

COUNCIL SUBSIDIARIES SUMMARY

22. The Adelaide Central Market Authority, Adelaide Economic Development Agency and Kadaltilla / Adelaide Park Lands Authority have provided updates as contained in **Attachments B, C and D**, respectively.
23. The Brown Hill Keswick Creek Stormwater Board (Regional Subsidiary), which Council is a member of, has provided an update as contained in **Attachment E**.

Adelaide Central Market Authority (ACMA) – Year to Date Financial Summary

24. The year-to-date operating position as at 30 September 2025 is an operating deficit of (\$0.001m), which is \$0.299m better when compared to the adopted budget of (\$0.300m) deficit for this period.
 - 24.1. Total operating revenue of \$1.352m
 - 24.2. Total operating expenditure of \$1.354m (rounding of \$0.002m).
25. There are no proposed changes to the ACMA budget in Quarter 1.

Adelaide Economic Development Agency (AEDA) – Year to Date Financial Summary

26. The year-to-date operating position as at 30 September 2025 is an operating surplus of \$0.097m, which is \$0.297m better when compared to the approved budget of (\$0.200m) deficit for this period.
 - 26.1. Total operating income of \$3.357m
 - 26.2. Total operating expenditure of \$3.260m.
27. The proposed change for AEDA in Quarter 1 is an increase in expenditure of (\$0.050m) for an increase in Strategic Project funding to deliver Black Friday, following a decision of Council. This is funded by a \$0.050m increase to the appropriation of funds through the City of Adelaide.

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

28. The year-to-date operating position as at 30 September 2025 is an operating deficit of (\$0.042m), which is \$0.017m better when compared to the approved budget of (\$0.059m) deficit for this period.

28.1. Total operating income of nil

28.2. Total operating expenditure of \$0.042m.

There are no proposed changes to the Kadaltilla budget in Quarter 1.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – 2025/26 Business Plan and Budget Q1 Update

Attachment B – Adelaide Central Market Authority Q1 Update

Attachment C – Adelaide Economic Development Agency Q1 Update

Attachment D – Kadaltilla / Adelaide Park Lands Authority Q1 Update

Attachment E - Brown Hill Keswick Creek Stormwater Board Update

- END OF REPORT -

2025/26 Business Plan & Budget



July to September 2025
Quarter 1 Update

Kaurna Acknowledgement




City of Adelaide tampendi, ngadlu Kaurna yertangga banbabanbalyarnedi (inbarendi). Kaurna meyunna yaitya mattanya Womma Tandanyako. Parnako yailtya, panuko 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 tampinhi.

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
-  that there is an increase from the most recent adopted budget to the proposed budget
-  that there is a decrease from the most recent adopted budget to the proposed budget

Contents

Kaurna Acknowledgement	2
Contents	3
CEO Message	4
Executive Summary	5
Business Plan and Budget Funding Overview	6
Spotlight on Strategic Plan Priorities and Projects	7
Our Programs and Projects	12
City Community Portfolio	14
City Infrastructure Portfolio	19
City Shaping Portfolio	22
Corporate Services Portfolio	27
Offices and Regional Subsidiary	36
Projects	38
Capital New and Upgrade	38
Capital Renewal	41
Strategic	43
Budget	45
Summary	45
Operating Position (Financial Performance)	46
Financial Indicators	49
Treasury Reporting	50
Glossary	51
Appendix: Risk and Opportunities	52
Appendix: Financial Statements	53

CEO Message

Delivering the 2025/26 Business Plan and Budget



The 2025/26 Business Plan and Budget will continue to support the delivery of the City of Adelaide Strategic Plan 2024-2028. This report highlights our progress for Quarter 1 against the objectives of the Business Plan and Budget and the corresponding aspirations of our Strategic Plan.

At the end of the Quarter 1, all ten Annual Priorities from the 2025/26 Business Plan and Budget were commenced and are on track to be completed by the end of the financial year.

The 2025/26 Capital Program started the year with strong progress being made across both New and Upgrade and Renewals. 19 New and Significant projects reached practical completion, including several street greening projects, Hutt Road/Park Lands trail signalised crossing, Hutt Road and South Terrace Intersection Traffic Signal Upgrade and VivaCity motion sensor installation.

During the quarter, 27 renewal projects achieved practical completion – predominantly 2025/26 road and footpaths renewal projects, as well as several continuing projects from 2024/25.

At the end of Quarter 1 the Strategic Projects program was 26% committed or spent, with a focus on projects that support the delivery of the City of Adelaide Strategic Plan 2024-2028 and other endorsed strategies. 88 O’Connell Project Delivery achieved practical completion, whilst the strategic project, Annual Cultural Burn in the Park Lands was realigned during the quarter due to internal process changes.

The ongoing financial planning and management over Quarter 1 has seen the delivery of an operating result generally in line with the budget. The forecast operating surplus of \$8.541m, will ensure that we remain in a strong position to support our commitment in delivering on the 2025/26 Business Plan and Budget within the parameters adopted by Council, the Long-Term Financial Plan, and associated Asset Management Plans.

I encourage you to read and review this progress report to recognise Quarter 1 achievements towards the delivery of the City of Adelaide’s 2025/26 Business Plan and Budget and the priorities of our Strategic Plan 2024-2028.

Michael Sedgman

Chief Executive Officer

Executive Summary

This report presents the performance and delivery status of Council's commitments against the 2025/26 Business Plan and Budget (BP&B) for the first quarter (July to September 2025). Included within this report is an overview of Portfolio and Project achievements, as well as the performance of Council subsidiaries.

The year-to-date operating position as at 30 September 2025 is an operating surplus of \$9.678m, which is \$4.407m higher than the adopted budget of \$5.271m for the period.

The year end projected operating position is an operating surplus of \$8.541m which remains consistent with the adopted budget. Total estimated operating revenue is forecast to be \$251.571m which is \$2.602m higher than the adopted budget of \$248.969m. This is mainly due to additional commercial parking revenue of \$1.186m; expiations, late payments and recoveries income of \$0.698m, and Adelaide Town Hall of \$0.503m and funding for Strategic Projects of \$0.201m, and other movements of \$0.014m. Total estimated operating expenditure (including depreciation) is forecast to be \$243.030m, which is \$2.602m higher than the adopted budget of \$240.248m. This is due to additional funding for Strategic Projects \$1.050m, and permanent increases to the budget of \$1.552m including search fees, FERU (Fines Enforcement Recovery Unit) lodgements and subscription fees associated with the increase in expiation income of \$0.715m, Adelaide Town Hall \$0.420m associated with an increase in revenue, Adelaide New Years Eve event \$0.115m, increase in insurance premiums \$0.261m, and other movements of \$0.041m.

Operating Position (Financial Performance)

\$000's	YTD Actual	YTD Budget	Variance	2025/26 Adopted	2025/26 Q1	Variance
Total Revenue	64,500	61,946	2,554	248,969	251,571	2,602
Total Expenses	54,822	56,675	1,853	240,428	243,030	(2,602)
Operating Surplus / Deficit	9,678	5,271	4,407	8,541	8,541	-

Council's forecasted borrowings as of 30 June 2026 has increased by \$1.744m from \$50.074m forecast in the adopted budget to \$51.818m as set out in the table below:

Borrowings Reconciliation

\$000's	2025/26 Adopted	2025/26 Q1	Movement
Opening Borrowings (2024/25 Q3 Forecast Position v Financial Statements)	(30,739)	(23,820)	(6,919)
Operating Surplus	8,541	8,541	-
Net outlays on Renewal of Assets	(8,033)	(8,033)	-
Net outlays on New and Upgraded Assets	(19,843)	(28,506)	8,663
Forecast Borrowings as at 30 June 2026	(50,074)	(51,818)	1,744

Capital Program

The year-to-date Capital Expenditure as at 30 September 2025 is \$17.321m, which is \$7.823m ahead of the adopted budget of \$9.498m for the period. This is a result of the continued effort to deliver the annual capital program.

The Capital Program is proposed to increase by \$7.995m from \$114.298m to \$122.293m as a result of the continuation of 44 new and upgraded projects from 2024/25 of \$7.981m and accrued interest of \$0.014m from externally funded projects. The renewal program has been reprioritised to be delivered in line with the adopted budget.

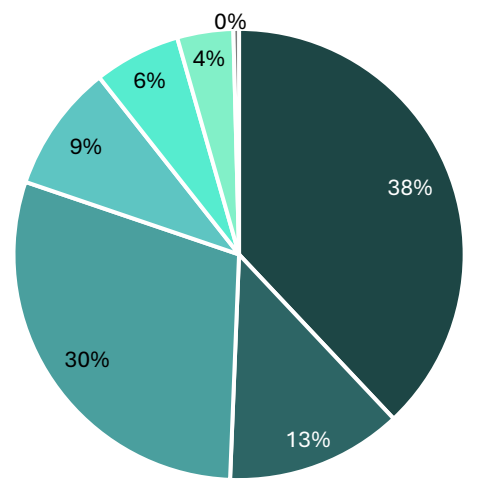
Council's Capital Program Quarter 1 budget changes are set out in the table below:

\$000's	YTD Actual	YTD Budget	Variance	Q1 Budget	Proposed Q2	Variance
New and Upgrades Projects	5,473	4,117	(1,356)	46,361	54,356	(7,995)
Renewal / Replacement of Assets	11,848	5,381	(6,467)	67,937	67,937	-
Total Revenue	17,321	9,498	(7,823)	114,298	122,293	(7,995)

Business Plan and Budget Funding Overview

Where our funds come from

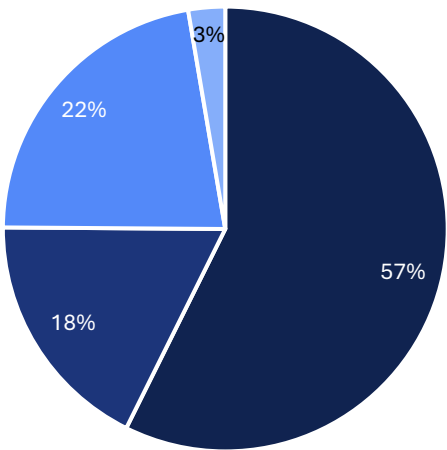
	Budget (\$m)	
Rates - Non Residential	\$116.181	38.0%
Rates - Residential	\$38.727	12.7%
Fees and charges (Statutory & User Charges)	\$90.480	29.6%
Borrowings	\$27.998	9.2%
Proceeds from the Sale of Assets	\$19.000	6.2%
External Funding	\$12.293	4.0%
Other	\$1.240	0.4%
TOTAL	\$305.919	



- Rates - Non Residential
- Rates - Residential
- Fees and charges (Statutory & User Charges)
- Borrowings
- Proceeds from the Sale of Assets
- External Funding
- Other

How our funds are spent

	Budget (\$m)	
Service Delivery	\$175.430	57.3%
New and Upgraded Assets	\$54.356	17.8%
Renewal/Replacement of Assets	\$67.937	22.2%
Strategic Projects	\$8.196	2.7%
TOTAL	\$305.919	



- Service Delivery
- New and Upgraded Assets
- Renewal/Replacement of Assets
- Strategic Projects

Spotlight on Strategic Plan Priorities and Projects

Our Community

Vibrant, connected and inclusive

Strategic Plan Key Actions that are being prioritised this year:

Support increased residential growth and housing affordability through partnerships and advocacy.

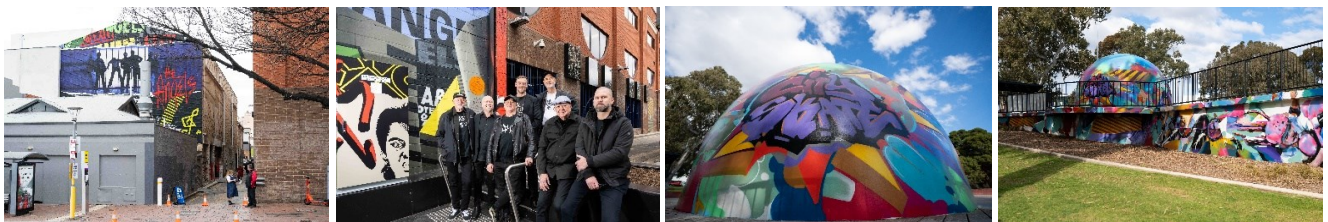
The City of Adelaide continued discussions with the Toward Home Alliance and SA Housing Trust to explore their private rental assistance program. This included a presentation from the SA Housing Trust and Toward Home Alliance on the program at the Lord Mayor's Homelessness Roundtable in August 2025. New master planning outcomes for the Flinders Street Housing Project were presented to Council on 2 September 2025.

Celebrate and elevate our community culture and the profiles of multicultural communities and create welcoming programs and services.

The City Library SALA exhibition 'Cutting Fruits' curated by Filipina visual artist Alyssa Powell-Ascura explored love, identity and culture with a traditional Filipino salo-salo (feast) hosted at the Minor Works Building Community Centre in August.

Gathered Time residency by Ugnayang Sining at Pamana (USAP) Collective for OzAsia Festival was presented in the ART POD. Through food, music, performances, storytelling and artmaking, the artists examine fiesta in a contemporary context and the ever-present need for connection and community. In September, Council approved a Memorandum of Understanding with the City Athens, Greece, which will focus on mutual cultural and economic benefit.

Quarter Spotlight: Art and Culture



Council continues to strengthen and promote Adelaide's cultural identity through initiatives that celebrate local talent, foster inclusion, and bring art to life across the city's public realm and community spaces through our **Public Art Action Plan deliverables** (\$450k, Capital Project). This quarter saw the official launch of The Angels Lane, transforming a Hindley Street laneway with large-scale murals and light-based artworks by Liam Somerville (Capital Waste) and Joel Van Moore (Vans the Omega) to honour South Australian rock icons The Angels. This addition to Council's City of Music Laneways trail helped mark the 10th anniversary of Adelaide's UNESCO City of Music designation. At City Skate on West Terrace, the vibrant mural 'Even Superheroes Skate' by Tarns One (Adam Poole-Mottishaw) and mentee Ryan McCarthy was co-designed with local skaters, adding colour and energy while fostering community pride and reducing vandalism. In North Adelaide, the exhibition and art installation, 'Postcards from North Adelaide' showcased artworks created through Louise Flaherty's residency 'For the Love of North Adelaide', celebrating the suburb's people, natural environment, and heritage. The project invited residents and students from North Adelaide Primary School to create illustrated postcards expressing what they love about their community. August's SALA Festival further enlivened Adelaide with over 100 artists exhibiting in libraries, community centres, and civic venues, reinforcing the city's reputation as a vibrant, inclusive, and artistically rich capital where creativity and culture thrive in everyday life.

Strategic Plan Key Actions that are being prioritised this year:

Make public electric vehicle charging available for all users, including micro-mobility, catalysing the uptake of electric vehicles in Adelaide and improving Council and community performance on transport emissions.

Planning is underway on the design and appearance of EV public infrastructure charging stations across the City and North Adelaide.

Work with partners to create innovative ways to create or convert underutilised areas to green space.

A grant through the State Government's Open Space Contribution scheme will be used to reinstate the community playing field at Victoria Park/Pakapakanthi (Park 16), which was removed during construction of the Pakapakanthi wetlands. On 18 September 2025, Kadaltilla / Adelaide Park Lands Authority supported the removal of hard stand in Bonython Park / Tulya Wardli (Park 27) to support the siting and establishment of Beach Volleyball subject to State Government funding.

Quarter Spotlight: Sustainable Operations



A cornerstone project of our work to create sustainable operations, is the **London Road Depot Electrification** (\$200k Capital Project). This project aims to showcase how Council can remove gas from our buildings to achieve annual energy savings of 761.94 GJ and reduce direct emissions by 47.42 tCO₂e, equating to an 11% reduction in Council's remaining gas use and a 3% cut in direct (Scope 1) emissions. Over this quarter, internal workshops and risk analysis were completed and the project has progressed to concept design. Council is also seeking to improve public realm operations through initiatives such as EV vehicles for water trucks, which in this quarter progressed to an open tender.

Strategic Plan Key Actions that are being prioritised this year:

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.

Activities undertaken this quarter to support the reputation of the city as a place to learn included funding for Study Adelaide, continued liaison with a range of purpose-built student accommodation providers and support for Business Events Adelaide in its pitch to attract a major education conference to the City. The ThincSeed Pre-Accelerator and subsequent ThincSeed Accelerator Program were also launched and Council worked with Renew Adelaide to launch five ventures.

Provide services and information that contribute towards a high productivity economy.

Council's subsidiary, the Adelaide Economic Development Agency (AEDA) continued to provide a range of services to strengthen and inform the business community, including responding to 90 requests for information. A Data for Lunch session was also held on 6 August 2025, which seeks to showcase to businesses and stakeholders how to better understand, access and use the business and economic data that Council collects, was attended by 174 people.

Quarter Spotlight: City Investment and attraction



As the Capital City Council and economic heart of the State, the City of Adelaide strives to retain, grow and attract business and property investment. The **Investment Attraction Program** (\$100k, Strategic Project) commenced this quarter and is a key enabler of the City of Adelaide Strategic Plan, Economic Development Strategy, and AEDA Strategic Plan, supporting business growth, job creation, and increased Gross State Product. Early work included hiring a dedicated advisor and developing a targeted investment attraction framework to build a strong investment pipeline and reduce commercial vacancy rates across the city. Further driving City investment, a key transformational project for Council, the **Eighty-Eight O'Connell** (\$50k, Strategic Project) development, reached a major milestone this quarter with practical completion achieved and apartment settlements underway. Commercial tenancy fit-outs are progressing well with several tenants already open

for trade and all retail and commercial spaces expected to be operational by mid-October 2025. As part of this project and Council investment, the balance payment of \$18.5 million was received by Council on 26 September 2025, marking completion of key financial and contractual obligations under the Land Facilitation Agreement.

Strategic Plan Key Actions that are being prioritised this year:

Work with partners to increase active and diverse transport measures to ensure drivers, cyclists and pedestrians can safely and easily move within the city with a goal to minimise road incidents and decrease fatalities.

Council adopted an Integrated Transport Strategy this quarter, which outlines a long-term commitment to work with partners and our community to improve movement in and around the City. This strategy also establishes a 10-year roadmap for the delivery of new transport infrastructure and strategic outcomes to improve safety and accessibility for all road users, regardless of type. Additionally this quarter, Council progressed projects (at varying stages of delivery) for cycling, safe road and footpath infrastructure, speed limit reductions, and traffic calming including wombat crossings on Melbourne Street and new Bicycle & Pedestrian Actuated Crossings on Hutt Street, Glen Osmond Road and Sir Donald Bradman Drive.

Encourage repurposing, adaptive reuse and improvement of buildings and facilities.

The City of Adelaide continues to deliver a range of grant programs to support this priority, including the Adaptive Reuse City Housing Initiative (ARCHI) Incentives Scheme, a dedicated program supporting delivery of residential adaptive reuse projects and the Heritage Incentive Scheme, a dedicated program to restore Heritage listed properties.

Quarter Spotlight: Housing and Accessibility



Increasing the residential population of the City while supporting accessibility, housing affordability, reuse and new builds are a priority for the City. As part of the **ARCHI program** (\$606k, Strategic Project) Council received 16 new enquiries and finalised two incentive funding agreements in Quarter 1. These agreements have the potential to deliver two additional dwellings (seven beds), adding to the overall program pipeline of 16 dwellings (27 beds) and five dwellings (eight beds) already delivered. Council continued to promote and engage partners on the ARCHI program, including a property industry forum

hosted by the Lord Mayor, participation in Adelaide Design Week's *New Normal* launch, and presentations to the Cities of Hobart and Melbourne, reinforcing Adelaide's leadership in adaptive reuse and city housing innovation. Council also progressed proposal to initiate the **Planning and Design Code Amendment Program** (\$100k, Strategic Project) with the City of Adelaide Technical Code Amendment (Performance Assessed Pathway) endorsed on 12 August 2025 and submitted to the Minister for Planning on 18 September 2025. The Historic Area Statements Update Code Amendment was approved on 9 September 2025. Implementation of the **Disability Access and Inclusion Plan 2024–2028** (\$130k, Strategic Project) progressed this quarter with a scoping review being prepared to identify future quiet or sensory-friendly spaces, and internal employee training being refreshed and expanded to include new modules on universal design, accessible events, hidden disabilities, and Auslan.

Strategic Plan Key Actions that are being prioritised this year:

Create, maintain and integrate plans and policies that reflect and guide decision making and support our city and our community to thrive.

Several plans and policies have been reviewed and have been either adopted by Council or are in the final stages of the approval process. These included the Privacy Policy, Emergency Management Plan, Community Engagement Charter and Policy, and the Behavioural Management Policy.

Attract and retain people with skills and behaviours which align with our organisational objectives and values.

The Employee Value Proposition refresh was finalised and communicated during this quarter and a Leadership Capability Framework was drafted for internal consultation.

Quarter Spotlight: Talent Attraction & Governance



Council's **Aboriginal Employment and Inclusion Coordinator** (\$34k, Strategic Project) project aims to strengthen Aboriginal employment outcomes and during this quarter work progressed on the development of a revised Cultural Learning Framework, a new Aboriginal Employment Action Plan, and the design of an Aboriginal Traineeship and Cadetship Program. This initiative directly supports the City of Adelaide's goal of achieving over 2% Aboriginal and Torres Strait Islander representation and aligns with the Strategic Plan 2024-2028 and Reconciliation Action Plan. Further supporting our internal capabilities, the **Talent Attraction and Retention Program** (\$121k, Strategic Project) implemented a new Workforce Management System to streamline processes and secure ongoing funding for additional resourcing to meet operational and strategic workforce needs. Within this quarter, the **2025 Supplementary**

Election (\$185k, Strategic Project) concluded with four candidates appointed as Central Ward Councillors. Council is also preparing for the 2026 Local Government Election and during this quarter, started the process to update the voters roll in response to recent legislative amendments to the *City of Adelaide Act 1999*.

Our Programs and Projects

Our Organisation

The City of Adelaide will deliver the 2025/26 Business Plan and Budget through our Organisational Structure, including our Portfolios, Offices and Subsidiaries.

City Community

- Director City Community
- City Culture
- Customer and Marketing
- Regulatory Services

City Infrastructure

- Director City Infrastructure
- Infrastructure
- Strategic Property and Commercial

City Shaping

- Director City Shaping
- City Operations
- Park Lands, Policy and Sustainability
- Kadaltilla / Adelaide Park Lands Authority (Kadaltilla)

Corporate Services

- Chief Operating Officer
- Finance and Procurement
- Governance & Strategy
- Information Management
- People

Subsidiaries

- Adelaide Central Market Authority (ACMA)
- Adelaide Economic Development Agency (AEDA)

Offices

- Office of the Chief Executive Officer
- Office of the Lord Mayor

Operational Financial Summary

	2025/26 Adopted		2025/26 Q1	
	\$'000	Income	Expenditure	
City Community				
Director City Community	-	(680)	-	(685)
City Culture	5,283	(19,345)	5,061	(19,348)
Customer and Marketing	1	(6,895)	1	(7,231)
Regulatory Services	17,625	(10,613)	18,323	(11,171)
Strategic Projects	-	(895)	47	(917)
City Infrastructure				
Director City Infrastructure	-	(709)	-	(709)
Infrastructure	-	(53,287)	-	(52,983)
Strategic Property and Commercial	58,837	(34,046)	60,761	(34,686)
Strategic Projects	270	(2,528)	424	(3,143)
City Shaping				
Director City Shaping	-	(715)	-	(715)
City Operations	2,935	(47,084)	2,935	(47,092)
Park Lands, Policy and Sustainability	46	(7,710)	46	(7,889)
Kadaltilla / Adelaide Park Lands Authority	323	(323)	323	(323)
Strategic Projects	553	(1,994)	553	(2,142)
Corporate Services				
Chief Operating Officer	-	(974)	-	(974)
Finance and Procurement	142	(4,853)	142	(4,853)
Governance and Strategy	-	(5,925)	-	(6,054)
Information Management	38	(15,227)	38	(15,227)
People	-	(5,082)	-	(5,082)
Corporate Activities*	152,743	2,693	143,562	2,696
Adelaide Central Market Authority	5,645	(6,282)	5,645	(6,282)
Adelaide Economic Development Agency	4,528	(13,134)	13,710	(13,135)
Strategic Projects	-	(1,729)	-	(1,994)
Offices				
Office of the CEO	-	(1,501)	-	(1,501)
Office of the Lord Mayor	-	(1,590)	-	(1,590)
Total	248,969	(240,428)	251,571	(243,030)
Operating Surplus/(Deficit)		8,541		8,541

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

City Community Portfolio

The City Community Portfolio strives to deliver exceptional experiences for our community and customers, providing opportunities for creativity, recreation and wellbeing in a city that is safe, accessible and supportive of all our communities.

Key Focus areas:

- Strategic communication that keeps our community informed
- Support safer public spaces and keep the city moving
- Community led services that increase wellbeing, social connection and active lifestyles
- City activation, events, initiatives, grants and sponsorship
- Provide brilliant customer service to all city users
- Facilitation of high-quality built form outcomes through the assessment phase.

Planning and Budget Updates

Operating Budget Changes

Increase in expiation, late payments and recoveries income of \$0.698m, offset by:

- Recognition of SenSen subscription budget of (\$0.225m)
- Increase in Fines Enforcement Recovery Unit (FERU) expenditure (\$0.080m) and search and information fees (\$0.254m)
- Increase in employee costs for Parking Information Officers (\$0.156m) associated with an increase in income

Increase in Adelaide Town Hall income of \$0.503m, partly offset by an increase in associated expense (\$0.420m)

Increase in funding to deliver the 2025 New Year's Eve event of (\$0.115m)

Realignment in Customer & Marketing employee cost budget (\$0.205m) fully offset by savings in Materials and Contracts \$0.205m

Increase in employee costs as a result of Mercer reclassifications (\$0.039m) in the City Culture Program.

Organisation realignment impacts have impacted the Portfolio as follows (net nil impact to Council):

- Increase in employee costs Regulatory Services due to realignment (\$0.177m),
- Reduction in City Culture income (\$0.725m) along with reduction in associated expenses of \$0.453m.

Strategic Project Budget Changes

Continuation of 2024/25 Strategic Projects for Social Workers in library, \$0.013m, and DHS Volunteers Connectors Program \$0.025m recognition of grants and associated expenditure.

Reallocation of Annual Cultural Burn in the Park Lands project to Park Lands, Policy and Sustainability \$0.025m

Portfolio Quarterly Highlights

City Culture

Approval of the CoA and City of Athens Memorandum of Understanding was approved by Council in September 2025.

31 activations and major events were delivered and facilitated in the City.

The building design for the first Community Building Redevelopment in Park 21 West was approved with the design phase completed and endorsed by Council in July.

Customer and Marketing

During Quarter 1, the Marketing and Communications team introduced a more dynamic and proactive social media presence, profiling Council activities and outcomes through a variety of formats including use of video reels.

The Customer Centre and Customer Experience Team consolidated monitoring and reporting on our customer service with strong customer satisfaction (69%) being recorded.

Regulatory Services

First Local Design Review (LDR) session for an active development application was held in July as part of Council's LDR trial with the State Government. Positive feedback was provided by all parties following the session.

City Community Portfolio Budget

	2025/26 Adopted					2025/26 Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
Operating Budget										
Revenue	-		22,909	-	22,909	-	23,432	-	23,432	
Employee Costs	196.9		-	(25,218)	(25,218)	196.9	-	(25,567)	(25,567)	
Materials	-		-	(9,094)	(9,094)	-	-	(9,805)	(9,805)	
Sponsorships	-		-	(909)	(909)	-	-	(909)	(909)	
Depreciation	-		-	(2,936)	(2,936)	-	-	(2,800)	(2,800)	
Finance Costs	-		-	(271)	(271)	-	-	(271)	(271)	
TOTAL	196.9		22,909	(38,428)	(15,519)	196.9	23,432	(39,352)	(15,920)	
Program Budget										
Office of the Director	3.0		-	(680)	(680)	3.0	-	(685)	(685)	
City Culture	71.0		5,283	(19,345)	(14,062)	68.8	5,061	(19,348)	(14,287)	
Customer and Marketing	40.1		1	(6,895)	(6,894)	40.1	1	(7,231)	(7,230)	
Regulatory Services	81.0		17,625	(10,613)	7,012	83.0	18,323	(11,171)	7,152	
Strategic Projects	1.8		-	(895)	(895)	2.0	47	(917)	(870)	
TOTAL	196.9		22,909	(38,428)	(15,519)	196.9	23,432	(39,352)	(15,920)	

	\$'000	2025/26 Adopted		2025/26 Q1	
		Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		3,918	(14,386)	3,918	(14,939)
Renewal		-	(196)	-	(214)
TOTAL		3,918	(14,582)	3,918	(15,153)

City Culture

	2025/26 Adopted				2025/26 Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	5,283	-	-	5,283	-	5,061	-	5,061
Employee Costs	71.0	-	(9,488)	(9,488)	(9,488)	68.8	-	(9,222)	(9,222)
Materials	-	-	(6,141)	(6,141)	(6,141)	-	-	(6,546)	(6,546)
Sponsorships	-	-	(509)	(509)	(509)	-	-	(509)	(509)
Depreciation	-	-	(2,936)	(2,936)	(2,936)	-	-	(2,800)	(2,800)
Finance Costs	-	-	(271)	(271)	(271)	-	-	(271)	(271)
TOTAL	71.0	5,283	(19,345)	(14,062)	(14,062)	68.8	5,061	(19,348)	(14,287)
Activity View									
Associate Director (office)	2.0	-	(381)	(381)	(381)	2.0	-	(381)	(381)
Adelaide Town Hall	5.0	2,813	(3,136)	(323)	(323)	5.0	3,316	(3,557)	(241)
Aquatic Centre	-	-	-	-	-	-	-	-	-
City Experience	16.1	820	(4,236)	(3,416)	(3,416)	15.1	820	(4,381)	(3,561)
City Lifestyle	10.8	1,257	(3,570)	(2,313)	(2,313)	8.8	532	(3,005)	(2,473)
Creative City	11.6	137	(2,419)	(2,282)	(2,282)	12.4	137	(2,421)	(2,284)
Libraries	25.5	256	(5,603)	(5,347)	(5,347)	25.5	256	(5,603)	(5,347)
TOTAL	71.0	5,283	(19,345)	(14,062)	(14,062)	68.8	5,061	(19,348)	(14,287)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
Aboriginal Protocol Grant		-	(41)	-	(41)
Adelaide's New Years Eve	65		(585)	65	(700)
Annual Delivery of Kurna Initiatives	-		(27)	-	0-
ANZAC Day Service - March & Related Activities	-		(57)	-	(57)
Arts and Cultural Grants	-		(39)	-	(39)
Christmas Festival Action Plan	-		(532)	-	(533)
City Activation - West End Precinct	-		(53)	-	(53)
City Activation – East End Unleashed	41		(291)	41	(291)
City Activation - Gouger Street Precinct	-		(53)	-	(53)
City Activation - Hutt Street Precinct	-		(81)	-	(81)
City Activation - North Adelaide Precinct	-		(109)	-	(109)
City Activation - Precinct Support	-		(121)	-	(121)
Community Capacity Development	-		(3)	-	(3)
Community Impact Grants	-		(550)	-	(550)
DHS Community Neighbourhood Development Funding - Minor Works	99		(99)	99	(99)
Homelessness Social and Affordable Housing	-		(310)	-	(310)
International Relations (Sister Cities)	-		(98)	-	(98)
Live Music Industry and Venues Support	-		(59)	-	(59)
UNESCO Adelaide City of Music Ltd Partnership	-		(54)	-	(54)
Winter Weekends	-		-	-	-
TOTAL		205	(3,162)	205	(3,251)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Annual Cultural Burn in the Park Lands	-		(25)	-	-
Australia Day Sponsorship (SP)	-		(100)	-	(100)
Bilingual Community Liaison Officer	-		(93)	-	(93)
City Activation	-		(300)	-	(300)
DHS Grant - Volunteers Connecters Program	-		-	25	(25)
Future Libraries Business Case	-		(75)	-	(75)
Library Community Cohesion Programs	-		-	9	(9)
Positive Ageing Program – Pilot	-		(50)	-	(50)
Social Work in Libraries	-		-	13	(13)
TOTAL	-		(643)	47	(665)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		3,918	(14,319)	3,918	(14,939)
Renewal		-	(196)	-	(214)
TOTAL		3,918	(14,515)	3,918	(15,153)

Customer and Marketing

	2025/26 Adopted					2025/26 Q1			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	1	-	-	1	-	1	-	1
Employee Costs	40.1	-	(4,974)	(4,974)	(4,974)	40.1	-	(5,179)	(5,179)
Materials	-	-	(1,921)	(1,921)	(1,921)	-	-	(2,053)	(2,053)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
TOTAL	40.1	1	(6,895)	(6,895)	(6,894)	40.1	1	(7,232)	(7,231)
Activity View									
Manager	1.0	-	(222)	(222)	(222)	1.0	-	(225)	(225)
Customer Experience	28.1	1	(4,411)	(4,411)	(4,410)	28.1	1	(4,708)	(4,707)
Marketing & Communications	11.0	-	(2,262)	(2,262)	(2,262)	11.0	-	(2,298)	(2,298)
TOTAL	40.1	1	(6,895)	(6,895)	(6,894)	40.1	1	(7,231)	(7,230)

	2025/26 Adopted			2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
N/A	-	-	-	-	-
TOTAL	-	-	-	-	-

	2025/26 Adopted			2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
City of Adelaide website redevelopment	-	-	-	-	(100)
TOTAL	-	-	-	-	(100)

	2025/26 Adopted			2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade	-	-	-	-	-
Renewal	-	-	-	-	-
TOTAL	-	-	-	-	-

Regulatory Services

	2025/26 Adopted					2025/26 Q1			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	-	17,625	-	17,625	-	18,323	-	18,323
Employee Costs	81.0	-	-	(9,861)	(9,861)	83.0	-	(10,194)	(10,194)
Materials	-	-	-	(752)	(752)	-	-	(977)	(977)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
TOTAL	81.0	17,625	(10,613)	7,012	83.0	18,323	(11,171)	7,152	
Activity View									
Associate Director (office)	3.0	-	-	(490)	(490)	3	-	(490)	(490)
City Development	22.9	3,852	-	(3,097)	755	24.9	3,852	(3,274)	578
City Safety	13.0	538	-	(1,902)	(1,364)	13.0	538	(1,902)	(1,364)
On-Street Parking Compliance	42.1	13,235	-	(5,124)	8,111	42.1	13,933	(5,505)	8,428
TOTAL	81.0	17,625	(10,613)	7,012	83.0	18,323	(11,171)	7,152	

	2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.
Operating Activities				
N/A	-	-	-	-
TOTAL	-	-	-	-

	2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.
Strategic Projects				
On-Street Parking Compliance Technology and Customer Analytics Reform	-	(152)	-	(152)
TOTAL	-	(152)	-	(152)

	2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.
Capital Projects				
New and Upgrade	-	(67)	-	-
Renewal	-	-	-	-
TOTAL	-	(67)	-	-

City Infrastructure Portfolio

The City Infrastructure Portfolio is responsible for Council's infrastructure assets, strives to make it easier to conduct business in our City and leads the Council's property portfolio and commercial businesses to generate income.

Key Focus areas:

- Capital Works Program, including New and Significant Upgrades and Renewals
- Main street revitalisation and improvements
- Deliver initiatives as defined in the City of Adelaide Property Strategy
- Progress with approved property development projects including Market Square, 88 O'Connell, and the Former Bus Station site.

Planning and Budget Updates

Operating Budget Changes:

Organisation realignment impacts have impacted the portfolio as follows (net nil impact to Council):

- Decrease in employee costs within Infrastructure due to realignment (\$0.177m) to Regulatory Services
- Reallocation of FTE between Infrastructure and Strategic Property & Commercial,
- Realignment of Commercial Properties in the Park Lands from City Culture, including income of \$0.725m and associated costs of (\$0.453m)

Increase in Commercial Parking income of \$1.186m

Increase in funding for insurance premiums of (\$0.125m)

Strategic Project Changes:

New project to implement actions arising from the Commercial Parking Internal Audit of (\$0.450m)

New project for the installation of Gawler Place Ram Raid Bollards of (\$0.010m), 100% recovered by the property owner.

Continuation of the School Safety Review project of (\$0.011m)

Increase in funding for 88 O'Connell St Redevelopment of (\$0.144m), 100% recovered from the developer

Portfolio Quarterly Highlights

Infrastructure

The successful completion of the North-South Bikeway project along Frome Road from Rundle Street to Albert Bridge, concludes a project that has been in development for many years. A separated bikeway for the full extent of Frome Road is now complete.

Successful completion of the Integrated Transport Strategy provides a 10-year roadmap for a shared vision, policies and a framework to inform evidence-based and cost-effective decision making for a better transport network and healthier streets.

Strategic Property and Commercial

Practical completion of 88 O'Connell has been achieved, including receipt of balance payment from the developer. 'Topping out' of office tower by builder Multiplex on the Central Market Arcade Redevelopment (CMAR) and detailed consideration of the proposed parking guidance system has commenced.

City Infrastructure Portfolio Budget

	\$'000	FTE	2025/26 Adopted			2025/26 Q1			
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue		-	59,107	-	59,107	-	61,185	-	61,185
Employee Costs		119.2	-	(12,709)	(12,709)	118.2	-	(12,684)	(12,684)
Materials		-	-	(19,826)	(19,826)	-	-	(20,666)	(20,666)
Sponsorships		-	-	(175)	(175)	-	-	(175)	(175)
Depreciation		-	-	(57,420)	(57,420)	-	-	(57,556)	(57,556)
Finance Costs		-	-	(440)	(440)	-	-	(440)	(440)
TOTAL		119.2	59,107	(90,570)	(31,463)	118.2	61,185	(91,521)	(30,336)
Program Budget									
Office of the Director		3.0	-	(709)	(709)	3.0	-	(709)	(709)
Infrastructure		69.3	-	(53,287)	(53,287)	66.5	-	(52,983)	(52,983)
Strategic Property and Commercial		44.9	58,837	(34,046)	24,791	46.7	60,761	(34,686)	26,075
Strategic Projects		2.0	270	(2,528)	(2,258)	2.0	424	(3,143)	(2,719)
TOTAL		119.2	59,107	(90,570)	(31,463)	118.2	61,185	(91,521)	(30,336)
						2025/26 Adopted		2025/26 Q1	
						\$'000	Inc.	Exp.	Inc. Exp.
Capital Projects									
New and Upgrade						4,100	(14,737)	4,100	(24,860)
Renewal						-	(58,324)	-	(58,336)
TOTAL						4,100	(73,061)	4,100	(83,196)

Infrastructure

	\$'000	FTE	2025/26 Adopted			FTE	2025/26 Q1		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
Operating Budget									
Revenue		-	-	-	-	-	-	-	-
Employee Costs		69.3	-	(3,990)	(3,990)	66.5	-	(3,713)	(3,713)
Materials		-	-	(5,358)	(5,358)	-	-	(5,331)	(5,331)
Sponsorships		-	-	(175)	(175)	-	-	(175)	(175)
Depreciation		-	-	(43,764)	(43,764)	-	-	(43,764)	(43,764)
Finance Costs		-	-			-	-	-	-
TOTAL		69.3	-	(53,287)	(53,287)	66.5	-	(52,983)	(52,983)
Activity View									
Associate Director (office)		1.9	-	(679)	(679)	1.9	-	(651)	(651)
Infrastructure Planning and Delivery		45.6	-	(51,894)	(51,894)	44.8	-	(51,795)	(51,795)
Technical Services		21.8	-	(714)	(714)	19.8	-	(537)	(537)
TOTAL		69.3	-	(53,287)	(53,287)	66.5	-	(52,983)	(52,983)
						2025/26 Adopted		2025/26 Q1	
						\$'000	Inc.	Exp.	Inc. Exp.
Operating Activities									
Free City Connector						-	(1,364)	-	(1,364)
TOTAL						-	(1,364)	-	(1,364)
						2025/26 Adopted		2025/26 Q1	
						\$'000	Inc.	Exp.	Inc. Exp.
Strategic Projects									
Asset Condition Audit						-	(1,200)	-	(1,200)
Gawler Place Raim Raid Bollard						-	-	10	(10)
Resilient Flood Planning						100	(1,100)	100	(1,100)
School Safety Review						-	-	-	(11)
TOTAL						100	(2,300)	110	(2,321)
						2025/26 Adopted		2025/26 Q1	
						\$'000	Inc.	Exp.	Inc. Exp.
Capital Projects									
New and Upgrade						4,100	(12,697)	4,100	(20,704)
Renewal						-	(58,324)	-	(58,336)
TOTAL						4,100	(71,021)	4,100	(79,040)

Strategic Property and Commercial

	2025/26 Adopted				2025/26 Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-		58,837	-	58,837	-	60,761	-	60,761
Employee Costs	44.9		-	(7,753)	(7,753)	46.7	-	(8,005)	(8,005)
Materials	-		-	(12,196)	(12,196)	-	-	(12,448)	(12,448)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	(13,657)	(13,657)	-	-	(13,793)	(13,793)
Finance Costs	-		-	(440)	(440)	-	-	(440)	(440)
TOTAL	44.9		58,837	(34,046)	24,791	46.7	60,761	(34,686)	26,075
Activity View									
Associate Director (office)	1.8		-	(443)	(443)	1.8	-	(444)	(444)
Commercial	4.0		300	(770)	(470)	4.0	-	(773)	(773)
Parking	17.8		46,152	(14,999)	31,153	17.8	47,338	(14,981)	32,357
North Adelaide Golf Course	13.1		5,455	(5,524)	(69)	13.1	5,455	(5,527)	(72)
Strategic Property Development	4.0		-	(840)	(840)	4.8	-	(966)	(966)
Strategic Property Management	4.2		6,930	(11,470)	(4,540)	5.2	7,968	(11,995)	(4,027)
TOTAL	44.9		58,837	(34,046)	24,791	46.7	60,761	(34,686)	26,075

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
N/A		-	-	-	-
TOTAL		-	-	-	-

	2025/26 Adopted		2025/26 Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
88 O'Connell St Redevelopment	-	(50)	144	(194)	
Commercial Parking Internal Audit – System Consolidation	-	-	-	(450)	
Review of Property Management	-	(50)	-	(50)	
Parking Coordinator - On Street Paid Parking Controls	170	(128)	170	(128)	
	170	(228)	314	(822)	

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade	-		(2,040)	-	(4,156)
Renewal	-		-	-	-
TOTAL			(2,040)		(4,156)

City Shaping Portfolio

The City Shaping Portfolio leverages and celebrates our role as a Capital City Council and delivers the services that protect our heritage, Park Lands and urban environment and demonstrate our environmental leadership now and into the future.

Key Focus areas:

- Adelaide Park Lands greening, management and improvements
- Implementing the City Plan
- Implementing the Integrated Climate Strategy
- Implementing the Reconciliation Action Plan
- Heritage promotion and protection
- Capital Works Program, including New and Significant Upgrades and Renewals
- Maintenance of public realm and city presentation
- Initiatives and projects included or associated with the Economic Development Strategy, Housing Strategy, and the Homelessness Strategy
- Continued delivery of the Adaptive Re-use City Housing Initiative (ARCHI)

Planning and Budget Updates

The Heritage Incentive Scheme and Noise Management Incentive Scheme are fully allocated for 2025/26 and allocations are being actively managed.

Operating Budget Changes:

Organisation realignment impacts have impacted the portfolio as follows (net nil impact to Council):

- Realignment of Reconciliation activities from City Culture including a resource, Kaurua Initiatives and the Strategic Project for the Cultural Burn (\$0.203m)
- Reallocation of FTE between Infrastructure and Strategic Property & Commercial
- Realignment of Commercial Properties in the Park Lands from City Culture, including income of \$0.725m and associated costs of (\$0.453m)

Increase in funding for insurance premiums of (\$0.08m)

Strategic Project Changes:

New project to prepare for COP 31 (\$0.123m)

Reallocation of Annual Cultural Burn in the Park Lands project from City Culture (\$0.025m)

Portfolio Quarterly Highlights

City Operations

The Cleansing Service Pilot was completed in September 2025. Based on the trial's insights, cleansing service standards are now being defined to align cleansing service delivery with the community's expectations.

Recruitment for the new Tree Protection Officer (TPO) role is underway. This resource will play a crucial role in supporting tree protection and the management of Council trees.

The Waste, Recycling, and Organics Collection Feasibility Study analysis continued during the quarter to determine an effective waste management service that supports the City of Adelaide's diversion targets. The current waste contract expires in June 2027, and the feasibility study will inform the requirements and tender for the new contract.

Progress was made toward the development of the Plant and Fleet management strategy and Asset Management Plan (AMP), and asset maintenance service standards (to align maintenance works to existing asset AMPs).

Park Lands Policy & Sustainability

The 2025 NAIDOC Week (6 July-13 July) theme was "The Next Generation: Strength, Vision & Legacy" and celebrations included NAIDOC in the Mall and the Lord Mayor's NAIDOC Award.

NAIDOC in the Mall was held on 8 July 2025 and provided the community with opportunities to celebrate and engage with First Nations culture. The event featured the unveiling of the Aboriginal and Torres Strait Islander Family Portrait Project. The project, undertaken by Colleen Strangways, invited Aboriginal and Torres Strait Islander families, spanning three or more generations, to participate in a collaborative photography exhibition.

The Lord Mayor's NAIDOC Award, held on 7 July 2025, continues to recognise outstanding contributions to the community. In 2025 Craig Rigney was the recipient for his dedication to improving community safety and wellbeing.

Accessibility Guides for the Adelaide Town Hall (Civic), Adelaide Town Hall (Events), Meeting Hall, Rundle Mall and Adelaide Central Market incorporate feedback from the Access and Inclusion Advisory Panel and are undergoing final design ahead of publishing.

Final recommendations for 20th Century Heritage Places were tabled with Council in September 2025. The Heritage Promotions Program in 2025/26 has a focus on 'Modern Marvels' to increase awareness about 20th Century buildings and support of any future planning code amendment.

Historic Area Statements Update Code Amendment endorsed by Council on 9 September 2025.

Kadaltilla/Adelaide Park Lands Authority

Between 18 August and 8 September 2025, the City of Adelaide sought community feedback on the reinstatement of the Adelaide Park Lands interface between the Adelaide Aquatic Centre and Barton Terrace West, North Adelaide. Rest Stop Design Guidelines for the Adelaide Park Lands Trail have been completed and incorporated into the Adelaide Park Lands Trail Improvement Plan.

City Shaping Portfolio Budget

	\$'000	FTE	2025/26 Adopted			2025/26 Q1			
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	-	3,857	-	3,857	-	3,857	-	3,857
Employee Costs	273.2	-	-	(32,438)	(32,438)	274.2	-	(32,733)	(32,733)
Materials	-	-	-	(21,358)	(21,358)	-	-	(21,398)	(21,398)
Sponsorships	-	-	-	(1,902)	(1,902)	-	-	(1,902)	(1,902)
Depreciation	-	-	-	(2,128)	(2,128)	-	-	(2,128)	(2,128)
Finance Costs	-	-	-	-	-	-	-	-	-
TOTAL	273.2	3,857	(57,826)	(53,969)	(53,969)	274.2	3,857	(58,161)	(54,304)
Program Budget									
Office of the Director	3.0	-	-	(715)	(715)	3.0	-	(715)	(715)
Park Lands, Policy & Sustainability	35.6	46	-	(7,710)	(7,664)	36.6	46	(7,889)	(7,843)
City Operations	230.3	2,935	-	(47,084)	(44,149)	230.3	2,935	(47,092)	(44,157)
Kadaltilla / Park Lands Authority	1.3	323	-	(323)	-	1.3	323	(323)	-
Strategic Projects	3.0	553	-	(1,994)	(1,441)	3.0	553	(2,142)	(1,589)
TOTAL	273.2	3,857	(57,826)	(53,969)	(53,969)	274.2	3,857	(58,161)	(54,304)

	\$'000	2025/26 Adopted		2025/26 Q1	
		Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade	-	-	(4,282)	-	(0,780)
Renewal	-	-	(1,559)	-	(1,559)
TOTAL	-	(5,841)	(5,841)	-	(2,339)

City Operations

	2025/26 Adopted				2025/26 Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-		2,935	-	2,935	-	2,935	-	2,935
Employee Costs	230.3		-	(25,828)	(25,828)	230.3	-	(25,908)	(25,908)
Materials	-		-	(19,128)	(19,128)	-	-	(19,056)	(19,056)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	(2,128)	(2,128)	-	-	(2,128)	(2,128)
Finance Costs	-		-	-	-	-	-	-	-
TOTAL	230.3		2,935	(47,084)	(44,149)	230.3	2,935	(47,092)	(44,157)
Activity View									
Associate Director (office)	16.8		18	(3,312)	(3,294)	16.8	18	(3,332)	(3,314)
Manager, City Maintenance	1.0		-	(202)	(202)	1.0	-	(202)	(202)
Manager, City Presentation	1.0		-	(213)	(213)	1.0	-	(213)	(213)
Cleansing	48.5		10	(7,517)	(7,507)	47	10	(7,409)	(7,399)
Facilities	5.0		-	(3,408)	(3,408)	5	-	(3,408)	(3,408)
Horticulture	87.1		2,596	(16,409)	(13,813)	87.1	2,596	(16,397)	(13,801)
Infrastructure Maintenance	33.0		-	(6,151)	(6,151)	33	-	(6,151)	(6,151)
Trades	25.0		261	(5,714)	(5,453)	24	261	(5,714)	(5,453)
Waste	2.5		50	(3,491)	(3,441)	4	50	(3,599)	(3,549)
Workshops	10.4		-	(667)	(667)	11.4	-	(667)	(667)
TOTAL	230.3		2,935	(47,084)	(44,149)	230.3	2,935	(47,092)	(44,157)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
Safer City Program		-	(95)	-	(95)
TOTAL		-	(95)	-	(95)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
N/A		-	-	-	-
TOTAL		-	-	-	-

	\$'000	2025/26 Adopted		2025/26 Q1	
		Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	(150)	-	(219)
Renewal		-	(1,559)	-	(1,559)
TOTAL		-	(1,709)	-	(1,778)

Park Lands, Policy & Sustainability

	2025/26 Adopted				2025/26 Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	46	-	-	46	-	46	-	46
Employee Costs	35.6	-	(5,387)	(5,387)	(5,387)	36.6	-	(5,549)	(5,549)
Materials	-	-	(886)	(886)	(886)	-	-	(903)	(903)
Sponsorships	-	-	(1,437)	(1,437)	(1,437)	-	-	(1,437)	(1,437)
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
TOTAL	35.6	46	(7,710)	(7,664)	(7,664)	36.6	46	(7,889)	(7,843)
Activity View									
Associate Director (office)	3.0	-	(501)	(501)	(501)	3.0	-	(502)	(502)
City Planning and Heritage	17.2	46	(4,185)	(4,139)	(4,139)	15.2	46	(3,917)	(3,871)
Low Carbon & Circular Economy	7.8	-	(1,735)	(1,735)	(1,735)	7.8	-	(1,745)	(1,745)
Park Lands & Sustainability	7.6	-	(1,289)	(1,289)	(1,289)	7.6	-	(1,279)	(1,279)
Reconciliation	-	-	0,000	0,000	0,000	3.0	-	(446)	(446)
TOTAL	35.6	46	(7,710)	(7,664)	(7,664)	36.6	46	(7,889)	(7,843)

	2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Exp.
Operating Activities				
Annual Delivery of Kaurua Initiatives	-	-	-	(27)
Heritage Incentive Scheme	-	(1,163)	-	(1,163)
Heritage Promotion Program	-	(187)	-	(187)
History Festival	-	(33)	-	(33)
Homelessness - Social and Affordable Housing	-	(165)	-	(165)
Homeless and Vulnerable People Project	46	(46)	46	(46)
Integrated Climate Strategy - SIS	-	(233)	-	(233)
Integrated Climate Strategy - Carbon Neutral	-	(484)	-	(484)
Integrated Climate Strategy - Sustainability	-	(124)	-	(124)
NAIDOC Week Celebrations	-	(54)	-	(54)
Noise Management Program Incentive Scheme	-	(48)	-	(48)
Safer City Program	-	(254)	-	(254)
TOTAL	46	(2,791)	46	(2,818)

	2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Exp.
Strategic Projects				
Adaptive Reuse City Housing Initiative^	303	(606)	303	(606)
Annual Cultural Burn in the Park Lands	-	-	-	(25)
City Plan Digital Tool	-	(140)	-	(140)
COP 31 pre-planning	-	-	-	(123)
Delivering the Planning and Design Code Amendment Program 23-26 (Yr 2)	-	(100)	-	(100)
Disability Access and Inclusion Plan 2024-2028 Implementation	-	(130)	-	(130)
Implementation of City of Adelaide Housing Strategy	-	(200)	-	(200)
Key Biodiversity Area Management Plans	-	(75)	-	(75)
Master Plan for Helen Mayo Park	250	(250)	250	(250)
National Heritage Management Plan Implementation	-	(100)	-	(100)
Social Planning Homelessness and Adelaide Zero Project Resourcing	-	(215)	-	(215)
World Heritage Bid for the Park Lands	-	(178)	-	(178)
TOTAL	553	(1,994)	553	(2,142)

	2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Exp.
Capital Projects				
New and Upgrade	-	(4,132)	-	(561)
Renewal	-	-	-	-
TOTAL	-	(4,132)	-	(561)

Kadaltilla / Adelaide Park Lands Authority

	2025/26 Adopted				2025/26 Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	323	-	-	323	-	323	-	323
Employee Costs	1.3	-	(180)	(180)	(180)	1.3	-	(180)	(180)
Materials	-	-	(143)	(143)	(143)	-	-	(143)	(143)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
TOTAL	1.3	323	(323)	-	-	1.3	323	(323)	-
Activity View									
Kadaltilla	1.3	323	(323)	-	-	1.3	323	(323)	-
TOTAL	1.3	323	(323)	-	-	1.3	323	(323)	-

	2025/26 Adopted			2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
N/A	-	-	-	-	-
TOTAL	-	-	-	-	-

	2025/26 Adopted			2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade	-	-	-	-	-
Renewal	-	-	-	-	-
TOTAL	-	-	-	-	-

	2025/26 Adopted			2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
N/A	-	-	-	-	-
TOTAL	-	-	-	-	-

Corporate Services Portfolio

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.

Key Focus areas:

- Update of the Long-Term Financial Plan
- Continuous improvement of community engagement
- Cybersecurity uplift
- Workforce planning
- Transition to One Market (Adelaide Central Market)
- Support visitor economy, jobs and investment in the city

Planning and Budget Updates

Operating Budget Changes:

Reallocation of employee costs to Contractual Expenditure for the IM Roadmap to reflect the nature of the agreements.

Increase in funding for insurance premiums of (\$0.129m).

Strategic Project Changes:

New project to promote Black Friday in AEDA following decision of Council (\$0.050m)

New project to implement legislated voters roll changes and 2026 Election of (\$0.185m)

New project to contribute to the City of Adelaide Clipper Ship of (\$0.030m) following decision of Council

Portfolio Quarterly Highlights

Finance & Procurement

2024/25 Financial Statements signed with unqualified Audit Opinion.

Draft 2025/26 to 2034/35 Long Term Financial Plan developed for endorsement for public consultation.

Settlement of 88 O'Connell St including complex GST transactions.

Procurement managed 38 projects worth \$54.026m in Q1.

2025/26 rates generated and Q1 rate notices issued.

2025/26 Q1 overdue notices issued.

Governance & Strategy

The draft 2024-25 Annual Report has also been prepared and will be presented to Council Q2.

Completed the 2025 Central Ward Supplementary Election with 3 of the 4 councillors elected commencing their elected member duties including the commencement of their induction program.

Appointed two new members and one reappointment to the Audit and Risk Committee who will commence from October 2026. These appointments align with the commencement of BDO as the new Internal Auditors.

A consultant has been appointed to work with Governance & Strategy to drive a significant project that will see a complete change to the City of Adelaide's voters roll development. Changes must be implemented for the 2026 General election.

Information Management

Completed the laptop replacement project with over 150 devices being replaced.

Completed the installation and commissioning of new cyber security software on all laptops and servers.

Completed the first test of friendly phishing campaign.

Continue to improve IM service delivery with the rollout of a new service portal.

People

Phase 2 of Workforce Management System upgrade was implemented including new performance and learning modules.

The 2026 Graduate Program positions have been identified and advertised.

Work undertaken to research and develop a revised Cultural Learning Framework for CoA.

Employee Engagement Pulse Check survey delivered.

Adelaide Central Market Authority

Key highlights for the quarter included delivery of Bastille Day (11 & 12 July) and Seafood + Sounds (19 & 20 September). Both events consist of a two-day program with live music, pop-ups, cooking demonstrations and trader specials.

ACMA partnered with Illuminate Adelaide to include an in-Market art installation 'Proximity State' by artist Miles Dunne and performances by the roving 'Illuminated Angels'.

Six lease renewals have been secured YTD out of 14 for the year.

Adelaide Economic Development Agency

Mainstreet Development grants were assessed with funding awarded to precinct groups.

Engaged with 23 businesses considering establishment or expansion in Adelaide, representing a potential 1,500 jobs.

Workshops held with industry and other local government areas to commence development of the tourism destination management plan.

Rundle Mall City sessions featured seven artists on 5 September.

Supported Business Events Adelaide to host the 1,200 person Infinitus incentive group in the City.

Corporate Services Portfolio Budget

	2025/26 Adopted				2025/26 Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	163,096	-		163,096	-	163,097	-	163,097
Employee Costs	166.5	-	(18,574)		(18,574)	163.5	-	(17,844)	(17,844)
Materials	-	-	(26,565)		(26,565)	-	-	(27,657)	(27,657)
Sponsorships	-	-	(3,346)		(3,346)	-	-	(3,376)	(3,376)
Depreciation	-	-	(2,022)		(2,022)	-	-	(2,022)	(2,022)
Finance Costs	-	-	(6)		(6)	-	-	(6)	(6)
TOTAL	166.5	163,096	(50,513)		112,583	163.5	163,097	(50,905)	112,192
Program Budget									
Office of the COO	5.0	-	(974)		(974)	5.0	-	(974)	(974)
Finance and Procurement	28.8	142	(4,853)		(4,711)	28.8	142	(4,853)	(4,711)
Governance and Strategy	23.3	-	(5,925)		(5,925)	23.3	-	(6,054)	(6,054)
Information Management	35.0	38	(15,227)		(15,189)	32.0	38	(15,227)	(15,189)
People^	28.8	-	(5,082)		(5,082)	28.8	-	(5,082)	(5,082)
Corporate Activities	3.0	152,743	2,693		155,436	3.0	143,562	2,696	146,258
ACMA	9.8	5,645	(6,282)		(637)	9.8	5,645	(6,282)	(637)
AEDA	31.6	4,528	(13,134)		(8,606)	31.6	13,710	(13,135)	575
Strategic Projects	1.2	-	(1,729)		(1,729)	1.2	-	(1,994)	(1,994)
TOTAL	166.5	163,096	(50,513)		112,583	163.5	163,097	(50,905)	112,192

	2025/26 Adopted		2025/26 Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	(4,979)	-	(6,292)
Renewal		-	(1,960)	-	(1,930)
TOTAL		-	(6,939)	-	(8,222)

Finance and Procurement

	2025/26 Adopted					2025/26 Q1			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	142	-	-	142	-	142	-	142
Employee Costs	28.8	-	-	(4,090)	(4,090)	28.8	-	(4,090)	(4,090)
Materials	-	-	-	(763)	(763)	-	-	(763)	(763)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
TOTAL	28.8	142	(4,853)	(4,711)	(4,711)	28.8	142	(4,853)	(4,711)
Activity View									
Associate Director	1.0	-	-	(283)	(283)	1.0	-	(283)	(283)
Financial Planning & Reporting	13.0	-	-	(2,044)	(2,044)	13.0	-	(2,044)	(2,044)
Procurement & Contract Management	7.8	-	-	(1,103)	(1,103)	7.8	-	(1,103)	(1,103)
Rates & Receivables	7.0	142	-	(1,423)	(1,281)	7.0	142	(1,423)	(1,281)
TOTAL	28.8	142	(4,853)	(4,711)	(4,711)	28.8	142	(4,853)	(4,711)

	2025/26 Adopted			2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
N/A	-	-	-	-	-
TOTAL	-	-	-	-	-

	2025/26 Adopted			2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
N/A	-	-	-	-	-
TOTAL	-	-	-	-	-

	2025/26 Adopted			2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade	-	-	-	-	-
Renewal	-	-	-	-	-
TOTAL	-	-	-	-	-

Governance & Strategy

	2025/26 Adopted					2025/26 Q1			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	-	-	-	-	-	-	-	-
Employee Costs	23.3	-	-	(3,010)	(3,010)	23.3	-	(3,010)	(3,010)
Materials	-	-	-	(2,915)	(2,915)	-	-	(3,044)	(3,044)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
TOTAL	23.3	-	-	(5,925)	(5,925)	23.3	-	(6,054)	(6,054)
Activity View									
Associate Director	1.0	-	-	(255)	(255)	1.0	-	(255)	(255)
Corporate Governance	5.2	-	-	(3,074)	(3,074)	5.2	-	(3,203)	(3,203)
Council Governance	5.1	-	-	(1,133)	(1,133)	5.1	-	(1,133)	(1,133)
Legal Governance	0.0	-	-	-	-	-	-	-	-
Project Management Office	5.0	-	-	(262)	(262)	5.0	-	(262)	(262)
Strategy & Insights	7.0	-	-	(1,201)	(1,201)	7.0	-	(1,201)	(1,201)
TOTAL	23.3	-	-	(5,925)	(5,925)	23.3	-	(6,054)	(6,054)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
N/A		-	-	-	-
TOTAL		-	-	-	-

	2025/26 Adopted			2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Election 2026		-	-	-	(185)
TOTAL		-	-	-	(185)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
TOTAL		-	-	-	-

Information Management

	2025/26 Adopted					2025/26 Q1			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue		-	38	-	38	-	38	-	38
Employee Costs		35.0	-	(5,461)	(5,461)	32.0	-	(4,781)	(4,781)
Materials		-	-	(8,535)	(8,535)	-	-	(9,216)	(9,216)
Sponsorships		-	-	-	-	-	-	-	-
Depreciation		-	-	(1231)	(1231)	-	-	(1,231)	(1,231)
Finance Costs		-	-	-	-	-	-	-	-
TOTAL		35.0	38	(15,227)	(15,189)	32.0	38	(15,228)	(15,190)
Activity View									
Associate Director		10.0	8	(2,055)	(2047)	13.0	8	(2,055)	(2,047)
Project Delivery		11.0	-	(2,576)	(2576)	7.0	-	(2,576)	(2,576)
Service Desk		6.0	30	(9,278)	(9,248)	5.0	30	(9,278)	(9,248)
Technology, Infrastructure and Platforms		8.0	-	(1,318)	(1318)	7.0	-	(1,318)	(1,318)
TOTAL		35.0	38	(15,227)	(15,189)	32.0	38	(15,227)	(15,189)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
Business Systems Roadmap	-	(1,600)	-	(1,600)	
TOTAL	-	(1,600)	-	(1,600)	

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Clipper Ship City of Adelaide		-		-	(30)
Cyber Security Enhancement		-	(110)	-	(110)
TOTAL		-	(110)	-	(140)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	-	-	(172)
Renewal		-	(1,660)	-	(1,660)
TOTAL		-	(1,660)	-	(1,832)

People

	2025/26 Adopted					2025/26 Q1			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	-	-	-	-	-	-	-	-
Employee Costs	28.8	-	(3,846)	(3,846)	(3,846)	28.8	-	(3,846)	(3,846)
Materials	-	-	(1,236)	(1,236)	(1,236)	-	-	(1,236)	(1,236)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
TOTAL	28.8	-	(5,082)	(5,082)	(5,082)	28.8	-	(5,082)	(5,082)
Activity View									
Associate Director	3.0	-	(596)	(596)	(596)	3.0	-	(596)	(596)
People Experience	15.8	-	(2,613)	(2,613)	(2,613)	15.8	-	(2,613)	(2,613)
People Safety and Wellbeing	4.0	-	(774)	(774)	(774)	4.0	-	(774)	(774)
People Services	6.0	-	(1,099)	(1,099)	(1,099)	6.0	-	(1,099)	(1,099)
TOTAL	28.8	-	(5,082)	(5,082)	(5,082)	28.8	-	(5,082)	(5,082)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
Graduate Employment Program		-	(1,122)	-	(1,122)
TOTAL		-	(1,122)	-	(1,122)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Aboriginal Employment and Inclusion Coordinator	-		(34)	-	(34)
Talent Acquisition Advisor	-		(121)	-	(121)
TOTAL	-		(155)	-	(155)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
TOTAL		-	-	-	-

Adelaide Central Market Authority (ACMA)

	2025/26 Adopted					2025/26 Q1			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	5,645	-	5,645	-	5,645	-	5,645	
Employee Costs	9.8	-	(1,776)	(1,776)	9.8	-	(1,776)	(1,776)	
Materials	-	-	(4,461)	(4,461)	-	-	(4,461)	(4,461)	
Sponsorships	-	-	-	-	-	-	-	-	
Depreciation	-	-	(42)	(0,042)	-	-	(42)	(42)	
Finance Costs	-	-	(3)	(0,003)	-	-	(3)	(3)	
TOTAL	9.8	5,645	(6,282)	(637)	9.8	5,645	(6,282)	(637)	
Activity View									
ACMA Operations	9.8	5,558	(6,049)	(491)	6.8	5,558	(5,449)	109	
Market Expansion	-	-	-	-	3.0	-	(600)	(600)	
Online Market Platform	-	87	(233)	(146)	0	87	(233)	(146)	
TOTAL	9.8	5,645	(6,282)	(637)	9.8	5,645	(6,282)	(637)	

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
N/A		-	-	-	-
TOTAL		-	-	-	-

	\$'000	2025/26 Adopted		2025/26 Q1	
		Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Adelaide Central Market Expansion Operational Preparedness		-	(939)	-	(939)
TOTAL		-	(939)	-	(939)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade	-		(1,225)	-	(1200)
Renewal	-			-	
TOTAL	-		(1225)	-	(1200)

Adelaide Economic Development Agency (AEDA)

	2025/26 Adopted					2025/26 Q1			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	4,528	-	-	4,528	-	13,710	-	13,710
Employee Costs	31.6	-	(4,769)	(4,769)	(4,769)	31.6	-	(4,769)	(4,769)
Materials	-	-	(4,967)	(4,967)	(4,967)	-	-	(4,968)	(4,968)
Sponsorships	-	-	(3,346)	(3,346)	(3,346)	-	-	(3,346)	(3,346)
Depreciation	-	-	(48)	(48)	(48)	-	-	(48)	(48)
Finance Costs	-	-	(4)	(4)	(4)	-	-	(4)	(4)
TOTAL	31.6	4,528	(13,134)	(8,606)	(8,606)	31.6	13,710	(13,135)	575
Activity View									
General Manager AEDA	2.0	-	(546)	(0,546)	(0,546)	2.0	9,182	(547)	8,635
Business and Investment	7.0	-	(2,787)	(2,787)	(2,787)	7.0	-	(2,787)	(2,787)
Marketing	8.0	-	(2,144)	(2,144)	(2,144)	8.0	-	(2,144)	(2,144)
Rundle Mall Management	9.6	4,518	(4,518)	-	-	9.6	4,518	(4,518)	-
Visitor Economy	5.0	10	(3,139)	(3,129)	(3,129)	5.0	10	(3,139)	(3,129)
TOTAL	31.6	4,528	(13,134)	(8,606)	(8,606)	31.6	13,710	(13,135)	575

	2025/26 Adopted		2025/26 Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
Adelaide Fashion Week	-	(489)	-	(489)	
Business Growth - Business Support	-	(232)	-	(232)	
Data and Insights	-	(412)	-	(412)	
Event and Festival Sponsorship	-	(1,990)	-	(1,990)	
General Marketing	-	(420)	-	(420)	
Main Streets Development Grants / Precinct Activation	-	(190)	-	(190)	
Strategic Partnerships	-	(1,142)	-	(1,142)	
Visitor Growth - Tourism Projects	-	(198)	-	(198)	
TOTAL	-	(5,073)	-	(5,073)	

	2025/26 Adopted		2025/26 Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Black Friday		-	-	-	(50)
City Brand Development		-	-	-	(100)
Investment Attraction Program		-	-	-	(100)
Partner Marketing - Winter Focus		-	-	-	(75)
Rundle Mall Live Music Program		-	(100)	-	(100)
Tourism and Business Attraction		-	(133)	-	(150)
TOTAL		-	(233)	-	(575)

	2025/26 Adopted		2025/26 Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade	-		(3,754)	-	(4,920)
Renewal	-		(300)	-	(270)
TOTAL	-		(4,054)	-	(5,190)

Offices and Regional Subsidiary

Office of the Chief Executive Officer (OCEO) / Office of the Lord Mayor (OLM)

OCEO 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.

OLM 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.

Key Focus Areas:

- Advocacy, partnerships and intergovernmental relations
- Capital city oversight
- Civic protocols and events
- Communication and public relations
- Executive support and administration
- Lord Mayor and Council administration

Planning and Budget Updates

Increase in employee costs required for staff retention allowance (\$0.013m) offset by savings in materials, contractors and other \$0.013m.

Quarterly Highlights

The Lord Mayor hosted 10 civic events in the first quarter and one Citizenship Ceremony on Thursday, 21 August 2025. On the 14 August 2025, the Lord Mayor hosted the Homelessness Roundtable in the Queen Adelaide Room.

The Lord Mayor and CEO attended the LGA Mayors & CEO Forum on Friday 25th July 2025 and the Capital City Committee on Wednesday 27 August 2025.

On 2 September 2025, three of our four newly elected Central Ward Councillors were officially sworn in at a Special Meeting of Council.

The Lord Mayor and CEO attended the Council of Capital City Lord Mayors Networking Forum in Sydney Town Hall on 4 September and the AGM on 5 September 2025.

	2025/26 Adopted					2025/26 Q1			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-	-	-	-	-	-	-	-	-
Employee Costs	10.3	-	(1,853)	(1,853)	(1,853)	10.3	-	(1,866)	(1,866)
Materials	-	-	(1,238)	(1,238)	(1,238)	-	-	(1,225)	(1,225)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
TOTAL	10.3		(3,091)	(3,091)	(3,091)	10.3	-	(3,091)	(3,091)
Program Budget									
Office of the Chief Executive	4.0	-	(1,501)	(1,501)	(1,501)	4.0	-	(1,501)	(1,501)
Civic Event, Partnerships, and Other Events	-	-	(398)	(398)	(398)	-	-	(385)	(385)
Lord Mayor's Office Administration	6.3	-	(1,192)	(1,192)	(1,192)	6.3	-	(1,205)	(1,205)
TOTAL	10.3	-	(3,091)	(3,091)	(3,091)	10.3	-	(3,091)	(3,091)

		2025/26 Adopted		2025/26 Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
N/A		-	-	-	-
TOTAL					
		-	-	-	-

Brown Hill and Keswick Creek Stormwater Board

The Regional Subsidiary, known as the Brown Hill and Keswick Creek 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.

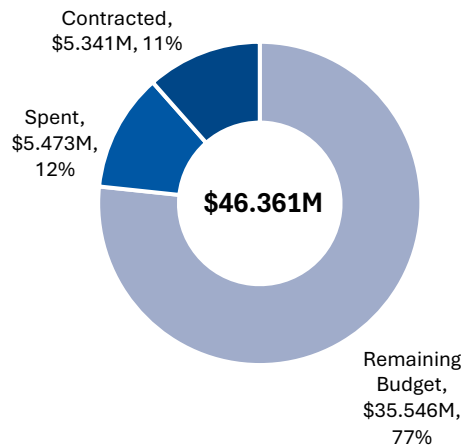
Reporting for this Board is done separately and is not embedded in the City of Adelaide's quarterly report reporting, however, where available, the Board's own report and plans will be provided as attachments as well as being available on the Board's website.

Projects

Capital New and Upgrade

New and 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 an asset provides.

Approved Budget



Budget Highlights

The New and Upgrade budget has increased by \$7.995m from the adopted budget of \$46.361m to a proposed Quarter 1 budget of \$54.356m due to:

- Re-timing of projects from EOY 24/25 \$7.981m including:
 - Main Street Revitalisation program \$0.848m (broken down as Melbourne St \$0.100m, Hindley St \$0.308m, Gouger St \$0.137m, O'Connell St \$0.411m and Hutt St (\$0.108m));
 - South West Community Centre \$1.500m,
 - Experience Adelaide – Visitor Centre \$1.055m,
 - Central Market Arcade including Options analysis \$0.564m,
 - Melbourne Street Improvements \$0.525m,
 - Market to Riverbank accrued grant interest \$0.359m,
 - Botanic Catchment water course improvements \$0.358m
 - Integrated Climate Strategy – City Public Realm Greening project \$0.332m,
 - Project Delivery Management costs \$0.636m
- Accrued grant interest in Quarter 1 of \$0.014m

There have been three changes to program allocation within the Capital program:

- The Integrated Climate Strategy – City Public Realm Greening project has been moved from Park Lands & Sustainability to Infrastructure.
- The additional Park Safe vehicle has been moved from Regulatory Services to City Operations.
- Reallocation of Project Delivery Management costs of \$1.241m to individual projects based on Q1.

Key Achievements

During the Quarter, 19 New and Upgrade projects achieved practical completion, including several street greening projects, Hutt Road/Park Lands trail signalised crossing, Hutt Road and South Terrace Intersection Traffic Signal Upgrade and VivaCity motion sensor installation.

Quarter 1 saw the commencement of delivery of the Christmas decorations (City wide). The Melbourne Street Wombat Crossing project initiated the tender process in Quarter 1 with expected contract awards in Quarter 2. Additionally, the following projects are scheduled to go to market in Quarter 2 : James Place Upgrade, Botanic Creek Catchment and Main Street Revitalisation – Gouger Street.

2025/26 New and Upgrade Projects

Project	Plan		Expenditure (\$ '000)				Stage
	Deliver by		Adopted Budget		Proposed Q1	Variance	
City Community							
City Culture							
Aquatic Centre Community Playing Field - Denise Norton Park/ Paradipardinyilla (Park 2)	●	Jun-26	●	5,658	5,735	(77)	Build/ Construct
City of Music Laneways - The Angels Artwork	●	Jul-25	●	-	15	(15)	Practical Completion
Christmas Decorations - city wide	●	Jan-26	●	200	237	(37)	Build/ Construct
Community Sports Building Redevelopment – Golden Wattle Park / Mirnu Wirra (Park 21 West)*>	●	Dec-26	▲	4,178	4,292	(114)	Plan/ Design
Community Sports Building Redevelopment – Mary Lee Park / Tulya Wardli (Park 27B)*>	●		●	3,493	3,722	(228)	Design Only
Community Sports Building Redevelopment – Concept Design	●		●	100	102	(2)	Design Only
Honouring Women in the Chamber - Portrait Commissions	●	Oct-25	●	-	10	(10)	Build/ Construct
Main Street Revitalisation - Gouger Street (Artwork) (detailed design)*	▲	Feb-28	●	-	66	(66)	Plan/ Design
Main Street Revitalisation - Hindley Street (Artwork)*	◆	May-27	●	-	10	(10)	Plan/ Design
Market to Riverbank Link Project^	●	Sep-25	●	-	43	(43)	Practical Completion
Place of Courage *>	◆	Jun-26	●	190	194	(4)	Plan/ Design
Public Art	●	Jun-26	●	-	5	(5)	Plan/ Design
Public Art Action Plan Deliverables	●		●	450	278	172	Plan/ Design
Minor Works Building – Security Upgrades	●		●	50	51	(1)	Plan/ Design
Statue Commemorating South Australian Aboriginal Leaders (Lowitja O'Donoghue)	●		●	-	178	(178)	Plan/ Design
Regulatory Services							
Additional Park Safe Vehicle^	●		●	67	-	67	Plan/ Design
City Infrastructure							
Infrastructure							
Adelaide Park Lands Trail – Sir Donald Bradman Drive**	●	Oct-26	●	1,200	1,271	(71)	Plan/ Design
Belair-City Bikeway/Adelaide Park Lands Trail – Glen Osmond Road**	●	Nov-26	●	1,300	1,372	(72)	Plan/ Design
Bench Seat - 60 King William Street	●		●	-	6	(6)	Plan/ Design
Bikeways (North-South)	◆		◆	-	108	(108)	Practical Completion
O'Connell/Archer St Intersection Upgrade>	▲		●	350	358	(8)	Plan/ Design
Bonython Park / Tulya Wardli Shared Path Lighting, Retaining wall and Footpath Upgrade (Construction)	●	Feb-26	●	-	100	(100)	Plan/ Design
Botanic Catchment Water Course Rehabilitation*	▲	Dec-26	▲	-	364	(364)	Plan/ Design
Brown Hill Keswick Creek (Financial Contribution)	●	Feb-26	●	320	329	(9)	Build/ Construct
Charles Street – Streetscape Upgrade Major Project	●	Oct-25	●	-	32	(32)	Practical Completion
Field Street Planters	●	Jun-25	▲	-	1	(1)	Practical Completion
Franklin Street Pedestrian Crossing	●	Jun-26	●	120	124	(4)	Design Only
Hutt Road / Park Lands Trail Signalised Crossing (Construction)	▲	Feb-26	●	-	24	(24)	Practical Completion
Hutt Street and South Terrace – Stormwater Improvements*	▲	Oct-25	●	-	208	(208)	Build/ Construct
Hutt St Entry Statement>	●	Aug-25	●	229	230	(2)	Build/ Construct
Integrated Climate Strategy – City Public Realm Greening Program	▲	Jun-26	●		4,574	(4,574)	Build/ Construct
James Place Upgrade*	◆	Jun-26	●	1,000	1,061	(61)	Plan/ Design
Kingston Terrace Bus Stop Upgrades (Construction)	●	May-26	●	-	157	(157)	Plan/ Design
Main Street Revitalisation – Gouger Street (Detailed Design & Construction)>	▲	Feb-28	●	2,209	2,406	(197)	Plan/ Design
Main Street Revitalisation – Hindley Street (Construction)>	◆	May-27	●	480	818	(338)	Plan/ Design
Main Street Revitalisation – Hutt Street (Detailed Design & Construction)>	●	Oct-28	●	465	372	93	Design Only
Main Street Revitalisation – Melbourne Street (Detailed Design & Construction)*	●	Apr-28	●	1,850	1,950	(100)	Design Only

Project	Plan		Expenditure (\$ '000)				
	Deliver by	Adopted Budget	Proposed Q1	Variance	Stage		
Main Street Revitalisation - Melbourne Street Improvements	🟢	Dec-25	🟢	-	545	(545)	Build/ Construct
Main Street Revitalisation – O’Connell Street (Detailed Design)	🟢	Jul-28	🟢	612	1,124	(512)	Plan/ Design
Market Link - CMAR access footpath	🟢		🟢	-	10	(10)	Plan/ Design
Market to Riverbank Link Project^	🟢	Sep-25	🟢	-	361	(361)	Practical Completion
Traffic Signal Safety Upgrade – Morphett Street and Franklin Street Intersection	🟢	Jul-26	🟢	270	276	(6)	Plan/ Design
Traffic Signal Safety Upgrade – Morphett Street and Grote Street Intersection	🟢	May-26	🟢	255	259	(4)	Plan/ Design
New Parents Room with store room (Central Market)	🟢		🟢	-	35	(35)	Design Only
Peacock Road Cycle Route**	🟡	Apr-26	🟢	500	572	(72)	Plan/ Design
Rymill Park Masterplan and Accessibility>	🟢	Dec-25	🟡	730	780	(50)	Build/ Construct
School Safety Implementation Project^	🔴	Jun-26	🟢	150	177	(27)	Plan/ Design
Torrens Lake Earth Retaining Structure>	🔴	Apr-27	🟢	300	324	(24)	Build/ Construct
Vincent St and Vincent Pl>	🟢		🟢	324	340	(16)	Build/ Construct
West Pallant Street Improvements^	🟢		🟢	33	36	(3)	Plan/ Design
Strategic Property and Commercial							
Central Market Arcade Redevelopment Options	🟢	Oct-26	🟡	300	477	(177)	Build/ Construct
Central Market Arcade Redevelopment Major Project	🟢	Oct-26	🟢	1,000	1,410	(410)	Build/ Construct
UPark Central Market – Parking Guidance System	🟢		🟢	300	300	-	Plan/ Design
Flinders Street Housing – Concept Planning	🟢		🟢	250	273	(23)	Design Only
South West Community Centre	🟢	Jun-26	🟢	-	1,506	(1,506)	Plan/ Design
UPark Central Market – Car Park Hardware	🟢		🟢	190	190	-	Plan/ Design
City Shaping							
City Operations							
Additional (2nd) Park Safe vehicle	🟢		🟢	-	69	(69)	Plan/ Design
Accelerated Greening Water Truck	🟢		🟢	150	150	-	Plan/ Design
Park Lands, Policy and Sustainability							
Additional VivaCity Motion Sensor (V3)	🟢	Jul-25	🟢	-	3	(3)	Practical Completion
Disability Access and Inclusion Plan 2024-2028 Implementation	🟢		🟡	-	20	(20)	Practical Completion
Integrated Climate Strategy – City Public Realm Greening Program	🟡	Jun-26	🟢	3,932	-	3,932	Build/ Construct
Integrated Climate Strategy - London Road Depot Electrification (Stage 1) - Replace gas heater with electric	🟢	Jun-26	🟢	200	203	(3)	Design Only
Light Square / Wauwi – Master Plan (detailed design)	🟢		🟢	-	113	(113)	Design Only
Victoria Park / Pakapakanthi (Park 16) Master Plan implementation	🟢		🟢	-	222	(222)	Plan/ Design
Corporate Services							
Adelaide Central Market Authority (ACMA)							
Federal Hall Trade Waste and Water Connections^	🟢	Jun-25	🟢	50	7	43	Practical Completion
Christmas Decorations – One Market	🟢		🟢	175	178	(3)	Plan/ Design
Market Expansion Capital Works – Ground Floor	🟢		🟡	1,000	1,014	(14)	Plan/ Design
Adelaide Economic Development Agency (AEDA)							
Rundle Mall Sound System	🟡	Mar-26	🟢	770	832	(62)	Plan/ Design
Christmas Decorations – Rundle Mall	🟢		🟢	200	209	(9)	Plan/ Design
Experience Adelaide Visitor Centre**>	🟢	May-26	🟢	2,784	3,879	(1,094)	Plan/ Design
Information Management							
HR System - Implementation of Integration Suite	🟢	Jun-26	🟡	-	42	(42)	Build/ Construct
ICT Network Connectivity - Gardeners Shed	🟢	Jan-26	🟢	-	120	(120)	Build/ Construct
Replacement of Audio / Video in Council Chamber and Colonel Light Room	🟡		🟢	-	10	(10)	Build/ Construct
Corporate Activities							
Planning for Future Projects	🟢		🟢	-	112	(112)	Plan Only
2025/26 Project Delivery Costs>	🟢	Jun-26	🟢	7,977	7,372	605	Build/ Construct
Total				46,361	54,356	(7,995)	

*partially grant funded

**fully grant funded

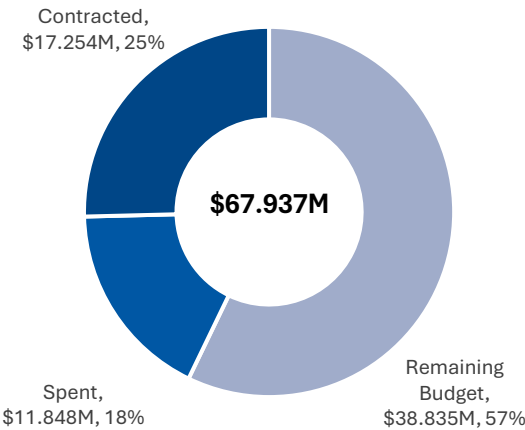
^income generating

>some/all budget retimed from 24/25

Capital Renewal

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

Approved Budget



Budget Updates

The Renewals budget has remained at \$67.937m.

There have been reallocations of Project Delivery Management costs of \$1.787m to asset classes based on Q1 outputs, as well as reprioritisation of the program based on 2024/25 actuals.

Key Achievements

During the quarter, 27 renewal projects achieved practical completion, predominantly 2025/26 road and footpaths renewal projects as well as several in-flight projects from 2024/25.

Quarter 1 saw the commencement of delivery of the following projects: Rymill Park Kiosk renewal, Traffic Signals Lantern replacement program, Veale Garden pump renewal and stormwater pit lid renewal program.

Several projects have signed contracts for the intended works. This includes the Glen Osmond Road, Hutt Road and Park 17 improvement project, the Street Lighting renewals in Strangways Terrace and Pirie Street as well as the Traffic Signal program.

Projects that started their tender process in Quarter 1 with expected contract awards in Quarter 2 are Archer Street footpath renewals, ACMA sprinkler renewals and ACMA basement structural renewal.

2025/26 Renewal Budget by Category

\$'000	Adopted Budget	Proposed Q1	Variance	
Buildings	15,115	14,908	207	▼
Lighting & Electrical	3,449	3,668	(219)	▲
Park Lands & Open Space	1,550	1,798	(248)	▲
Plant and Fleet& Equipment*	3,415	3,433	(18)	▲
Transport**	27,857	28,817	(960)	▲
Urban Elements	3,760	4,064	(304)	▲
Water Infrastructure	6,891	7,137	(245)	▲
Delivery Resources	5,898	4,111	1,787	▼
TOTAL	67,937	67,937	-	►

2025/26 Renewal Projects by Category and Project Phase

Categories	Total Projects	Design Only	Plan / Design	Build / Construct	On Hold	Practical Completion
Buildings	46	11	15	14	-	6
Lighting & Electrical	39	17	3	18	-	1
Park Lands & Open Space	15	4	3	7	-	1
Plant and Fleet& Equipment*	14	-	5	5	-	4
Transport**	101	26	22	43	-	10
Urban Elements	46	9	6	26	-	5
Water Infrastructure	10	3	2	5	-	0
TOTAL	271	70	56	118	-	27

*includes IT

** includes bridges, roads, footpaths, kerb and water table, and traffic signal

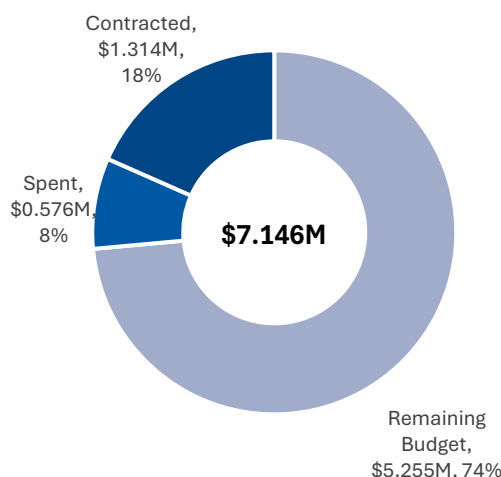
Notes:

- Some projects have been broken down into sub-projects, so total appears different.
- The variance between adopted and proposed budget is in large part been driven by the amalgamation of individual asset renewals into multi-asset projects which are reported under the main renewed asset class.
- Total Project count: mixed funded projects are only counted once in the total project count.

Strategic

Strategic Projects are generally ‘one off’ or short-lived 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.

Approved Budget



Budget Updates

Quarter 1 has seen the strategic program budget increase by \$1.050m from \$7.146m to \$8.195m, noting grant funding, whether existing or new, offsetting the overall increase in expense.

The inclusion of new and emerging priorities such as COP 31 pre-planning (\$0.123m), local government election 2026 (\$0.185m), Black Friday (\$0.050m), Clipper Ship (\$0.030m) and Commercial Parking Internal Audit – System Consolidation (\$0.450m) are the main contributors to the increase.

Key Achievements

At the end of Quarter 1 the Strategic Project program was 26% committed or spent, with project procurement and delivery remaining on track heading into Quarter 2.

The number of proposed strategic projects increased to 42, with the addition of ten new or ongoing projects. Of this, one strategic project, 88 O’Connell Project Delivery achieved practical completion, whilst strategic project Annual Cultural Burn in the Park Lands was realigned during the quarter, with its planned delivery now managed by the Park Lands, Policy & Sustainability program.

External grant funding opportunities continue to provide budget support for the delivery of several projects, in turn offsetting CoA contributions.

2025/26 Strategic Projects

	Plan		Expenditure (\$'000)			
Project	Deliver by		2025/26 Adopted	2025/26 Q1	Variance	
City Community						
City Culture						
Australia Day Partnership - Australia Day Council of South Australia Incorporated	●	Jan-26	100	100	-	►
Annual Cultural Burn in the Park Lands	●	Oct-25	25	-	25	►
Bilingual Community Liaison Officer	●	Jun-26	93	93	-	►
City Activation	●	Jun-26	300	300	-	►
Future Libraries Business Case	●	Jun-26	75	75	-	►
Positive Ageing Program – Pilot	●	Jun-26	50	50	-	►
Social Work in Libraries Evaluation Framework**		Jun-26	-	13	(13)	▲
DHS Grant for Volunteers Connectors Program**		Jun-26	-	25	(25)	▲
Library Community Cohesion Programs**		Jun-26	-	9	(9)	▲
Customer and Marketing						
City of Adelaide Website Redevelopment	●	Jun-26	100	100	-	►
Regulatory Services						
On-Street Parking Compliance Technology and Customer Analytics Reform	●	Jun-26	152	152	-	►
City Infrastructure						
Infrastructure						
Asset Condition Audit	●	Jun-26	1,200	1,200	-	►
Resilient Flood Planning*	●	Apr-26	1,100	1,100	-	►
School Safety Review	●	Nov-25	-	11	(11)	▲
Gawler Place Ram Raid Bollard ^		Dec-25	-	10	(10)	▲
Strategic Property & Commercial						
88 O'Connell Project Delivery^		Complete	50	194	(144)	▲
Parking Coordinator – On-Street Paid Parking Control Changes^	●	Jun-26	128	128	-	►
Review of Property Management	●	Jun-26	50	50	-	►
Commercial Parking Internal Audit - System Consolidation		Jun-26	-	450	(450)	▲
City Shaping						
Park Lands, Policy & Sustainability						
Adaptive Re-use Housing Initiative Program (ARCHI)*	●	Oct-25	606	606	-	►
Annual Cultural Burn in the Park Lands	●	Oct-25	-	25	(25)	►
City Plan Digital Tool (City of Adelaide Digital Explore - CoADE)	●	Jun-26	140	140	-	►
Planning and Design Code Amendment Program	●	Jun-26	100	100	-	►
Implementation of the Disability Access and Inclusion Plan 2024-2028	●	Jun-26	130	130	-	►
Implementation of the City of Adelaide Housing Strategy – Vacancy assessment	●	Jun-26	200	200	-	►
Master Plan for Helen Mayo Park**	●	Jun-26	250	250	-	►
National Heritage Management Plan Implementation	●	May-26	100	100	-	►
Key Biodiversity Area Management Plan for G S Kingston Park / Wirrarninthi (Park 23)	●	Jun-26	75	75	-	►
Social Planning Homelessness and Adelaide Zero Project - Partnership	●	Jun-26	215	215	-	►
Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscape	●	Jun-26	178	178	-	►
COP 31 pre-planning		Jun-26	-	123	(123)	▲
Corporate Services						
Governance & Strategy						
Election 2026	●	Jun-26	-	185	(185)	▲
Information Management						
Cyber Security Enhancement	●	Jun-26	110	110	-	►
Clipper Ship		Mar-26	-	30	(30)	▲
People						
Aboriginal Employment and Inclusion Coordinator	●	Jun-26	34	34	-	►
Talent Attraction and Retention	●	Jun-26	121	121	-	►
ACMA						
Adelaide Central Market Expansion Operational Preparedness	●	Jun-26	939	939	-	►
AEDA						
Rundle Mall Live Music Program	●	Jun-26	100	100	-	►
Tourism and Business attraction	●	Jun-26	150	150	-	►
Partner Marketing – Winter Focus	●	May-26	75	75	-	►
City Brand Development	●	Feb-26	100	100	-	►
Investment Attraction Program	●	Jun-26	100	100	-	►
Black Friday		Nov-25	0	50	(50)	▲
TOTAL	42 projects		7,146	8,196	(1,050)	

*partially grant funded

**fully grant funded

^income generating

Budget

Summary

September Year to Date (YTD)

The operating position as at the end of Quarter 1 2025/26 is an operating surplus of \$9.678m, which is \$4.407m favourable to the adopted budget of \$5.721m for the period. The variance is driven by:

- Revenue \$2.554m favourable to budget and includes the following key movements:
 - Additional rates revenue of \$0.132m mainly from interest and penalties applied to overdue rates balances
 - Additional fees and charges of \$2.230m across parking \$0.084m, Expiations, late payments and recoveries \$0.392m, Adelaide Town Hall \$0.454m (partially offset by increased expenditure), and timing of Outdoor Dining Fees \$0.402m
 - Grants, subsidies and contributions are (\$0.191m) unfavourable due to the timing of the recognition of grants, largely due to the Financial Assistance Grants, where 50% of the annual contribution was received in the 2024/25 Financial Year
 - Additional other income of \$0.383m due to reimbursements \$0.120m and insurance claims \$0.207m.
- Expenditure \$1.853m favourable to budget and includes the following key movements:
 - Employee costs \$1.518m favourable partially offset by temporary labour backfill of (\$1.212m)
 - Strategic Projects are \$0.898m favourable and include timing of Social Planning Homelessness Resource \$0.215m, Resilient Flood Mapping \$0.214m and asset condition audits \$0.146m
 - Sponsorships, Contributions and Donations are \$0.478m favourable and include timing of Event and Festivals Sponsorships within AEDA \$0.183m
 - Depreciation is \$1.126m favourable, due to the timing of the delivery of the capital program, revaluations, and remeasurement of lease liabilities, offset by an increase in finance costs of (\$0.436m).

The year-to-date Capital Expenditure as at 30 September 2025 is \$17.321m, which is \$7.823m ahead of the adopted budget of \$9.498m for the period. This is a result of the continued effort to deliver the annual capital program.

Council had a cash surplus of \$5.185m as at 30 September 2025.

Quarter 1 2025/26 Projected Operating Position

The proposed Quarter 1 forecast is an operating surplus of \$8.541m which remains consistent with the adopted budget. The following adjustments are incorporated into Quarter 1:

- Total estimated **operating revenue** is forecast to be \$251.571m which is \$2.602m higher than the adopted budget of \$248.969m. This is mainly due to additional commercial parking revenue of \$1.186m, Expiation, Late payments and recoveries income of \$0.698m, and Adelaide Town Hall of \$0.503m and funding for Strategic Projects of \$0.201m, and other movements of \$0.014m.
- Total estimated **operating expenditure** (including depreciation) is forecast to be \$243.030m, which is \$2.602m higher than the adopted budget of \$240.248m. This is due to additional funding for Strategic Projects \$1.050m, and permanent increases to the budget of \$1.552m including search fees, FERU lodgements and subscription fees associated with the increase in expiation income of \$0.715m, Adelaide Town Hall \$0.420m associated with an increase in revenue, Adelaide New Years Eve event \$0.115m, increase in insurance premiums \$0.261m, and other movements of \$0.041m.

The **Capital Program** is proposed to increase by \$7.995m from \$114.298m to \$122.293m as a result of the continuation of 44 new and upgraded projects from 2024/25 of \$7.981m and accrued interest of \$0.014m from externally funded projects. The renewal program has been reprioritised to be delivered in line with the adopted budget.

Borrowings are forecast to increase by \$1.744m from \$50.074m to \$51.818m. This is due to the continuation of capital projects from 2024/25 and the recognition of additional grant funding received.

Operating Position (Financial Performance)

\$000's	YTD Actual	YTD Budget	Variance	2025/26 Adopted	2025/26 Q1	Variance
Rates Revenue	38,884	38,752	132	154,908	154,908	-
Fees and Charges	24,705	22,475	2,230	88,118	90,480	2,362
Grants, Subsidies and Contributions	336	527	(191)	4,896	4,943	47
Other Income	575	192	383	1,047	1,240	193
Total Revenue	64,500	61,946	2,554	248,969	251,571	2,602
Employee Costs	19,068	20,586	1,518	90,792	90,694	98
Materials, Contracts and Other Expenses	18,769	17,936	(833)	78,081	80,751	(2,670)
Sponsorships, Contributions and Donations	1,543	2,021	478	6,332	6,362	(30)
Depreciation, Amortisation and Impairment	14,826	15,952	1,126	64,506	64,506	-
Finance Costs	616	180	(436)	717	717	-
Total Expenses	54,822	56,675	1,853	240,428	243,030	(2,602)
Operating Surplus / Deficit	9,678	5,271	4,407	8,541	8,541	-

Capital Program

	YTD Actual	YTD Budget	Variance	2025/26 Adopted	2025/26 Q1	Variance
New and Upgrades Projects	5,473	4,117	(1,356)	46,361	54,356	(7,995)
Renewal / Replacement of Assets	11,848	5,381	(6,467)	67,937	67,937	-
Total Revenue	17,321	9,498	(7,823)	114,298	122,293	(7,995)

Operating Program – Adjustments

The following changes are permanent in nature and will impact the 2025/26 budget and Long Term Financial Plan:

\$000's	Budget	Proposed	Variance
Adelaide Town Hall			
Anticipated full year additional income	2,608	3,062	454
Adelaide Town Hall			
Anticipated full year additional income	204	253	49
Commercial Income			
Reduction to forecast based on 2024/25 actuals	300	268	(32)
Commercial Parking Income			
Anticipated full year additional income	46,152	47,338	1,186
Expiation, Late payments and recoveries			
Anticipated full year additional income	13,177	13,875	698
Property Management			
Anticipated full year additional income	6,807	6,852	45
Employee costs			
Overall reduction comprising Mercer reclassifications, offset through reallocations to external employment contracts and additional expiation income.	(90,792)	(90,615)	177
Materials, Contracts and Other Expenses			
Overall increase comprising higher employment/external contract agreements, offset by other identified operational savings.	(88,118)	(88,481)	(363)
New Years Eve			
Increase in funding to deliver to 2025 event	(585)	(700)	(115)
Search Fees and FERU Lodgements			
Increase in funding for search fees and Fines Enforcement Recovery Unit (FERU) lodgement fees attributed to the additional Expiation Income within Customer & Marketing	(481)	(815)	(334)
Subscription Fees			
Funding for Sensen subscription associated with the Park Safe Vehicles	-	(225)	(225)
Adelaide Town Hall Expenditure			
Increase in funding associated with the additional income	(2,274)	(2,694)	(420)
Insurance Premiums			
Increase in funding for Asset Mutual Fund insurance premiums	(1,418)	(1,679)	(261)
Minor Items			
Small changes trivial in nature	-	(10)	(10)
Total Proposed Permanent Adjustments			849

The following changes are temporary in nature and will impact the 2025/26 budget only:

\$000's	Budget	Proposed	Variance
School Safety Review			
Continuation of strategic project into 2025/26	-	(11)	(11)
Election 2026			
New strategic project	-	(185)	(185)
Black Friday			
New strategic project	-	(50)	(50)
COP 31 pre-planning			
New strategic project	-	(123)	(123)
Commercial Parking Internal Audit – System Consolidation			
New strategic project	-	(450)	(450)
Clipper Ship			
New strategic project	-	(30)	(30)
Social Work in Libraries Evaluation Framework			
Funding received to deliver framework	-	13	13
Social Work in Libraries Evaluation Framework			
Continuation of strategic project into 2025/26	-	(13)	(13)
Library Community Cohesion Programs			
Funding received to deliver programs	-	9	9
Library Community Cohesion Programs			
New strategic project	-	(9)	(9)
DHS Grant – Volunteers Connectors Program			
Funding received to deliver program	-	25	25
DHS Grant – Volunteers Connectors Program			
Continuation of strategic project into 2025/26	-	(25)	(25)
Gawler Place Raim Raid Bollard			
Recovery of the cost of installing the bollard	-	10	10
Gawler Place Raim Raid Bollard			
New strategic project	-	(10)	(10)
88 O'Connell St Redevelopment			
Recovery of utility and strata payments	-	144	144
88 O'Connell St Redevelopment			
Strata and utility payments	(50)	(194)	(144)
Total Proposed Strategic Project Adjustments			(849)
Total Proposed Q1 Adjustments			-

Capital Program – Adjustments

\$000's	Budget	Proposed	Variance
New and Upgrades			
Works of a significant 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.	46,361	54,356	(7,995)
Renewals			
Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.	67,937	67,937	-
Total Adjustment	114,298	122,293	(7,995)

Financial Indicators

	Target	Adopted	Q1
Operating Surplus Ratio The ratio expresses the Operating Surplus as a percentage of Total Operating Revenue.	0%-20%	3.4%	3.4%
Net Financial Liabilities The ratio expresses the Financial Liabilities as a percentage of Operating Income.	Less than 80%	35%	36%
Asset Renewal Funding Ratio The ratio expresses the expenditure on Asset Renewals as a percentage of forecast required expenditure according to the Asset Management Plans.	90%-110%	93.5%	93.5%
Asset Test Ratio The ratio expresses Borrowings as a percentage of Saleable Property Assets.	Maximum 50%	16%	16%
Interest Expense Ratio Interest expense as a percentage of General Rates Revenue (less Landscape Levy).	Maximum 10%	1.5%	1.5%
Leverage Test Ratio The ratio expresses total Borrowings relative to General Rates Revenue (less the Landscape Levy).	Maximum 1.5 years	0.33 years	0.34 years
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%	102%	104%
Borrowings The ratio expresses Borrowings as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Less than 50%	32%	33%
Borrowings The ratio expresses Borrowings (Gross of Future Fund) as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Less than 50%	52%	53%

On track	Within range
At risk	May be within range but at risk of going outside of range
Off track	Outside of range

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 30 September 2025:

Borrowings Facility*	Available	Interest Type	Interest Rate	Current Borrowings	Change since previous report \$'000	Maturity Date
LGFA CAD 555	\$70m	Variable	4.85%	-	(\$23.820m)	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 \$5.185m in cash investments at 30 September 2025:

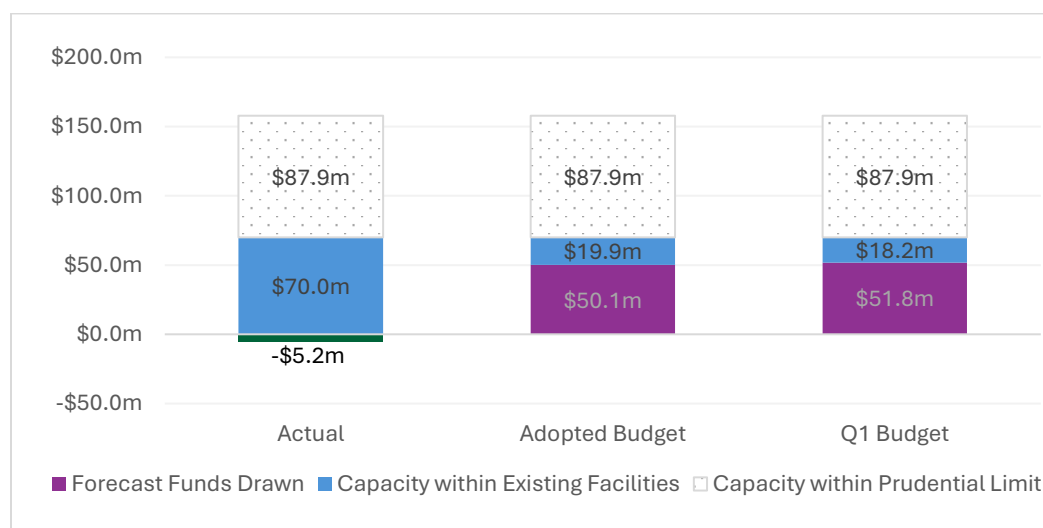
Cash & Cash Equivalents	Available	Interest Type	Interest Rate	Current Investments	Change since previous report \$'000	Maturity Date
LGFA General	-	Variable	3.90%	\$4.505m	-	-
NAB	-	Variable	3.80%	\$0.090m	\$0.089m	-
CBA	-	Variable	3.60%	\$0.590m	(\$1.186m)	-

Total cash position without the Future Fund offset (\$32.825m) would otherwise be \$27.640m in borrowings.

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

Prudential Limit Ratio**	Comments	Limits	YTD Actual
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy).	Maximum 10%	0.04%
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.	Maximum 50%	0%

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



Glossary

Budget

25/26 Budget: is the adopted budget for the 2025/26 financial year.

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 project (e.g. Renewal to Upgrade).

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 the City of Adelaide either operates or supports.

Capital Works

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 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 project.

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

Risks and Opportunities

Council operations continue to be impacted by a multitude of external factors.

The State Government passed legislation for the North Adelaide Public Golf Course redevelopment including transfer of the care, control and management of the golf course from the City of Adelaide to the State Government. This announcement has seen impacts relating to budget, memberships, operations and resourcing.

An announcement on the location of COP31 is anticipated in November 2025 and if Adelaide is successful as the host, this will impact resourcing from multiple areas across council and budget.

There has been no significant change in Australia's domestic economic environment, internationally however, the policy agenda of the Government of the United States of America continues to impact on foreign trade, investment and consumer confidence is one that will continue to be monitored.

Safety and security are an ongoing risk in Rundle Mall with retail crime emerging as a significant issue. Multiple high-profile incidents have received media coverage with the negative sentiment beginning to emerge in consumer research initiatives. Rundle Mall will also see increased competition from suburban shopping centres such as with the Burnside Village \$350 million investment.

Resourcing, both internal and external, remains a challenge across the organisation from facilitating major events to progressing capital projects through design and construction. For project delivery, internal resources continue to be supplemented with short term contract staff and external consultants and contractors have high workloads due to a busy time in the industry, with pricing remaining at post-covid levels.

Increased Renewals program and the 93.5% Asset Renewal Funding Ratio KPI is an increase on the previous year. This remains challenging in terms of delivery, resources, timing and the challenges of working within a busy City. This risk is being addressed in part by the identification and engagement of appropriate external consultants and contractors to supplement Council resources.

As at 30 September 2025 CoA has been awarded \$1.6 million in grants to assist with the delivery of the capital and strategic programs. City of Adelaide has submitted and is awaiting a decision on 16 grants to the value of \$9.6 million to state and federal grant schemes.

Appendix: Financial Statements

Statement of Comprehensive Income

\$'000s	Adopted Budget	Q1
Income		
Rates Revenue	154,908	154,908
Statutory Charges	17,809	18,507
User Charges	70,309	71,973
Grants, Subsidies and Contributions	4,896	4,943
Investment Income	171	171
Reimbursements	181	374
Other Income	695	695
TOTAL INCOME	248,969	251,571
Expenses		
Employee Costs	90,792	90,694
Materials, Contracts and Other Expenses	84,413	87,113
Depreciation, Amortisation and Impairment	64,506	64,506
Finance Costs	717	717
TOTAL EXPENSES	240,428	243,030
Operating Surplus (Deficit)	8,541	8,541
Asset Disposal & Fair Value Adjustments	-	-
Amounts Received Specifically for New or Upgraded Assets	8,018	13,667
Net Surplus / (Deficit)	16,559	22,208
Changes in Revaluation Surplus – I,PP&E	-	-
TOTAL OTHER COMPREHENSIVE INCOME	16,559	22,208

Statement of Financial Position

\$'000s	Adopted Budget	Q1
ASSETS		
Current Assets		
Cash and Cash Equivalents	800	800
Trade & Other Receivables	20,847	20,847
Inventories	741	741
Other Current Assets	-	-
Total Current Assets	22,388	22,388
Non-Current Assets		
Trade & Other Receivables	755	755
Equity Accounted Investments in Council Businesses	4,706	4,706
Investment Property	3,197	3,197
Infrastructure, Property, Plant and Equipment	2,134,740	2,142,735
Total Non-Current Assets	2,143,398	2,151,393
TOTAL ASSETS	2,165,786	2,173,781
LIABILITIES		
Current Liabilities		
Trade and Other Payables	24,280	24,883
Provisions	17,381	17,381
Borrowings (Lease Liabilities)	5,264	5,264
Total Current Liabilities	46,926	47,528
Non-Current Liabilities		
Trades and Other Payables	15,732	15,732
Borrowings	50,074	51,818
Provisions	2,109	2,109
Borrowings (Lease Liabilities)	22,658	22,658
Total Non-Current Liabilities	90,573	92,317
TOTAL LIABILITIES	137,499	139,845
Net Assets	2,028,287	2,033,936
EQUITY		
Accumulated Surplus	824,521	830,170
Asset Revaluation Reserves	1,171,995	1,171,995
Future Reserve Fund	31,771	31,771
TOTAL COUNCIL EQUITY	2,028,287	2,033,936

Statement of Changes in Equity

\$'000s	Adopted Budget	Q1
Balance at the end of previous reporting period	2,011,728	2,011,728
a. Net Surplus / (Deficit) for Year	16,559	22,208
b. Other Comprehensive Income		-
Total Comprehensive Income	16,559	22,208
Balance at the end of period	2,028,287	2,033,936

Statement of Cash flows

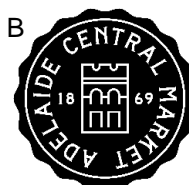
\$'000s	Adopted Budget	Q1
Cash Flows from Operating Activities		
<u>Receipts</u>		
Operating Receipts	247,861	250,463
<u>Payments</u>		
Operating Payments to Suppliers and Employees	(171,901)	(174,503)
Finance Payments	(2,913)	(2,913)
Net Cash provided by (or used in) Operating Activities	73,047	73,047
Cash Flows from Investing Activities		
<u>Receipts</u>		
Amounts Received Specifically for New/Upgraded Assets	8,018	7,350
Proceeds from Surplus Assets	18,500	18,500
Sale of Replaced Assets	500	500
<u>Payments</u>		
Expenditure on Renewal/Replacement of Assets	(67,937)	(67,937)
Expenditure on New/Upgraded Assets	(46,041)	(54,036)
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)
Net Cash provided by (or used in) Investing Activities	(87,280)	(95,943)
Cash Flows from Financing Activities		
<u>Receipts</u>		
Proceeds from Borrowings	19,335	27,998
<u>Payments</u>		
Repayment from Borrowings	-	-
Repayment of Lease Liabilities	(5,102)	(5,102)
Net Cash provided by (or used in) Financing Activities	14,233	22,896
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	Adopted Budget	Q1
Income		
Rates Revenue	154,908	154,908
Statutory Charges	17,809	18,507
User Charges	70,309	71,973
Grants, Subsidies and Contributions	4,896	4,943
Investment Income	171	171
Reimbursements	181	374
Other Income	695	695
TOTAL INCOME	248,969	251,571
Expenses		
Employee Costs	90,792	90,694
Materials, Contracts and Other Expenses	84,413	87,113
Depreciation, Amortisation and Impairment	64,506	64,506
Finance Costs	717	717
TOTAL EXPENSES	240,428	243,030
Operating Surplus / (Deficit) before Capital Amounts	8,541	8,541
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing	(67,937)	(67,937)
Finance lease payments for right of use assets on existing assets	(5,102)	(5,102)
add back Depreciation, Amortisation and Impairment	64,506	64,506
add back Proceeds from Sale of Replaced Assets	500	500
Net Outlays on Existing Assets	(8,033)	(8,033)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(46,361)	(54,356)
add back Amounts received specifically for New and Upgraded Assets	8,018	7,350
add back Proceeds from Sale of Surplus Assets	18,500	18,500
New Outlays on New and Upgraded Assets	(19,843)	(28,506)
Net Lending / (Borrowing) for Financial Year	(19,335)	(27,998)

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Adelaide Central Market Authority

Quarter 1 Report: 1 July 2025 – 30 September 2025

Executive Summary

Quarter 1 included several Market activations aimed at visitor attraction and experience, with the popular Bastille Day event and the Seafood + Sounds festival, both celebrated across two days. It provided extra exposure to seafood traders and saw the Premier of South Australia, Peter Malinauskas MP, launch the Brand South Australia Buy SA Seafood campaign with a long lunch at the Market. Additional events included Winter Weekends in collaboration with City of Adelaide, Buy SA Week and a scone pop-up with South Australian Country Women's Association. The Market also had an inaugural official partnership with Illuminate Adelaide program in July, with an in-Market art installation and performances by the roving 'Illuminated Angels'.

Work continues to lease the 53 tenancies in the Market Expansion, with over 150 meetings with prospective traders to date, and 16 accepted offers across key sites. Multiple operational preparedness activities progressed including positive placemaking workshops with key project stakeholders and traders and the procurement of the Retail Design Manager services.

There was significant tenancy investment by Traders in Q1 with 2 new Stall fit-outs underway and a new stall SA Central Fresh opening. Leasing revenue remains strong, with 98.7% occupancy at end of September. One vacancy allows for traders undertaking works to relocate temporarily and ensures trade continuity. Market visitation has been stable compared to winter 2024.

The operating position is \$299K favourable to the YTD budget however this is mainly based on timing of expenditure.

Financial Report

\$'000	September 2025 YTD			Adopted Annual Budget	Proposed Q1 Budget
	Actual	Budget	Variance		
Existing Marketing Operations					
Income	1,353	1,406	(53)	5,645	5,645
Expenditure	1,207	1,409	202	5,682	5,682
Total Existing Marketing Operations	146	(3)	149	(37)	(37)
Market Expansion					
Income			-		-
Expenditure	147	297	150	1,539	1,539
Total Marketing Expansion	147	297	150	1,539	1,539
Net Operating Surplus / (Deficit)	(1)	(300)	299	(1,576)	(1,576)

Debtors Summary

Financial Year	Total Arrears	Current	%	30 Days	%	60 Days	%	90+ Days	%
2025/26	\$ 34,961	\$ 6,787	19%	\$ 6,885	20%	\$ 11,923	34%	\$ 9,366	27%
2024/25	\$ 78,400	\$ 47,393	60%	\$ 19,638	25%	\$ 11,369	15%	\$ 0	0%
2023/24	\$ 24,695	\$ 23,566	95%	\$ 1,129	5%	\$ -	0%	\$ 0	0%
2022/23	\$ 50,910	\$ 49,629	97%	\$ 1,893	4%	\$ 8	0%	-\$ 620	-1%

The percentage of rent paid in advance remains stable.

Leasing

Q1 - The total number of Market stalls is 70 - 98.6% Occupancy	
Renewals	5
Holdovers	1
Vacancy	1 (EOI in progress for Stall 55)

Q1 leasing movements included the much-anticipated opening of new stall SA Central Fresh (Stall 52). Michael's Fruit & Veg commenced their renovation and temporarily moved to Stall 55 to continue trading. Coco's Fruit & Veg closed for renovations for a three-week period and temporarily moved to a pop-up space in Gouger St dining area. Both stalls will open in Q2.

6 renewals were secured out of 14 leases expiring in FY25/26.

Risks and Opportunities

- Stall 34-36 to vacate by end of December. EOIs have commenced for the site, redevelopment of the site in early 2026.
- Achieving leasing targets in Market Expansion (53 shops). Attracting tenants is made difficult by:
 - Cost of living/doing business
 - Cost of fit-out
 - Rental levels and additional costs such as bank guarantees.

Business Plan & Budget 2025/26 and Strategic Plan Measures

The 2025/26 ACMA Business Plan and Budget includes 104 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.

At end of Q1, tracking of progress is as follows:

Summary of 104 actions	Complete/ Ongoing/ In Progress	To be monitored/ Deferred	Off track/ At Risk
OUR CUSTOMERS	26	0	0
OUR TRADERS	15	1	0
OUR BUSINESS	35	0	0
OUR COMMUNITY	15	0	0
OUR MARKET	12	0	0
TOTAL	103	1	0

Q1 Highlights

OUR CUSTOMERS

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

- Delivery of key in Market events including Bastille Day two-day program with live music, opera performance, pop-up champagne bar, crepe bar, cooking demonstrations and roving entertainment (11 & 12 July) and Seafood + Sounds two-day program with a Chilli Crab pop-up, free activities for kids, live music and trader specials (19 & 20 September).
- Scone pop-up with South Australian Country Women's Assoc. (SACWA) for 2 days.
- Partnership with Illuminate Adelaide and was part of the official Illuminate Adelaide program with the in-Market art installation 'Proximity State' by artist Miles Dunne and performances by the roving 'Illuminated Angels'.
- Buy SA Week celebration with Brand SA with trader spotlights and a free cooking demonstration.
- Winter Weekends on Friday nights at the Grote St frontage in collaboration with City of Adelaide (August).
- Monthlong advertising campaign with Triple M including live broadcast from the Market.
- Bastille at Home & Back to School advertising for Online Market Home Delivery Service.

OUR TRADERS

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

- Supported trader after hours event, Photo Co. Adelaide Camera Expo (attended by approx. 1,000 people and raised \$5,035 raised from door tickets and donated to local charity).
- Trader media training with 4 Traders participating.
- Big clean for Market.
- Supported cooking demonstrations for Fair Seafood.
- Launched Faces of the Market a digital series - highlighting traders and long-standing employees, sharing their stories with customers.
- Forklift Safety Reminders and SOPs for Traders.

OUR BUSINESS

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

- Premier of South Australia, Peter Malinauskas MP, launched the Brand South Australia Buy SA Seafood campaign at the Market with a long lunch for 30 invited guests and food from 4 traders.
- Appointment of new Marketing & Communications Manager, Kate Hardy (existing FTE).
- British & Irish Lions SATC promotion with Market gift packs delivered to guests staying at the Hilton Hotel (complimented with a digital advertising campaign and advertising placement at Adelaide Airport).
- 250 Market bags and 'Welcome to the neighbourhood' flyers provided to Vic Tower Residents (in collaboration with City of Adelaide).
- Security tender awarded (CoA wide), Waste and Hygiene tender (on hold).
- Racking for level 1 storage.

OUR COMMUNITY

We will make a valuable contribution to the economic, social and cultural wellbeing of our precinct and community.

- Traffic Management Plan for road closures research.
- Ongoing partnership support - Oz Harvest (weekly produce collection) and Catherine House (monthly fruit and veg support).
- Grote Business Precinct tour of Market Expansion.
- Guide Dogs SA/NT collections in Market.
- Access and Inclusion Panel presentation for wayfinding.

OUR MARKET

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

- Sprinkler upgrades to level 1 and Level 2 UPark and booster replacements.
- Bondek repair project on level 2 UPark.
- Basement remediation repairs.
- Western roadway fire compartmentation complete.
- One stall rebuild (Michael's Fruit & Veg, Stall 53-54).
- One stall knock-down and rebuild (Coco's Fruit & Veg, Stall 20/21).
- Market Expansion:
 - 150 meetings with prospective traders to date, and 16 accepted offers across key sites.
 - Procurement for Retail Design Manager (RDM)
 - Scoping for Tenancy Coordinator (TC) procurement
 - Operational readiness: gap analysis and development of concept of operations
 - Music investigation nearing completion
 - Wayfinding strategy in progress
 - Christmas Decorations tender process has commenced
 - Atrium and Laneway placemaking strategy has commenced
 - Placemaking workshops conducted x3 including traders

Upcoming quarter priorities: FY 25/26 1 October 2025 - 30 December 2025

- Marketing:
 - New Marketing Manager and Leasing Coordinator start
 - Deliver events and activations
 - Christmas campaign
 - School holidays program
 - Market Made campaign launch
 - Trader photography
 - GISA Grant next steps: continuation of online modules and one-on-one consulting (due for completion in June 2026).
- Operational and leasing:

- New shop fit outs (Coco's Fruit & Veg & Michael's Fruit & Veg)
- Lease Assignments x3
- Landlord annual ducting clean for all cooking stalls (fire exhaust ducts)
- Full working drawings for Northern toilets
- Fire compartmentation works for escalators and special clean
- Cool room locations for traders (Christmas)
- EOI for Stall 55 and Stall 34-36.
- Market Expansion:
 - Ongoing leasing conversations with potential tenants and issue offers
 - Issue execution lease documentation to secured tenants
 - Operational readiness project - wayfinding detailed design
 - Investigate trading hours options and establish for Expansion
 - Tender and engage Tenancy Coordinator (53 fit outs)
 - Support ORAT consultant engagement through developer
 - Delivery of final lease plans
 - Continuation of Placemaking Project.

Adelaide Economic Development Agency

Quarter 1 Report

1 July 2025 – 30 September 2025

Between 1 July 2025 and 30 September 2025, AEDA:

- Assessed and awarded funding to precinct groups through the Mainstreet Development Program.
- Engaged with 23 businesses considering establishment or expansion in Adelaide, representing a potential 1,494 jobs.
- Held workshops with industry and other local government areas to commence development of Greater Adelaide's tourism destination management plan.
- Rundle Mall City sessions featured seven artists on 5 September as well as various other Rundle Mall events and activations.
- Supported Business Events Adelaide to host the 1,300 person Infinitus incentive group in the City.

Financial report

Operating Position	September YTD Results		
\$000s	Actuals*	YTD Budget	Variance
Income			
Rundle Mall Levy	1,041	1,034	7
Rundle Mall User charges	113	95	18
CoA Appropriation of Funds	2,196	2,833	(637)
Other Income	7	2	5
Total Income	3,357	3,964	(607)

Annual		
Adopted Budget	Proposed Q1 Budget	Variance Q1 Budget
4,138	4,138	-
380	380	-
9,132	9,182	50
10	10	-
13,660	13,710	50

Expenses			
Employee Costs	1,001	1,085	84
Materials, Contracts and Other Expenses	1,205	1,855	650
Sponsorship, Contributions and Donations	1,024	1,211	187
Depreciation, Amortisation and Impairment	28	12	(16)
Financing Costs	2	1	(1)
Total Expenses	3,260	4,164	904
Operating Surplus/Deficit	97	(200)	297

4,769	4,769	-
5,493	5,543	50
3,346	3,346	-
48	48	-
4	4	-
13,660	13,710	50
(0)	(0)	(0)

Year to date (YTD) Financial Summary

Income

- Rundle Mall Levy \$7k favourable due timing of objections.
- Rundle Mall User Charges \$18k favourable to budget due to concessions.
- CoA appropriation of funds of \$2,196k, matches the AEDA expenditure to date (excluding Rundle Mall).
- Other Income \$5k favourable due to unbudgeted sponsorship received.

Expenditure

- Employee costs \$84k favourable due to vacancies, offset by \$21k in temporary staff expensed under materials, contractors and other expenses.
- Materials, contracts and other expenses favourable \$650k, driven by timing of budgets compared to actual spend, particularly with Christmas in the Mall \$301k and Adelaide Fashion Week \$167k.
- Sponsorships, Contributions and Donations \$187k favourable due to timing of events and festival sponsorship payments \$183k, with timing of payments to be caught up by October.
- Depreciation and financing costs (\$16k) unfavourable due to Christmas decoration depreciation being funded from the Rundle Mall carry forward, and new leased asset recognised at the end of FY24/25.

Proposed Quarter 1 variances and budget requests

- New Strategic Project - Black Friday to allocate \$50k funding to AEDA for Black Friday marketing campaign.
- Increase in CoA Appropriation of funds of \$50k to fund the Black Friday Strategic Project.

Risks and opportunities

- There is currently a high level of interest in external organisations collaborating with AEDA on various projects and opportunities. The agency has limited capacity to effectively collaborate on many of these opportunities given the extent of the current work program.
- There is no significant change in Australia's domestic economic environment internationally, however, the impact of global economic uncertainty including its potential impact on trade, investment and consumer confidence is one that will continue to be monitored.
- Safety and security remain an ongoing risk in Rundle Mall. Multiple high-profile incidents have received media coverage with the negative sentiment beginning to emerge in consumer research initiatives.
- Continuing changes and activity within the higher education and international education sector.
- Increased competition to Rundle Mall from suburban shopping centres and on-line shopping.

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.

AEDA Review implementation

Since Council's adoption of the AEDA Review Implementation Plan on 24 October 2023, which detailed how the 36 actionable recommendations from the Deloitte and KPMG reviews of AEDA would be addressed, 35 actions have been completed. The one remaining item relates to the development of a long-term financial plan for AEDA which is being progressed by the City of Adelaide.

Grant Funding Approved

The 2025/26 Mainstreet Development Program grant funding has been approved for the seven Precinct Groups across Adelaide and North Adelaide with each group receiving \$25,000.

Business Plan and Budget and Strategic Plan Measures

The 2025/26 AEDA Business Plan and Budget includes 22 measures across five key areas: Investment & Business Growth; Visitor Economy; Rundle Mall & Precincts; City Brand & Marketing and Governance & Operations.

As at the end of quarter one, progress against the measures was as follows:

- One measure has been marked 'Completed' indicating it has been finalised or the annual target met.
- 17 measures are 'On track', meaning the pro-rata measure is tracking ahead or in-line with the target.
- four measures are 'Active underway', indicating progress has been made towards the annual target, but has not yet been achieved

Activate Rundle Mall & Precincts

Operational Measures	Status	Annual Measure	Actual	Difference
Total expenditure in Rundle Mall grows by at least three percent per annum	On track	3%	6.80%	+3.80 percentage points
Engage with at least eight new brands to promote Rundle Mall as a premium location to grow their businesses	On track	8	5	-3
Rundle Mall visitation remains above 52 million	Active underway	52 million – 12 month cumulative	51.7 million	-0.3 million
Three new major brand partnerships	On track	3	1	-2
Concession income exceeds budget	On track	Financial Year to Date	\$113k	+\$18k
ADL Fashion Week delivered	On track	Y/N	To be delivered October 2025	-

City Brand & Marketing

Operational Measures	Status	Annual Measure	Actual	Difference
Brand identity created	Active underway	Y/N	-	-
At least two cooperative campaigns delivered	On track	2	0	-2
Increase Experience Adelaide newsletter metrics to 36%+ open rate and 1.9% click through rate	On track	36%+	31.35% (6.41% click through)	-4.65 percentage points
Provide at least three industry briefing events	On track	3	1	-2

Growing the Visitor Economy

Operational Measures	Status	Annual Measure	Actual	Difference
At least 20 events and Festivals supported through sponsorship	On track	20	6	-14
Maintain value of business event delegates	On track	Cumulative total	Q1 = \$176m	+\$65m vs Q1 last year
Work with existing firms and new entrants to develop at least 10 bookable experiences	On track	10	3	-7
Visitor Experience Centre opened	On track	Y/N	Design work progressing	-
At least 45,000 people provided with information through AEDA's visitor information services	On track	45,000	6,083	-38,917
Greater Adelaide Destination Management Plan completed	On track	Y/N	Engagement workshops held	-

Investment and Business Growth

Operational Measures	Status	Annual Measure	Actual	Difference
Work with at least 75 inbound/expanding companies with an aim to identify an additional 2,000 new city-based jobs	On track	75	23	-52
Work with the development sector to facilitate/support an additional three residential developments in the city	Completed	3	7	+4
Provide support to at least eight programs to support emerging industries and the scaling up of businesses	On track	8	2	-6
Increase the number of users of the data and insights component of the AEDA website	Activity underway	7,000	1,331	-5,669

Governance & Operations

Operational Measures	Status	Annual Measure	Actual	Difference
Opportunities and issues identified in the Board's annual governance review are addressed	On track	Y/N	Underway	-
An approach to funding that supports multi-year planning is applied	Active underway	Y/N	-	-

Delivery



Rundle Mall Activations

NAIDOC in the Mall – 8 July. Held under the Gawler Place Canopy, featuring a Kaurna Welcome to Country by Robert Taylor, an art installation by Aboriginal photographers Colleen Strangways and Jakirah Telfer, and live music by Rob Edwards.

100 Days to Go Beach Volleyball Activation – 6 August. Olympic gold medallist Kerri Pottharst celebrated the countdown to the FIVB Beach Volleyball World Championships by unveiling a 'mystery box' and giving away 300 beach volleyballs to shoppers.

Rundle Mall City Sessions – 5 September

Rundle Mall once again came alive with music as shoppers and visitors enjoyed a diverse line-up of seven talented artists performing from 11am to 6pm. Delivered in partnership with the City of Adelaide and the Adelaide UNESCO City of Music, the program continues to provide paid opportunities for local and international performers while reinforcing Rundle Mall's role as a cultural and community hub.

ABC Radio Adelaide Drive Live Broadcast with Adelaide Guitar Festival – 11 September. Live broadcast from the Gawler Place Canopy, featuring busking performances by Adelaide Guitar Festival artists, giveaways, and audience participation across the Mall.

Cosi's Choir: Adelaide Arcade 140th Birthday – 19 September. "Sip, Shop & Sing" ladies-only event hosted by Cosi, transforming Adelaide Arcade into a nightclub-style celebration with DJs, shopping, and live music for over 1,000 attendees.

SANFL & FIVEAA Grand Final Eve Broadcast and Player Presentation – 20 September. Live radio broadcast and on-stage player presentations celebrating SANFL Grand Final Eve, giving fans a chance to meet players and coaches.

Gathered Market in the Mall – 26 September. Evening market featuring up to 24 South Australian businesses offering homewares, jewellery, clothing, art, food, and drinks, delivered in partnership with Rundle Mall.



Investment Support and Attraction

The Business and Investment Team remains highly engaged with a significant pipeline of investment opportunities.

Several **purpose-built student accommodation projects** continue at various stages of the development continuum. Seven have been assisted directly with information to support their business and development planning. Of these, four were approved by SCAP in Q1. Three are expected to commence construction in the 2025/26 financial year.

AEDA **engaged with 23 businesses** considering establishment or expansion in Adelaide, representing a potential 1,494 jobs. Support included relocation guidance, site selection, data and insights and connections to local networks.

As an example of business support, AEDA facilitated a meeting between Samex and Tong-il Trading to discuss potential **export opportunities**.

Samex, a long-established meat exporter operation in the City since 1975, currently employs approximately 30 people at its Gilbert Street facility and exports around 1,000 tons of meat products per week. Tong-il Trading is an Adelaide-based trading company supplying Vietnam's K-Market supermarket chain (a major premium retailer with 180 stores and significant wholesale distribution operations). K-Market is exploring Australian beef supply following changes to US-Vietnam trade tariffs, representing a substantial market opportunity.

Both firms are now preparing import requirements, volume specifications, and product details for export.

The team also:

- supported the delivery of the City of Adelaide's housing initiatives through Adaptive Reuse City Housing Initiative (ARCHI) including the proposal to reposition 17,000m² of vacant floorspace from commercial space to a mix of student and co-living uses
- closely collaborated with the property agents on the sale of significant long held assets by the Adelaide Development Company (154 Rundle Mall and Gawler Chambers) which has the potential to unlock significant inbound investment
- provided advice to several building owners regarding tenancy attraction and asset divestment and assisted a feasibility study on options for one of the City's culture and arts assets.



Sponsored Events and Festivals

The following events and festivals, supported through the **Events and Festivals Sponsorship Program**, were held during Q1:

- Illuminate Adelaide \$175,000
- SALA Festival \$50,000
- Bridgestone World Solar Challenge \$35,000
- Adelaide Guitar Festival \$30,000
- Nature Festival of South Australia \$60,000

These events are expected to generate an estimated gross economic impact of **\$89,803,653** to the State and an estimated total attendance of **2,728,100**. Of this, city-based attendance is expected to be approximately **1,691,500**.

Acquittal reports are not yet due, therefore, the above figures are based on estimations provided in application forms. As both the Adelaide Guitar Festival and Nature Festival of South Australia continue into Q2, their estimated gross economic impact and attendance figures are not attributed to Q1 exclusively.

The following event, supported through the **Commercial Events and Festivals Sponsorship Program**, continued during Q1:

Gathered Market in the Mall* \$16,000 (as reported in the 2024/25 Q3 update.)

During Q1, the event held two markets, with an estimated attendee expenditure of **\$1,600,000** and total attendance of **16,000**. These figures are based on application estimates.

**Gathered Market in the Mall is a recurring monthly event from Feb – Dec 2025. Data reflects the two markets held in Q1, based on application estimates.*



Visitor Economy

Design work for the **Visitor Experience Centre** continued.

AEDA jointly organised, with SATC, workshops to inform the early stages of the development of a **Destination Management Plan** for Adelaide. For the first time, the plan will consider Adelaide CBD and Greater Adelaide as a distinct visitor region (not just a gateway), supporting the development of a state-recognised framework for the city's long-term visitor economy growth.

Tourism Investment & Attraction Project the Visitor Economy and Business & Investment teams collaborated to initiate a major tourism investment project to strengthen Adelaide's global appeal. AEDA engaged with two internationally recognised tourism entities. One has already undertaken site visits of CBD locations and is exploring a partnership with a local operator.

Business events and visitor welcoming – in partnership with Business Events Adelaide, AEDA supported city and Rundle Mall activations for the 1,300-delegate Infinitus Chinese incentive group, including a pilot retail program with 10 retailers offering exclusive discounts.

Tourism Awards Support – through the TiCSA partnership, AEDA provided five tourism businesses with tailored one-on-one support for their Tourism Awards submissions, enhancing their capability and visibility in the sector.



Australia-ASEAN Business Forum

The Australia-ASEAN Business Forum 2025, held on 26-27 August, successfully showcased Adelaide as a connected and investment-friendly city. Approximately 500 delegates from 12 countries attended the Forum.

AEDA partnered with StudyAdelaide to jointly host an exhibition booth, which allowed for engagement with visiting government officials, chambers of commerce, investment firms, and business representatives from ASEAN and Australia.

The event reinforced Adelaide's position as a global city for international education, innovation and talent mobility, while strengthening connections with ASEAN partners across cleantech, health innovation and critical technologies.



Data and Insights

AEDA's Research team responded to 90 requests for information during Q1 of which 34% were external.

Presentations were made at:

- 16 September – Byte Sized Learning (CoA internal)
- 17 September – East End Precinct Group AGM
- 30 September – ACMA All Trader meeting

Reports published during quarter:

- 2025 Q2 Activity Report
- 2025 Q2 Visitor Economy Report
- 2025 Q3 Mainstreet Tenancy Level Report

Focus groups to better understand city attendance behaviours, working-from-home trends and Rundle Mall were also conducted during September, with eight groups across three weeks ranging across the private sector, public sector and university students.

The eighth AEDA **Data4Lunch**, held on 6 August 2025 was sold-out, attracting 174 attendees.

The program featured Sam Dighton, CEO of the Committee for Adelaide, presenting the *Benchmarking Adelaide 2025* global report, alongside city economic data updates from AEDA's Advisor, Economic Research, Jordon Tomopoulos.



Winter Events Campaign

The 2025 Winter Events Campaign delivered in July continued to amplify city vibrancy and economic opportunity by encouraging spending across hospitality, accommodation, and entertainment, while reinforcing the City's reputation as a cultural, activity and entertainment centre.

The event landing page was viewed over 43,060 times by 30,239 users. Total views for the campaign are sitting at 220,428 across 73,082 users, generating 12,838 leads.

A partnership with Glam Adelaide which included four sponsored articles as well as amplification across email and social media reached over 61.5k people. Collectively, the articles received over 12.1K views and an engagement rate of 81.29%.

Small Business Week

AEDA partnered with Renew Adelaide to support the *Talking Shop* session as part of the South Australian Small Business Week 2025. All tickets sold out within a day, highlighting strong SME demand for the program.

Planned Quarter Two Activity

Coming up from 1 October 2025 to 31 December 2025:

- Adelaide Fashion Week commences 8 October
- AEDA Data4Lunch Reimagining City Jobs: How Talent and Industry are shaping the Adelaide Economy on 12 November
- Rundle Mall City Sessions continues throughout Q2, hosting a series of live music performances in the Mall
- Presentations by AEDA's Data and Insights team on 14 October:
 - 2025 Multicultural Business and Entrepreneur Network Conference; and
 - the Australia Business Events Association
- AEDA Advisory Committee meetings 16 October and 11 December
- AEDA 2025 Annual General Meeting – 24 October
- South Australia's Biggest Black Friday weekend starting 27 November
- AEDA Visitor Economy Forum – 18 November
- AEDA Board meeting 19 November
- South Australia's Biggest Black Friday Weekend starting 27 November
- Christmas in Rundle Mall



Kadaltilla / Adelaide Park Lands Authority

July to September 2025/2026
Quarter 1 Report

Kadaltilla[®]
Adelaide Park Lands Authority

Kaurna Acknowledgement

The Kadaltilla/Adelaide Park Lands Authority (Kadaltilla) tampendi, ngadlu Kaurna yertangga banbabanbalyarnendi (inbarendi). Kaurna meyunna yaitya mattanya Womma Tarndanyako. Parnako yaitya, parnuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kaurna meyunna itto yaitya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaitya miyurna iyangka yalaka ngadlu tampinhi.

Kadaltilla 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

Kadaltilla is a traditional Kaurna word meaning Green place/Green lands/Parklands.

Kadaltilla / Adelaide Park Lands Authority

Quarter 1 Report

July to September 2025

Executive Summary

Kadaltilla is responsible for preparing and maintaining the Adelaide Park Lands Management Strategy (APLMS) in accordance with the *Adelaide Park Lands Act 2005* (SA). The Authority must undertake a comprehensive review of the APLMS at least once in every 5 years. A review was commenced in 2022 and was approved by the Minister for Planning in June 2025.

This report details activity for the period 1 July 2025 and 30 September 2025 aligned with the achievement of the Kadaltilla Business Plan & Budget 2025/2026 and the functions of Kadaltilla.

Between 1 July 2025 and 30 September 2025, Kadaltilla:

- Completed the 5-year review of the Adelaide Park Lands Management Strategy – Towards 2036 which was laid before both Houses of Parliament on 21 August 2025
- Approved the data, time and location for, and held the 2025 Kadaltilla Annual Community Forum on 14 September 2025 at Super Cycle Sunday in Light Square/Wauwi, and a pop-up Community Forum on 18 September at the Adelaide Botanic Gardens
- Convened a Kadaltilla Board meeting at a State Government location (Adelaide Botanic Gardens) on 18 September 2025
- Undertook a site tour of the Adelaide Botanic Gardens with the Director of the Botanic Gardens and State Herbarium of South Australia
- Finalised Kadaltilla's Annual Report 2024/2025, including a review against the Kadaltilla Strategic Plan 2023-2028
- Finalised Kadaltilla's Social Media Strategy and launched an Instagram account
- Implemented Kadaltilla's endorsed Annual Business Plan and Budget 2025/2026
- Received a presentation from the City of Adelaide on the *North Adelaide Public Golf Course Act 2025* (SA)
- Received a workshop from the City of Adelaide on the Park Lands Leasing and Licensing Policy
- Received a presentation from the Director of the Botanic Gardens and State Herbarium of South Australia on the Adelaide Botanic Gardens masterplan
- Received a presentation from the Chief Executive Officer of Volleyball SA and endorsed continued support for a proposed Beach Volleyball Facility in Bonython Park / Tulya Wardli (Park 27)
- Received a workshop from the City of Adelaide on the 2025 Biodiversity Survey results

- Received an update from the City of Adelaide on the implementation of the Victoria Park / Pakapakanthi (Park 16) Master Plan priority projects
- Noted progress by the City of Adelaide towards the draft Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscapes
- Noted a report from the City of Adelaide regarding the introduction of the *Biodiversity Act 2025* (SA) and requested a State Government briefing
- Discussed the confidential results of Park Lands Commercial Expressions of Interest for Victoria Park / Pakapakanthi (Park 16)

Business Plan & Budget 2025/2026

Key Actions July to September 2025

Cultural Value

Promote the cultural values of the Park Lands including Kaurna culture, heritage, and wellbeing

Performance	Achievements and Measures
1.1 Seek Kaurna cultural authority in everything we do	<ul style="list-style-type: none">• Kaurna cultural considerations were integrated into all relevant reports, with cultural authority highlighted where appropriate—for example, noting the engagement with First Nations people under the principles of Free, Prior and Informed Consent in the Tentative List submission for the World Heritage bid for Adelaide and its Rural Settlement Landscapes• ‘Storytime Sunday’ was promoted on Kadaltilla’s social media to share the history and significance of Kaurna naming in the Adelaide Park Lands
1.3 Advocate for the featuring of the Adelaide Park Lands in relevant promotional campaigns	<ul style="list-style-type: none">• Kadaltilla featured the Adelaide Park Lands in paid social media promotional campaigns
1.4 Champion the development of World Heritage listing nomination	<ul style="list-style-type: none">• Received regular reports from the City of Adelaide on the World Heritage Tentative listing submission progress

Environmental Performance

Maintain and improve climate resilience and the landscape values of the Park Lands

Performance	Achievements and Measures
2.1 Define, protect, and enhance landscape values and design qualities	<ul style="list-style-type: none"> Landscape values and design qualities were reviewed in the Park Lands Leasing and Licensing Policy workshop, Victoria Park / Pakapakanthi (Park 16) Master Plan Implementation Projects report, and the Beach Volleyball Facility – Bonython Park / Tulya Wardli (Park 27) report
2.2 Promote ecologically sustainable initiatives and monitor tree canopy cover, biodiversity, and environmental sustainability and design quality	<ul style="list-style-type: none"> Toured the Adelaide Botanic Gardens Discussed the introduction of the <i>Biodiversity Act 2025</i> (SA) and requested a State Government briefing on the implications for the Adelaide Park Lands Promoted the City of Adelaide's 2025 Biodiversity Survey results on social media
2.4 Develop a better understanding of environmental values and trends	<ul style="list-style-type: none"> Received a workshop from the City of Adelaide on the results of the 2025 biodiversity monitoring, evaluation and reporting program (2025 Biodiversity Survey), which focused on aquatic fauna found along Karrawirra Pari / River Torrens
2.5 Increase the accessibility of evidence-based information	<ul style="list-style-type: none"> Finalised a Social Media Strategy to ensure a structured, goal-oriented approach to online engagement to keep the community well-informed Launched a Kadaltilla Instagram page on 19 September 2025

Management and Protection

Treat the Park Lands holistically with an adaptive future focused approach

Performance	Achievements and Measures
3.1 Monitor delivery of priority projects in the Adelaide Park Lands Management Strategy	<ul style="list-style-type: none"> Adelaide Park Lands Management Strategy – Towards 2036 was laid before both Houses of Parliament on 21 August 2025
3.3 Review State Government Management Plans	<ul style="list-style-type: none"> Received a presentation from the Director of the Botanic Gardens and State Herbarium of South Australia on the Adelaide Botanic Gardens masterplan on 18 September 2025
3.4 Advocate for progression of State Heritage Listing by the State Government	<ul style="list-style-type: none"> Undertaking made on 18 September 2025 to proactively engage with the new Minister for Climate, Environment and Water of South Australia, Hon Lucy Hood MP, in relation to the Tentative List Submission for World Heritage Bid for Adelaide and its Rural Settlement Landscapes
3.5 Assess the landscape value of the Adelaide Park Lands including economic, environmental and cultural significance	<ul style="list-style-type: none"> Ensured Board Members were well informed through regular site tours, including the Adelaide Botanic Gardens tour

Expert Advice

Function as the peak advisory body for policy, development, heritage, and management of the Park Lands based on sound data and evidence

Performance	Achievements and Measures
4.1 Provide advice on plans, projects, and policies for the Adelaide Park Lands	<ul style="list-style-type: none"> Advice of Kadaltilla was endorsed and adopted by Council as relevant
4.2 Engage with City of Adelaide and State Government including input into State Government initiatives	<ul style="list-style-type: none"> Received presentations from the Director of the Botanic Gardens and State Herbarium of South Australia and from the City of Adelaide on the <i>North Adelaide Public Golf Course Act 2025 (SA)</i>
4.3 Review leasing and licensing and event management policies together with other relevant Park Lands use policies	<ul style="list-style-type: none"> Workshopped the City of Adelaide's Park Lands Leasing and Licensing Policy Discussed the confidential results of Park Lands Commercial Expressions of Interest for Victoria Park / Pakapakanthi (Park 16)
4.4 Strengthen Kadaltilla's engagement with City of Adelaide, State Government, and adjoining Councils	<ul style="list-style-type: none"> The City of Adelaide, State Government, and adjoining Councils actively engaged with Kadaltilla
4.5 Increase the profile of the Kadaltilla Board	<ul style="list-style-type: none"> Finalised Kadaltilla's Social Media Strategy and launched an Instagram account

Governance

The City of Adelaide governance support enables Kadaltilla to meet legislative requirements and obligations arising from its Charter

Performance	Achievements and Measures
5.1 Maximise utilisation of skills, knowledge and enthusiasm of Kadaltilla through effective meetings that foster dialogue and the development of shared thinking	<ul style="list-style-type: none"> Formal and informal opportunities were provided to share advice and expertise on the Adelaide Park Lands, including through meetings, workshops, and the Kadaltilla portal
5.2 Develop a high level of knowledge and understanding of the Park Lands amongst Members through regular site visits and briefings	<ul style="list-style-type: none"> In September 2025, Kadaltilla undertook a guided site tour of Adelaide Botanic Gardens with the Director of the Botanic Gardens and State Herbarium of South Australia
5.3 Seek early input into issues relating to the Park Lands to ensure Kadaltilla advice is timely and relevant	<ul style="list-style-type: none"> Kadaltilla provided advice on plans, projects and policies for the Adelaide Park Lands 13 items were reviewed by Kadaltilla between July-September 2025, including two external presentations
5.4 Monitor developments subsequent to Kadaltilla advice	<ul style="list-style-type: none"> Advice of Kadaltilla was endorsed and adopted by Council
5.5 Advocate for the value of Kadaltilla as a proactive, accountable, independent, skills-based Board that advises on Park Lands management and protection	<ul style="list-style-type: none"> Advice provided to Council and the State Government on strategic matters relating to the Adelaide Park Lands
5.6 General purpose accounts are operational	<ul style="list-style-type: none"> General purpose accounts are maintained by the City of Adelaide Administration and Kadaltilla makes appropriate use of available finances provided by Council
5.7 Annual Business Plan and Budget is in place for Kadaltilla	<ul style="list-style-type: none"> An Annual Business Plan and Budget was prepared in accordance with legislative and Charter requirements, and is in place for Kadaltilla
5.8 Kadaltilla makes appropriate use of available finances provided by Council	<ul style="list-style-type: none"> Quarterly finance reports were presented to Council Kadaltilla financial management is in accordance with legislative and Charter requirements
5.9 The Adelaide Park Fund is operational	<ul style="list-style-type: none"> The Adelaide Park Lands Fund is operational and monies are received and expended according to the provisions of Kadaltilla's Charter

Performance	Achievements and Measures
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	<ul style="list-style-type: none"> An Annual Report for 2024/2025 was approved by Kadaltilla on 28 August 2025 in accordance with legislative and Charter requirements
5.11 Kadaltilla is insured according to the requirements of the Local Government Mutual Liability Scheme	<ul style="list-style-type: none"> Kadaltilla maintains insurance coverage in line with the requirements of the Local Government Mutual Liability Scheme

Upcoming Quarter 2 2025/26

Coming up from 1 October to 30 December 2025 are:

- Briefing from the Department for Environment and Water on the *Biodiversity Act 2025* (SA)
- Finalisation of the Adelaide Park Lands Management Strategy Investment and Partnering document
- Appointment of five Council Kadaltilla Board Members for a term of three years
- Delivery of a budget workshop with Kadaltilla Board Members

Budget Position

July to September 2025

Year-to-date expenditure for the 2025/2026 financial year is \$17,000 under budget, primarily due to lower materials, contracts, and other expenses. All other expenditure areas are broadly consistent with planned allocations and financial targets.

\$'000s	YTD Actual	YTD Budget	Variance	2025/26 Q1 Budget	2025/26 Revised Budget
Grants, Donations, Sponsorships	0	0	0	0	-323
Total Revenue	0	0	0	0	-323
Employee Costs	36	41	6	41	180
Materials, Contracts and Other Expenses	7	19	12	19	143
Sponsorships, Contributions and Donations	0	0	0	0	0
Total Expenditure	42	60	17	60	323
Operating Surplus / (Deficit)	42	60	17	60	0

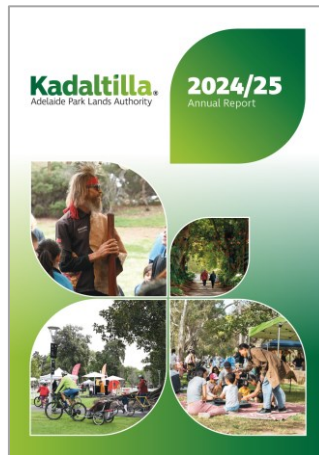
For 2025/2026, Kadaltilla's budget of \$322,609 is allocated as follows:

- Sitting Fees and Salary of \$254,554
- Brand and Marketing of \$26,317
- Insurance, Audit and Legal of \$22,168
- Sponsorships of \$0
- Operations (e.g. meetings, community forum) of \$14,420
- External Advice of \$5,150

Key Highlights from Quarter 1



Adelaide Park Lands Management Strategy – Towards 2036 was laid before both Houses of Parliament on 21 August 2025



Finalised Kadaltilla's Annual Report 2024/2025, including a review against the Kadaltilla Strategic Plan 2023-2028



Convened a Kadaltilla Board meeting at a State Government location (Adelaide Botanic Gardens)



Held the 2025 Kadaltilla Annual Community Forum on 14 September 2025 at Super Cycle Sunday in Light Square/Wauwi



Held a pop-up Community Forum on 18 September at the Adelaide Botanic Gardens



Finalised Kadaltilla's Social Media Strategy and launched an Instagram account



Received a presentation from the Chief Executive Officer of Volleyball SA on, and endorsed continued support for, a Beach Volleyball Facility in Bonython Park / Tulya Wardli (Park 27)



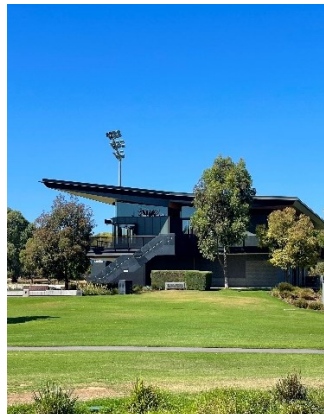
Received an update from the City of Adelaide on the implementation of the Victoria Park / Pakapakanthi (Park 16) Master Plan priority projects



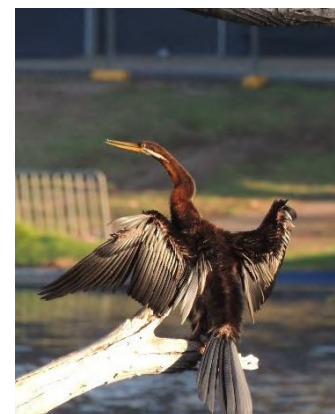
Received a presentation from the Director of the Botanic Gardens and State Herbarium of South Australia on the Adelaide Botanic Gardens masterplan



Undertook a site tour of the Adelaide Botanic Gardens with the Director of the Botanic Gardens and State Herbarium of South Australia



Received a workshop from the City of Adelaide on the Park Lands Leasing and Licensing Policy



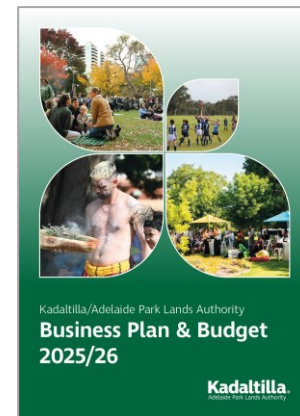
Received a workshop from the City of Adelaide on the 2025 Biodiversity Survey results



Received a presentation from the City of Adelaide on the *North Adelaide Public Golf Course Act 2025 (SA)*

Version: 26.6.2025 – Act uncommenced	
South Australia	
Biodiversity Act 2025	
An Act to provide for the conservation, restoration and enhancement of biodiversity in the State for the benefit of current and future generations, to make related amendments to various Acts, to repeal the <i>Nature Conservation Act 1997</i> and for other purposes.	
Contents	
Part 1 – Preliminary	
1	Short title
2	Commencement
3	Interpretation
4	Interaction with other Acts
5	Act to have effect
6	Operation of Act
Part 2 – Objects, principles and general duty etc	
7	Objects
8	Principles
9	Acting consistently with State Biodiversity Plan
10	Aboriginal knowledge
11	General duty
Part 3 – Administration	
Division 1 – General	
12	Delegation by Minister
13	Minister not to administer Act
Division 2 – Statutory bodies	
Subdivision 1 – Biodiversity Council	
14	Establishment of Biodiversity Council
15	Composition of Council
16	Functions of Council
Subdivision 2 – Clearance Assessment Committee	
17	Establishment of Clearance Assessment Committee
18	Composition of C.A.C. etc
19	Functions of C.A.C.
Subdivision 3 – Aboriginal Biodiversity Committee	
20	Establishment of Aboriginal Biodiversity Committee
Published under the Legislation Revision and Publication Act 2002	

Noted a report from the City of Adelaide regarding the introduction of the *Biodiversity Act 2025 (SA)* and requested a State Government briefing



Implementation of Kadaltilla's endorsed Annual Business Plan and Budget 2025/2026



Noted progress by the City of Adelaide towards the draft Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscapes

Kadaltilla

Adelaide Park Lands Authority

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 [facebook.com/KadaltillaAdelaideParkLandsAuthority](https://www.facebook.com/KadaltillaAdelaideParkLandsAuthority)

 [instagram.com/kadaltilla_adelaideparklands/](https://www.instagram.com/kadaltilla_adelaideparklands/)



Brown Hill Keswick Creek Stormwater Project

Project Update October 2025

Welcome

As our current works in both Lower and Upper Brown Hill Creek come to an end, our project team's focus has turned to the 5 new projects in Upper Brown Hill Creek and the remaining packages of Lower Brown Hill Creek. Engineering consultants have recently been appointed to progress design for 6 locations and construction contractors have been appointed for an additional 2. New works in Upper Brown Hill Creek are being delivered with the support of Commonwealth grant funding.

In This Edition

- Financial Summary
- Summary of Completed Works
- 2025/26 Maintenance Budget
- Awards
- Lower Brown Hill Creek, Packages 1-3
- Upper Brown Hill Creek- Area 3, Millswood
- Upper Brown Hill Creek Commonwealth Funded Projects

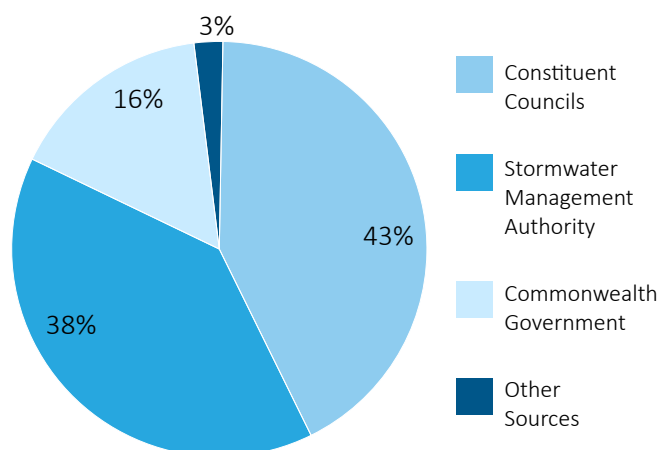
Financial Summary

Capital Funding Summary as at 31 August 2025

Capital funding to 31 August 2025 includes:

- \$34.2m from the 5 Constituent Councils – the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens.
- \$29.9m from the Stormwater Management Authority.
- \$12.8m from the Commonwealth Government, being portion of a total \$21.6m commitment provided under 3 grant programs.
- \$2.8m from other sources including property owner contributions to projects and smaller State Government grant programs.

Capital Funding Contributors



2025/26 Operating Summary as at 31 August 2025

	Actual YTD	Budget YTD	Variance \$
Income	\$502,797	\$460,832	\$41,965
Expenses	\$153,028	\$180,737	(\$27,709)
Net Surplus	\$349,769	\$280,095	\$69,674
Depreciation	\$48,281	\$88,349	(\$40,068)



The Board approved the 2024/25 audited financial statements on 23 September 2025 and the Board's auditors have confirmed that the audit opinion for FY25 will be signed without qualification. The Board also approved the 2024/25 Annual Report.

Summary of Completed Works

Maintenance Responsibility

Stage	Sub-project	Responsibility for Maintenance
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 on site.
	Pakapakanthi Wetland and Kurangga Creek Works	BHKCSB – stormwater infrastructure delivered under the plan. City of Adelaide – all existing and non-stormwater assets on site.
LBHC	LBHC Packages 1A – 1D Airport to Harvey Ave, including Watson & Harvey Ave crossings	BHKCSB – stormwater infrastructure delivered under the plan. City of West Torrens – road components of the project and safety fencing.
	LBHC – Package 4 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 shared use path improvements.
	UBHC Area 1C Forestville-Leah St to Ethel St	BHKCSB – stormwater infrastructure delivered under the plan within Council drainage corridor. City of Unley – all existing and non-stormwater assets on site. Private Property Owner – all assets located on site (new and existing).
	UBHC Diversion Culvert	Department for Infrastructure and Transport- all assets
	UBHC Hawthorn Reserve	BHKCSB – stormwater infrastructure delivered under the plan. City of Mitcham – all existing and non-stormwater assets on site.

Responsibility for clearing blockages within the creek always rests with the property owner.

2025/26 Maintenance Budget YTD

Annual Maintenance Actual vs Budget to 31 August 2025

YTD Actual	YTD Budget	Variance \$
\$21,024	\$59,340	(\$38,316)

¹ GPT cleans have not yet commenced at Glenside for FY26.

² Wetland maintenance is being provided under a services agreement in accordance with a defined maintenance schedule with scope for one-off requirements on an as-needs basis.

Awards

The Project, our staff, Constituent Councils and our consultant teams have continued to be recognised for their industry contributions at a State, National and International level across sectors including planning, engineering, landscape architecture and construction.



Excellence in Infrastructure

Stormwater SA
Excellence Awards 2025
South Park Lands Wetland and Flood Mitigation



Urban Development and Utilities Sub-Category Award and Overall Winner Projects \$2m-\$5m

Civil Contractors Federation SA
Earth Awards 2025
Lower Brown Hill Creek Channel Upgrade



Excellence in Research or Innovation

Stormwater SA
Excellence Awards 2025
Building Flash Flood Forecasting Capability in South Australia - a DEW led project

“ The South Parklands Wetland demonstrates how early collaboration (planning, engineering and design) and engagement can transform previously underutilized and degraded parklands into a community asset. The project seamlessly integrates a new 3.2-hectare permanent vegetated wetland into Adelaide’s nationally significant Park Lands, providing inclusive passive recreation opportunities and welcoming green space for the wider community.

The team is commended on the built outcome, where the wetland appears as if it has always been there, and the significant improvement of natural ecosystems and biodiversity in the city. The ongoing management and care of the wetland will continue to benefit the community as the project matures. ”

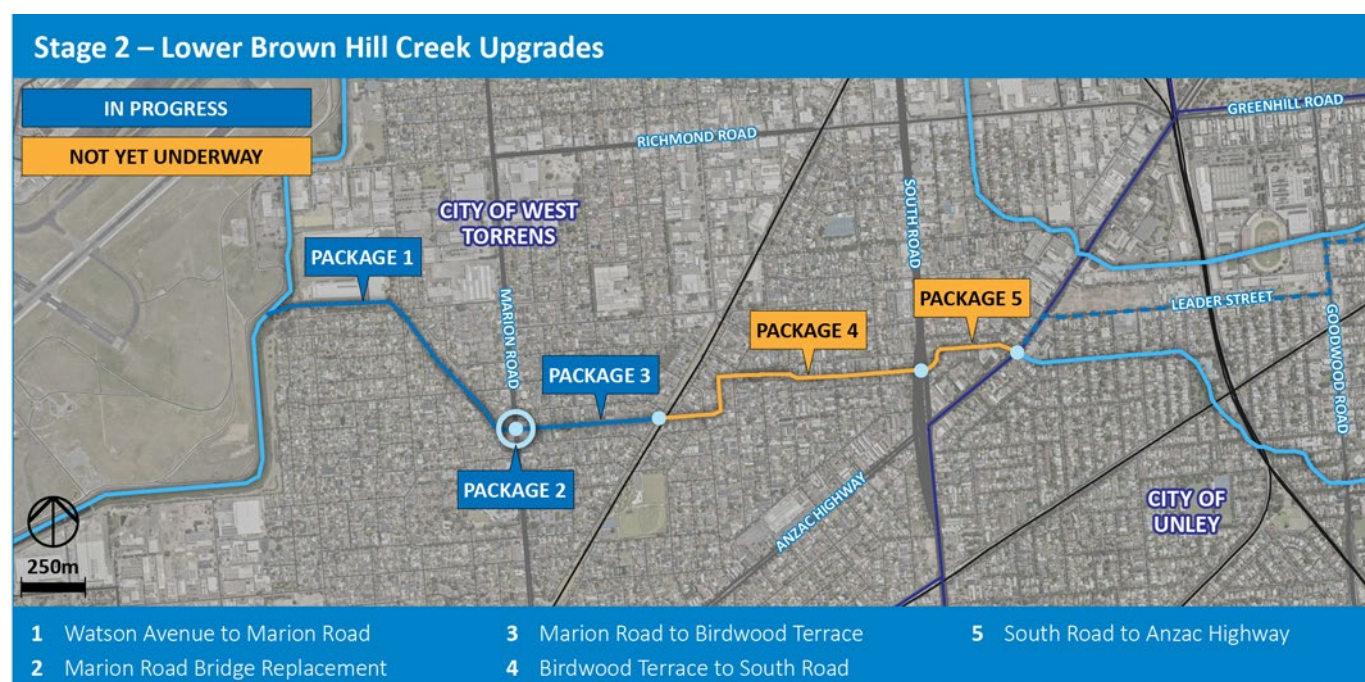
Australian Institute of Landscape Architects

“ The South Park Lands wetland project was recognised at the Stormwater South Australia awards night where it won the Excellence in Infrastructure category. The project was noted for its integrated design as well as for the project delivery model that involved many stakeholders and project partners. It was recognised as a transformative project for Adelaide that provides multiple benefits. The Brown Hill Keswick Creek Project should be congratulated for its outstanding and well-coordinated approach to design and delivery. ”

Dr Robin Allison
DesignFlow

Lower Brown Hill Creek Upgrades Packages 1 -3

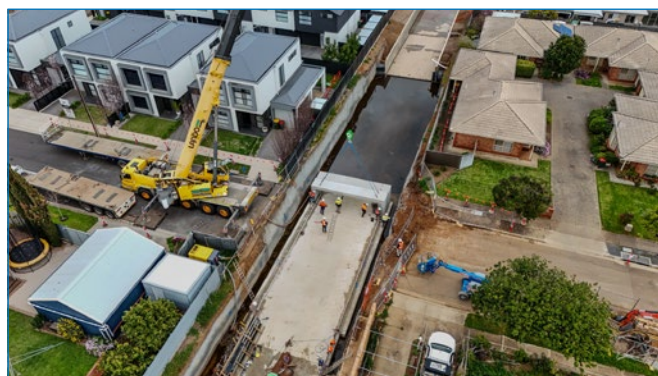
Lower Brown Hill Creek comprises a 3.3 kilometre-long section of channel extending from the south-eastern corner of Adelaide Airport at the downstream end to a crossing point at Anzac Highway at the upstream end.



The channel is primarily situated within City of West Torrens owned drainage corridor, except for a small portion that runs within privately owned land. The upgrades involve doubling the flow capacity through replacement of the existing open channel with a new 6-6.8 metre-wide by 1.8 metre-high rectangular shaped concrete channel, and equivalent sized road crossings.

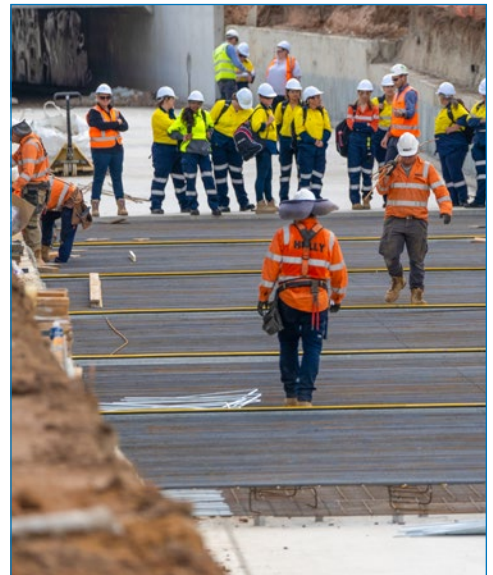
The Lower Brown Hill Creek capacity upgrades are divided into 5 work packages and the Board secured \$10m in Commonwealth Government funding under the Preparing Australian Communities Program to contribute toward delivery of Packages 1-3 over 3 years. The Commonwealth funding is being matched by funding from Constituent Councils and the Stormwater Management Authority.

Packages 1-3 extend for 1.7 kilometres from Adelaide Airport at the downstream end to Birdwood Terrace at the upstream end. Construction of package 1 commenced late in 2022 and works to Birdwood Terrace are now being completed. Design of packages 4 and 5 will commence in the coming months.



Channel construction

Lower Brown Hill Creek Upgrades Packages 1 -3 continued...



Channel construction

Upper Brown Hill Creek Upgrades Area 3, Millswood

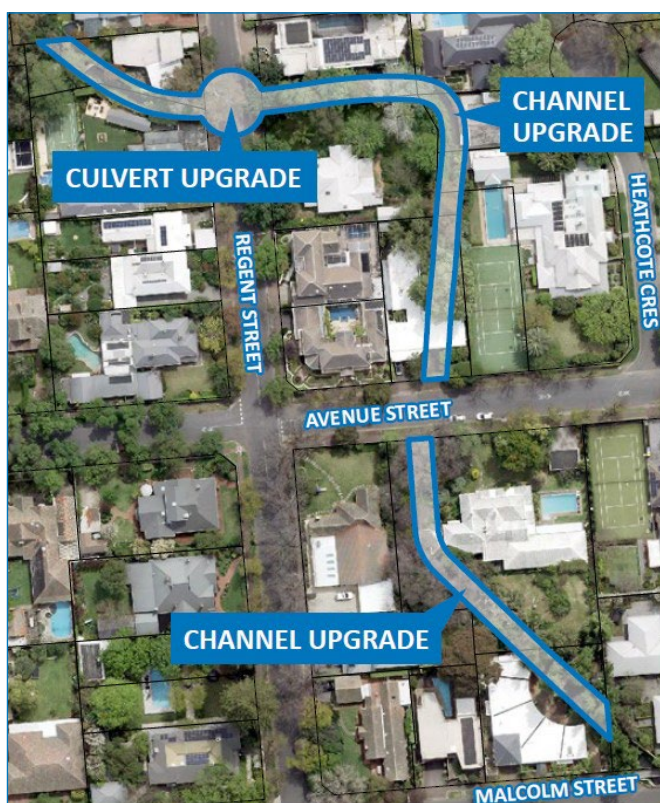
The project involves a doubling of the capacity of this section of Brown Hill Creek, from just downstream of Regent Street to Malcolm Street at the upstream end, including upgrade of the Regent Street culvert. The entirety of the creek in this location traverses through privately owned property and the project team have engaged closely with property owners over the course of design development and during construction.

Delivering in a heavily constrained environment, the works have been designed in collaboration with property owners to meet the flow capacity requirements while being sympathetic to the natural environment and the individual and unique objectives of each owner.

Channel solutions include a combination of stacked rock or upright concrete block constructed walls, often

transitioning from one treatment to another as the creek moves through different properties. Cobbles have been reinstated within the base of the channel, with more robust base treatment in specified locations where required to support higher velocity flows.

This project is nearing final completion, with works in recent months focusing on remaining landscape reinstatement and maintenance.



“ We would like to express our appreciation for the Brown Hill Creek upgrade being brought forward in time which enabled us to secure building approval through the Unley Council.

It was a pleasure working with Peta and Brett, as well as with Chris and his site team from Camco, whose professionalism and support were greatly valued throughout the process.

We are also grateful for the creek works, including the cleaning, widening, and realignment to complement the design of our new home. The use of large sandstone rocks on one side and sandstone cladding on the opposite creek walls has created an impressive and visually striking result that we truly appreciate. ”

Property Owner
Millswood

Upper Brown Hill Creek Upgrades Area 3, Millswood continued...

“ Between mid-2022 and late-2024 the Brown Hill and Keswick Creeks Stormwater Board undertook flood mitigation work on the section of Brown Hill Creek that runs through our property. There was an extensive period of discussion about the proposed works before commencement to try to reach mutual agreement on a final outcome that would be acceptable to all parties.

From our perspective we faced significant loss of a natural tree-lined creek that provided privacy on the southern side of our house. However, we appreciated the need to reduce the flood risk in our area and were prepared to work with the Board towards an outcome that would improve flood flows while retaining some of the visual amenity of the creek channel next to our house.

With completion of the works we have a visually appealing outcome with a small residual strip of land on our southern boundary that has been planted with new trees that will hopefully over time restore some of the privacy that we previously appreciated. ”

Property Owner, Millswood

“ We were very pleased with the final outcome of the project as far as it affected our property. We found the project team to be extremely helpful and the construction team to be considerate on the effect of the project on our daily lives. The initial stages of the project were difficult, due the lack of information, however, as the project proceeded, we were kept well informed. ”

Property Owner, Millswood

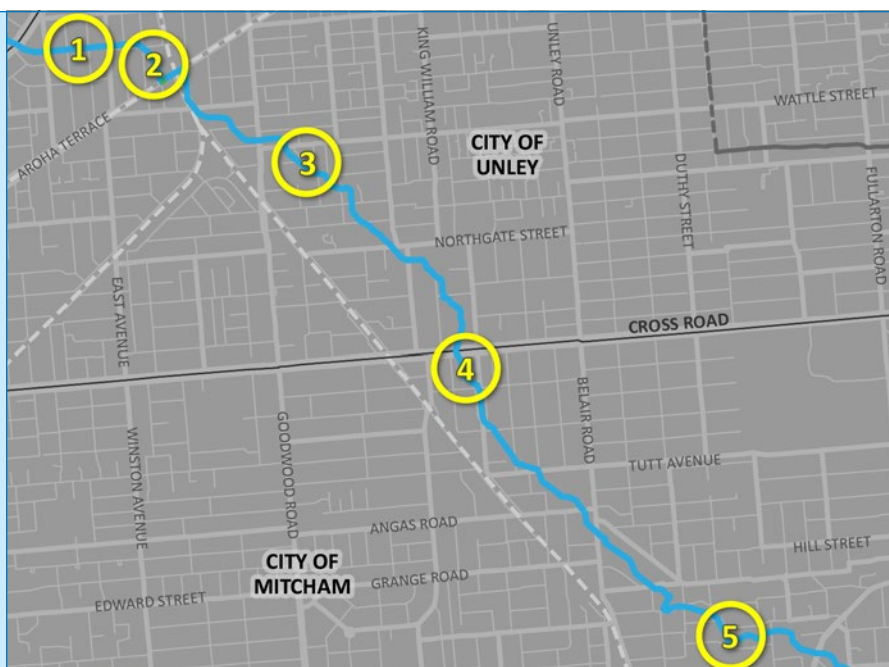


Upper Brown Hill Creek Upgrades Commonwealth Funded Projects

Five Upper Brown Hill Creek sub-projects have been funded by the Commonwealth Government's Urban Rivers and Catchments Program and Disaster Ready Fund and are scheduled for construction in the 2025/26 and 2026/27 financial years.

The works will include upgrades through both private property and public open space and are located within the Cities of Unley and Mitcham as follows:

1. UBHC Area 1 – Third Avenue to Leah Street, Forestville
2. UBHC Area 1 – Forestville Reserve
3. UBHC Area 2 – Orphanage Park
4. UBHC Area 5 – Cross Road to Hampton Street, Hawthorn
5. UBHC Area 6 – Betty Long Gardens



The Board recently approved appointment of a Contractor to the Early Contractor Involvement (ECI) stage of the projects in Hawthorn and Betty Long Gardens. The Contractor will work alongside the BHKC project team to confirm methods of construction access and the extent of disturbance to private property and public open space. Project designs will be progressed and finalised during this 3-4 month period, ahead of award of the construction contract. Construction is scheduled to commence early in 2026.

For the remaining 3 projects (numbered 1, 2 and 3 above), the Board short-listed 3 construction contractors to participate in select requests for tender to be released in the coming months. The Board also approved the award of engineering services contracts for these works and appointed civil and structural engineers to the Board's professional services panel.

Internal Audit Progress Report

Friday, 14 November 2025

Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:

Rebecca Hayes, Associate

Director Governance & Strategy

Public

Approving Officer:

Anthony Spartalis, Chief

Operating 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 (ARC) last received an Internal Audit Progress Report at its meeting in May 2025.

In addition to providing an update on the progress of the Internal Audit Plan 2024–2025, the report also details the Council's current Internal Audit Actions. Details contained in the report and associated links include information about:

- Internal Audit Actions that have been completed since the last Internal Audit Progress report to ARC in May 2025;
- Extensions granted by the Chief Executive Officer for the completion date of Internal Audit Actions;
- The number and status of Overdue Actions; and
- A summary of the status of all Internal Audit Actions.

Thirty actions have been completed since May 2025.

Currently, there are forty-six open actions, of which forty are in progress, and six are overdue.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as contained in Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 14 November 2025.
2. Notes the progress of the completion of Internal Audit Actions as contained in Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 14 November 2025.

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 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.
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	Delays in completing internal audit actions can expose an organisation to operational, financial, compliance, and reputational risks by allowing control weaknesses to persist. It can also undermine accountability, damage stakeholder confidence, and negatively impact organisational culture.
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such audits suggest a range of improvement opportunities related to an area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
25/26 Budget Allocation	\$250,000 is budgeted for external consultancy support in accordance with the 2025-26 internal audit program.
Proposed 26/27 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
25/26 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 (ARC) receives all Internal Audit reports. It reviews and monitors Council's responsiveness to findings and recommendations of the Internal Auditor, 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 2024-2025 plan is provided at [LINK 1](#).
4. Since the ARC met in May 2025, three internal audit reviews have been completed:
 - 4.1. Council Administration Expenses
 - 4.2. Paid Parking Review
 - 4.3. Record Keeping

Internal Audit Actions

5. Recommendations arising from the Internal Audit and Strategic Reviews are reported to SRIA.
6. Recommendations and agreed actions, responsibilities and timeframes for implementation are recorded in the Council's process mapping and management software, Process Manager.
7. The implementation status of recommendations is tracked and reported to ARC.

8. Completed Actions

- 8.1. Thirty internal audit recommendations from previous Audits have been completed since May 2025, including four overdue actions, being:

No	Internal Audit ID	Audit Title
1	I00680	Asset Inspection
2	I00800	Community Safety
3	I00811	Community Safety
4	I00814	Project Health Check
5	I00845	Local Government Security Framework
6	I00850	Emergency Management
7	I00852	Emergency Management
8	I00855	Legislative Compliance 2024
9	I00861	Data Protection and Privacy
10	I00862	Data Protection and Privacy
11	I00864	Data Protection and Privacy
12	I00867	Data Protection and Privacy
13	I00876	Internal Network Penetration and Segregation Test
14	I00877	Internal Network Penetration and Segregation Test
15	I00880	Internal Network Penetration and Segregation Test
16	I00881	Internal Network Penetration and Segregation Test
17	I00882	Internal Network Penetration and Segregation Test
18	I00911	Lease Management

19	I00917	Fraud Prevention
20	I00924	Archives
21	I00933	Penalty and Infringement Compliance
22	I00836	Penalty and Infringement Compliance
23	I00947	Electric Vehicles Transition for Workshop Operations
24	I00949	Electric Vehicles Transition for Workshop Operations
25	I00950	Electric Vehicles Transition for Workshop Operations
26	I00956	TechnologyOne Post Implementation Review
27	I00971	Legislative Compliance 2025
28	I00972	Legislative Compliance 2025
29	I00976	Paid Parking Review
30	I00982	Record Keeping 2025

8.2. All completed recommendations are detailed in [LINK 2](#).

8.3. Forty-six recommendations are in progress.

9. Extensions

9.1. All requests for an extension of a due date for completion of an Internal Audit Action require the approval of the Chief Executive Officer. This process ensures that there is appropriate accountability before an extension is granted.

9.2. Since the last report to ARC in May 2025, six actions have been approved for an extension. Those actions and the rationale for their extensions are detailed in [LINK 3](#).

10. Overdue Actions

10.1. One additional action has become overdue since the last update to ARC. New overdue actions are detailed in [LINK 4](#)

10.2. Eight overdue actions have been completed since May 2025, being:

No	Internal Audit ID	Audit Title
1	I00680	Asset Inspection
2	I00800	Community Safety
3	I00811	Community Safety
4	I00845	Local Government Security Framework
5	I00855	Legislative Compliance
6	I00861	Data Protection and Privacy
7	I00862	Data Protection and Privacy
8	I00867	Data Protection and Privacy

11. Overdue actions are linked to the following internal audits:

11.1. Asset Inspection – one overdue action that is now proposed to be completed by 30 June 2026.

11.2. Review of the Adelaide Economic Development Agency – one overdue action that is now proposed to be completed by 31 December 2025.

11.3. Post Audit Implementation Review – three overdue actions that are now proposed to be completed by 31 December 2025 and 30 June 2026, respectively.

11.4. Local Government Security Framework – two overdue actions that are now proposed to be completed by 31 December 2025 and 28 February 2026, respectively.

11.5. Data Protection and Privacy – one overdue action that is proposed to be completed by 28 February 2026.

12. The status of all overdue actions is provided in [LINK 5](#).

13. A summary of the status of actions is shown in the below table, with the Agreed Action Progress Report accessed via [LINK 6](#).

Risk	Definition	Complete	Overdue	In Progress	Total Open
High	Issues represent a control weakness which could have or is having major adverse effect on the ability to achieve project objectives.	5	4	7	11
Moderate	Issues represent a control weakness which could have or is having a moderate effect on the ability to achieve project objectives.	12	1	14	15
Low	Issues represent a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives.	10	1	10	11
N/A	Improvement Opportunity	3	0	9	9
	Total	30	6	40	46

DATA AND SUPPORTING INFORMATION

[Link 1](#) – Internal Audit Plan 2024-2025 Status Update

[Link 2](#) – Completed recommendations

[Link 3](#) – Internal Audits approved for extension

[Link 4](#) – Overdue actions

[Link 5](#) – Status of overdue actions

[Link 6](#) – Agreed Actions Progress Report

ATTACHMENTS

Nil

- END OF REPORT -

Record Keeping Internal Audit

Friday, 14 November 2025
Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:
Rebecca Hayes, Associate
Director Governance & Strategy

Public

Approving Officer:
Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

The purpose of this report is for the Audit and Risk Committee to note an internal audit conducted into Records Keeping and endorse the administration responses.

The 2024-25 Internal Audit Plan (the Plan) for the City of Adelaide (CoA) was developed in consideration of Council's key strategic risks and critical priorities.

In accordance with the Plan, an internal audit was performed on CoA's Record Keeping.

The audit resulted in three findings: one rated High, one rated Low, and one opportunity for improvement.

Of the five management actions agreed in response, two have been completed. The remaining actions are due for completion by 31 December 2025 (two actions) and 30 June 2026 (one action).

Further information on these findings can be found in Attachment A.

This audit aligns with the identified Strategic Risk *Statutory and Regulatory Risk: Non-compliance with statutory and regulatory requirements poses legal, financial and reputational risks to the organisation.*

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Record Keeping Internal Audit report as contained in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 14 November 2025.
2. Endorses the responses of the Administration to the Record Keeping Internal Audit report as contained in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 14 November 2025.

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	Internal audit report has been presented to Strategic Risk and Internal Audit Group.
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 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 that are aligned with Council processes to best practice standards.
25/26 Budget Allocation	Not as a result of this report.
Proposed 26/27 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.
25/26 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 Record Keeping Internal Audit (Internal Audit) was performed by City of Adelaide's (CoA) Risk and Audit Analyst, in accordance with the 2024-25 Internal Audit Plan.

Report

2. This Internal Audit aligns with the CoA Strategic Risk *Statutory and Regulatory Risk: Non-compliance with statutory and regulatory requirements poses legal, financial and reputational risks to the organisation.*
3. The *State Records Act 1997* (SA) governs Council's' obligations and responsibilities regarding the management of official records. Under this Act, the Council has an obligation to maintain official records in its custody in a good order and condition.
4. The Records Management Operating Guideline (Operating Guideline) applies to all areas of the Council, including subsidiaries, electronic business and social media. It concerns records that are created, collected, processed, used, sentenced, stored and disposed of in the conduct of official business. It applies to all Council employees and employees of the subsidiaries. The Operating Guideline provides the framework for the Council to effectively fulfil its obligations and statutory requirements under the *State Records Act 1997* (SA).
5. Good records management is of key importance to good governance. All official records created or used by employees while conducting Council business are to be retained and, where appropriate, registered into the corporate Electronic Document Records Management System (EDRMS). The current EDRMS utilised by CoA is Content Manager.
6. The Record Keeping Internal Audit for 2025 focused on a selection of SharePoint sites to ensure that CoA record keeping compliance obligations are being met. This audit was developed and facilitated in conjunction with Information Management as per the requirements in the Operating Guidelines.
7. The findings of the internal audit are indexed into the following risk ratings:

Finding	Description	Risk Rating
1	Records not retained in Content Manager	High
2	SharePoint sites not used	Low
3	Reiterate the relevance of record keeping	Process improvement

8. Administration has considered the findings and provided management actions and timeframes to address these findings (outlined in the finding section of the internal audit report, **Attachment A**).
9. Of the five management actions agreed in response, two have been completed:
 - 9.1. Management action 1a for Finding 1 to the Record Keeping Internal Audit, was completed during the investigation of the audit.
 - 9.2. Management action 3a for Finding 3 to the Record Keeping Internal Audit, which was due 31 December 2025, has been completed.
10. The remaining actions are due for completion by 31 December 2025 (two actions) and 30 June 2026 (one action).

ATTACHMENTS

Attachment A – Record Keeping Internal Audit

- END OF REPORT -

INTERNAL AUDIT REPORT: RECORD KEEPING

Prepared by: Annette Pianezzola, Risk & Audit Analyst

August 2025



TABLE OF CONTENTS

1.	Executive summary.....	1
2.	Objectives	1
3.	Background.....	1
4.	Methodology.....	1
5.	Consultation.....	4
6.	Summary of findings	5
	Appendix 1: Risk matrix of internal audit findings.....	10

Distribution			
For action:		For information and approval:	
Rebecca Hayes	Associate Director Governance & Strategy	City of Adelaide	Strategic Risk and Internal Audit Group
Anthony Spartalis	Chief Operating Officer	City of Adelaide	Audit & Risk Committee
Mark Goudge	Associate Director Infrastructure	Michael Sedgman	Chief Executive Officer
Natalie Johnston	Associate Director Finance & Procurement		
Greg Ratsch	General Manager AEDA		
Steve Zaluski	Associate Director Regulatory Services		
Jennifer Kalionis	Associate Director City Community		
Martin Smallridge	Associate Director Customer & Marketing		
Sonjoy Ghosh	Associate Director Information Management		

1. EXECUTIVE SUMMARY

In accordance with the 2024-25 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focussing on the record keeping requirements of the CoA was performed. The objective, scope, approach and findings are outlined below.

2. OBJECTIVES

The Record Keeping Audit for 2025 focused on a selection of SharePoint sites to ensure that our record keeping compliance obligations are being met. This audit was developed and facilitated in conjunction with Information Management as per the requirements in the Records Management Operating Guideline.

This review is included in the 2024-25 Internal Audit Plan to provide assurance to the CoA Executive Team, the Strategic Risk & Internal Audit Group (SRIA) and the CoA Audit & Risk Committee (ARC).

3. BACKGROUND

The *State Records Act 1997* (SA) governs councils' obligations and responsibilities regarding the management of official records. Under this Act, the Council has an obligation to maintain official records in its custody in good order and condition.

An official record is a record made or received by the council in the conduct of its business. This means that because employees of the Council act as a representative of the Council, any record created, sent, received, forwarded or transmitted by Council employees in the performance and discharge of their functions and duties may be classified as an official record.

The Records Management Operating Guideline (Operating Guideline) applies to all areas of Council, including subsidiaries, electronic business, and social media. It concerns records created, collected, processed, used, sentenced, stored, and disposed of in the conduct of official business. It applies to all Council employees and employees of the subsidiaries. The Operating Guideline provides the framework for the Council to effectively fulfil its obligations and statutory requirements under the *State Records Act 1997* (SA).

Good records management is of key importance to good governance. All official records recreated or used by employees while conducting Council business are to be retained and, where appropriate, registered into the corporate Electronic Document Records Management System (EDRMS). The current EDRMS that the CoA uses is Content Manager.

4. METHODOLOGY

During May to July, a list documenting all SharePoint / Teams sites were provided by Information Management. A targeted selection was identified which included SharePoint / Teams sites created in 2015 – 2018. Discussions were held with the relevant stakeholders who manage the relevant SharePoint site in relation to record keeping as per the Operating Guideline. Fifty-two SharePoint / Teams sites were reviewed independently by Annette Pianezzola, Risk and Audit Analyst. The following review was undertaken:

- Determine if the SharePoint / Teams site was being used
- Determine if the information such as documents found on the SharePoint / Teams site was also stored in Content Manager.

A desktop review was conducted, with forty-one of the SharePoint / Teams sites deemed to be satisfactory. Eleven of the SharePoint / Teams sites deemed further review is required as documents currently exist on these webpages. These findings are listed below:

SharePoint Site	Created	Documents Attached	Comments	Reference to Finding
Governance & Strategy				
Report Review Team	2017	No	Not currently used.	2
Strategic Plan Reporting	2017	No	Not currently used.	2
Strategic Plan Reporting – Development	2017	No	Not currently used.	2
Strategic Plan Group	2017	Yes	To be reviewed and saved in Content Manager.	1
PMO Reporting Tool	2018	Yes	Documents are available in Modern Gov and a record is retained in Content Manager.	N/A
Council Elections	2018	Yes	Saved in Content Manager.	N/A
People				
Daily Edition	2017	No	Not currently used.	2
L & P Administrators	2018	No	Not currently used.	2
Information Management				
IM Transform priorities	2017	No	Not currently used.	2
Transform Support	2017	Yes	Documents have been saved to Content Manager. Not currently used.	2
Create What's Possible	2018	No	Site to provide staff with instructions on how to create webpages. Training material.	N/A
Ten Gig Industry Analysis	2018	No	Not currently used.	2
Finance & Procurement				
IM Procurement	2017	Yes	To be reviewed and saved in Content Manager.	1
Adelaide Economic Development Agency				
SharePoint Users Group	2017	Yes	Documents have been saved to Content Manager. Not currently used.	2
Rundle Mall Management Authority	2018	Yes	To be reviewed and saved in Content Manager.	1
Economic Insights	2018	Yes	Documents have been saved to Content Manager. Not currently used.	2
Regulatory Services				
DA/0459/2017	2017	No	Not currently used.	2
ePlanning – UAT	2017	No	Not currently used.	2

Internal Audit Report: Record Keeping

ePlanning	2017	No	Document not considered a record, so not required to be saved. Not currently used.	2
ACP Building Audits	2018	Yes	To be reviewed and saved in Content Manager.	1
Building Fire Safety	2018	Yes	To be reviewed and saved in Content Manager.	1
Plan & Dev Public	2018	No	Not currently used.	2
Plan & Dev Mgmt	2018	No	Not currently used.	2
Plan & Dev	2018	No	Not currently used.	2
Infringements	2018	No	Not currently used.	2
ePlanning Mgm UAT	2018	No	Not currently used.	2
Planning & Development Communication Site	2018	No	Not currently used.	2
Strategic Property & Commercial				
PowerBI-SRC-UPark	2017	No	Not currently used.	2
PowerBI UPark	2018	No	Not currently used.	2
City Community				
Regional Aquatic Centre	2017	Yes	To be reviewed and saved in Content Manager.	2
Infrastructure				
Infrastructure Management Governance	2018	No	Data on the sites if for information only for staff, there are no documents that are considered a record.	N/A
City of Adelaide Transport Data	2018	Yes	To be reviewed and saved in Content Manager.	1
CoA Innovation Forum for Urban Mobility, Movement and Modelling	2018	No	Not currently used.	2
CoA Research Forum for Urban Mobility, Movement and Modelling	2018	No	Not currently used.	2
Pedestrian Movement	2018	No	Not currently used.	2
Customer & Marketing				
The Daily Edition	2018	No	Information platform for internal staff. No documents that are considered a record.	N/A
Commercial Businesses Marketing	2018	Yes	To be reviewed and saved in Content Manager.	1

Online Forms Design Principles	2018	Yes	To be reviewed and saved in Content Manager.	1
Marketing Central	2018	Yes	To be reviewed and saved in Content Manager.	1
Miscellaneous				
OCTFolio Redevelopment	2016	No	Not currently used.	2
PowerBI-Admin	2016	No	Not currently used.	2
Business Improvement Team	2018	Yes	To be reviewed and saved in Content Manager. Not currently used.	1
Reporting x 6	2018	No	Not currently used.	2
Miscellaneous	2018	No	Not currently used.	2
Azure Audit Logs	2018	No	Not currently used.	2
Business Insights	2018	No	Not currently used.	2
Sandbox	2018	No	Not currently used.	2

5. CONSULTATION

The following CoA stakeholders were involved in meetings throughout the audit:

- Anthony Criscitelli, 0365 Platform Analyst
- Shelley Palmer, Team Leader Corporate Records
- Michael Mallamo, Strategic Planner
- Tania De Palma, Coordinator Brands & Partnerships Rundle Mall
- Merissa Decelis, Lead Service Desk
- Daniel Clisby, Project Lead City Lifestyle
- Kristen Mackintosh, Lead Project Manager & Enterprise Delivery
- Kathryn Goldy, Manager Corporate Governance & Risk
- Jordan Tomopoulos, Advisor Economic Research & Business Development
- Daniel Stevens, Manager Marketing & Communication
- David Penrose, Lead Web & User Experience
- Simon Cope, Manager Procurement & Contract Management
- Sean Howie, Team Leader Traffic & Transport
- Sonjoy Ghosh, Associate Director Information Management

6. SUMMARY OF FINDINGS

Ref #1 Records not retained in Content Manager	Rating: High
Finding and Recommendation	Agreed Actions
<p>Finding: SharePoint /Teams sites are web-based platforms that enable staff at Council to collaborate, share information and manage content. It is essentially containers for web pages, lists and library of documents. The main types of SharePoint sites are team sites for collaboration and communicate sites for sharing of information with the broader Programs within Council.</p> <p>The overarching management of these SharePoint / Teams sites is performed by Information Management who will create a SharePoint / Teams site upon request by the Program/Team. The site is created so team members can collaboratively work on a project, a document or report. These documents are considered an official council record, so once the project has been completed, or the SharePoint / Teams site is no longer required, all relevant records should be stored in Content Manager, Council's record management system.</p> <p>In review of the fifty-two SharePoint / Teams sites, it was noted eleven sites contained records that may be considered as an official Council record.</p> <p>Recommendations Review and confirm if the documents are required to be saved in Content Manager for the following Sharepoint /Teams sites:</p> <ul style="list-style-type: none"> • Strategic Plan Group (Governance & Strategy) • IM Procurement (Finance & Procurement) 	<p>Management comments:</p> <p>1a. Agreed. The data located on the SharePoint sites have been saved in Content Manager for the following sites:</p> <ul style="list-style-type: none"> • Strategic Plan Group • City of Adelaide Transport Data - Home <p>These SharePoint sites can now be closed.</p> <p>Responsibility: Associate Director Governance & Strategy / Associate Director Infrastructure</p> <p>Target Date: Completed</p> <p>1b. Agreed. The data on the following SharePoint sites will be reviewed and relevant documents will be saved in Content Manager, then will inform Information Management that the site can be closed:</p> <ul style="list-style-type: none"> • IM Procurement (Finance & Procurement) Responsibility: Associate Director Finance & Procurement Target Date: 31 December 2025 • Rundle Mall Management Authority Responsibility: General Manager Adelaide Economic Development Agency Target Date: 31 December 2025 • ACP Buildings Audits • Building Fire Safety Responsibility: Associate Director Regulatory Services

<ul style="list-style-type: none"> • Rundle Mall Management Authority (Adelaide Economic Development Agency) • ACP Building Audits (Regulatory Services) • Building Fire Safety (Regulatory Services) • Regional Aquatic Centre (City Community) • City of Adelaide Transport Data (Infrastructure) • Commercial Businesses Marketing (Customer & Marketing) • Online Forms Design Principles (Customer & Marketing) • Marketing Central (Customer & Marketing) • Business Improvement Team (miscellaneous) <p>If the documents are considered a Council record, save the document in Content Manager.</p> <p>Following from the review, consider if the SharePoint / Teams site is current and required. If not required, inform Information Management to close the SharePoint site.</p>	<p>Target Date: 31 December 2025</p> <ul style="list-style-type: none"> • Regional Aquatic Centre (City Community) – SharePoint site to remain active until end of January 2026 Responsibility: Associate Director City Community Target Date: 31 Decemer 2025 • Commercial Businesses Marketing (Customer & Marketing) • Online Forms Design Principles • Marketing Central Responsibility: Associate Director Customer & Marketing Target Date: 31 December 2025
Position Responsible:	Associate Director Governance & Strategy, Associate Director Information Management, Associate Director Finance & Procurement, General Manager AEDA, Associate Director Regulatory Services, Associate Director City Community, Associate Director Infrastructure, Associate Director Customer & Marketing
Target Date:	As above

Ref #2 SharePoint sites not used	Rating: Low
Finding and Recommendation	Agreed Actions
<p>Finding: The overarching management of Council internal SharePoint / Teams sites is performed by Information Management who will create a SharePoint /Teams site upon request by the Program/Team.</p> <p>Program / Teams will request a SharePoint or Teams site with the intention of collaborating on a report, a project, a document or sharing of information with the team or broader Council staff. Once the site is created by Information Management, a member group is created that is attached to the relevant SharePoint / Teams site.</p> <p>At times, these sites are created but no content is placed on the SharePoint / Teams site. For sites that have had no activity for 90 days or have external viewers, an automated notification is sent to the content owner of the site. The notification asks the content owner if they would like to retain the site or if external viewers still require access. If the site or access is no longer required, the member group is deleted however due to retention levels, the SharePoint / Teams site is retained for 7 years prior to deletion.</p> <p>As of 31 May 2025, there are 1,214 active SharePoint / Teams sites. It was noted as part of this review, of the fifty-two sites reviewed, thirty-seven SharePoint / Teams sites either had no document or information on the site, or it was identified that the SharePoint / Teams site is no longer utilised by the team. This has placed more onerous on the Information Management team to manage.</p> <p>Recommendations All 32 sites have been identified in the table above that they can be closed. Delete the member group and place on the retention schedule for deletion.</p>	<p>Management comments: 2a. User access will be disabled and placed on a retention schedule for all 32 sites identified in the table above.</p> <p>Responsibility: Associate Director Information Management</p> <p>Target date: 31 December 2025</p>

Position Responsible:	Associate Director Information Management
Target Date:	As above

Ref #3 Reiterate the relevance of record keeping		Rating: Process Improvement
Finding and Recommendation		Agreed Actions
<p>Finding: The Records Management Operating Guideline (Operating Guideline) was recently reviewed and updated in July 2025. Its purpose is to maintain best practices for the use and user experience of the CoA's electronic document and records management system (ERDMS). The Operating Guideline provides the framework for the CoA to effectively fulfil its obligations and statutory requirements under the <i>State Records Act 1997</i> (SA).</p> <p>It has been noted that records stored in Teams/SharePoint are not automatically registered to Content Manager, Council's records management system. Therefore, it is the staff member's responsibility to ensure the document is registered to Content Manager.</p> <p>If functionality between Teams/SharePoint and Content Manager is not improved, the risk is that CoA staff will forget to register records in the Council's record management system.</p> <p>Recommendations</p> <ol style="list-style-type: none"> 1. Information Management to inform staff of their responsibility to save records in Content Manager. 2. Information Management to explore the upgrade of Content Manager to enable improved functionality between Teams/SharePoint and Content Manager to create efficiencies for CoA staff. 		<p>Management comments:</p> <p>3a. As part of the new SuccessFactors, leaders can access and view the status of online training for their staff and are responsible for following up with incompletions. This functionality enables Executive, SLT and People Leaders to view completion rates. In September, instructions were provided to the Senior Leadership Team on how to access the information.</p> <p>Responsibility: Associate Director Information Management</p> <p>Target date: Completed</p> <p>3b. As part of the 2025/26 Content Manager upgrade, IM has identified that the latest version of Content Manager does support the integration of Content Manager with SharePoint Online and Microsoft Teams. However, this would require Content Manager to be migrated to OpenText's Cloud solution which we are evaluating. The upgrade to Content Manager is scheduled for completion by 30 June 2026.</p> <p>Responsibility: Associate Director Information Management</p> <p>Target date: 30 June 2026</p>
Position Responsible:	Associate Director Information Management	
Target Date:	As above	

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.

6.1 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	<p>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.</p> <ul style="list-style-type: none"> • 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	<p>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.</p> <ul style="list-style-type: none"> • 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	<p>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.</p> <ul style="list-style-type: none"> • 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 <u>not likely</u> 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	<p>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.</p> <ul style="list-style-type: none"> • 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 <u>not likely</u> 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.

Non-Current Asset Accounting - Operating Guideline Review

Friday, 14 November 2025

Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:

Natalie Johnston, Associate

Director Finance & Procurement

Public

Approving Officer:

Anthony Spartalis, Chief

Operating Officer

EXECUTIVE SUMMARY

This report seeks feedback from the Audit and Risk Committee on the updated Non-Current Asset Accounting Operating Guideline (previously titled Fixed Asset Accounting Guideline).

The Non-Current Asset Accounting Operating Guideline (the Operating Guideline) objective is to ensure that the accounting treatment for non-current assets complies with the *Local Government Act 1999* (SA), *Local Government (Financial Management) Regulations 2011* (SA), SA Model Financial Statements of the relevant financial year, and Australian Accounting Standards. Accordingly the guideline has been re-titled the Non-Current Asset Accounting Operating Guideline.

Council adopted the current Operating Guideline in 2021, and the scheduled review has been conducted. The current Operating Guideline is shown here [Link 1](#).

The review primarily aimed to clarify the criteria for categorising works as renewals or new/upgrades, as outlined in Appendix B. Additionally, minor amendments were made throughout the document to ensure alignment with current practices.

The proposed Non-Current Asset Accounting Operating Guideline is shown in Attachment A, and a tracked-change version is shown in [Link 2](#). A table of the key changes and comments for the Operating Guideline is included in Attachment B.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the updated Non-Current Asset Operating Guideline as contained in Attachment A to Item 6.4 on the Agenda for the Audit and Risk Committee held on 14 November 2025 and provides the following feedback:
 - 1.1. _____
 - 1.2. _____
2. Notes the table summarising changes made to the Non-Current Asset Accounting Operating Guideline as contained in Attachment B to Item 6.4 on the Agenda for the Audit and Risk Committee held on 14 November 2025.
3. Notes the Chief Executive Officer will finalise and approve the updated Non-Current Asset Accounting Operating Guideline as contained in Attachment A to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 14 November 2025.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Create, maintain and integrate plans and policies that reflect, and guide decision making and support our city and our community to thrive.
Policy	This report proposes minor changes to the existing Fixed Asset Accounting Guideline. The review recommends no substantive amendments but has clarified and simplified wording of the current policy and proposes, and retitled the guideline to reflect current treatment terminology.
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Accounting for non-current assets correctly requires adherence to specific legislation, regulations and standards, including: <ul style="list-style-type: none"> • <i>Local Government Act 1999 (SA)</i> • <i>Local Government (Financial Management) Regulations 2011 (SA)</i> • Australian Accounting Standards Board (AASB) 13 Fair Value Measurement • AASB 5 Non-Current Assets Held For Sale • AASB 13 Fair Value Measurement • AASB 101 Presentation of Financial Statements • AASB 116 Property, Plant & Equipment • AASB 120 Accounting for Government Grants and Disclosure of Government Assistance • AASB 136 Impairment of Assets • AASB 138 Intangible Assets • AASB 140 Investment Properties • AASB Practice Statement 2 Making Materiality Judgements
Opportunities	Not as a result of this report
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 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

25/26 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. At the Audit and Risk Committee meeting held on 16 May 2025, a review of the Fixed Asset Accounting Policy was presented seeking feedback and for recommendation to Council to adopt. Council adopted the Policy at its meeting on 27 May 2025. The Policy is shown here [Link 3](#).
2. The Fixed Asset Accounting Guideline 2021 (Operating Guideline), as shown in [Link 1](#) is scheduled to be reviewed every two years. The Operating Guideline will now be scheduled for review every four years in line with the term of Council.
3. The purpose of this Operating Guideline is to define how the City of Adelaide ensures accounting treatment for non-current assets complies with the *Local Government Act 1999 (SA)*, *Local Government (Financial Management) Regulations 2011 (SA)*, SA Model Financial Statements of the relevant financial year, and Australian Accounting Standards. Accordingly the guideline has been re-titled the Non-Current Asset Accounting Operating Guideline.
4. Accounting for non-current assets correctly requires adherence to specific legislation, regulations and standards, including:
 - 4.1. *Local Government Act 1999 (SA)*
 - 4.2. *Local Government (Financial Management) Regulations 2011 (SA)*
 - 4.3. Australian Accounting Standards Board
 - 4.3.1. AASB 13 Fair Value Measurement
 - 4.3.2. AASB 5 Non-Current Assets Held For Sale
 - 4.3.3. AASB 13 Fair Value Measurement
 - 4.3.4. AASB 101 Presentation of Financial Statements
 - 4.3.5. AASB 116 Property, Plant & Equipment
 - 4.3.6. AASB 120 Accounting for Government Grants and Disclosure of Government Assistance
 - 4.3.7. AASB 136 Impairment of Assets
 - 4.3.8. AASB 138 Intangible Assets
 - 4.3.9. AASB 140 Investment Properties
 - 4.3.10. AASB Practice Statement 2 Making Materiality Judgements
5. Other City of Adelaide guidelines and policies also align with this policy, and include:
 - 5.1. Fixed Asset Accounting Policy
 - 5.2. Acquisition & Disposal of Land & Assets Policy
 - 5.3. Asset Management Policy (including Asset Management Plans)
6. The Operating Guideline incorporates all the relevant legislation, regulations, standards, guidelines and policies.
7. The review recommends minor amendments throughout to update the operating guideline to align with current processes. Amendments have been made to Appendix B - Classification between Operating,

Maintenance, Renewal and New/Upgrade to provide clarification when works are classified as one of these activities.

8. The updated Non-Current Asset Accounting Operating Guideline can be viewed at Attachment A, and with tracked changes at [Link 2](#).
9. Changes made to the Fixed Asset Accounting Guideline are summarised in a table of key changes and comments at Attachment B.

DATA AND SUPPORTING INFORMATION

[Link 1](#) – Fixed Asset Accounting Operating Guideline (2021)

[Link 2](#) – Updated Non-Current Asset Accounting Operating Guideline with tracked changes

[Link 3](#) – Fixed Asset Accounting Policy

ATTACHMENTS

Attachment A - Updated Non-Current Asset Accounting Operating Guideline

Attachment B – Non-Current Asset Accounting Operating Guideline - Table of key changes and comments

- END OF REPORT -

NON-CURRENT ASSET ACCOUNTING OPERATING GUIDELINE

November 2025

Chief Executive Officer

PARENT DOCUMENT: ACC2025/67675 Fixed Asset Accounting Policy

PURPOSE

This purpose of this operating guideline is to provide the approach to be used by the City of Adelaide (CoA, or Council) when accounting for non-current assets including the treatment of capital expenditure, depreciation, revaluations, disposals and acquisition and to ensure that the accounting treatment used complies with the *Local Government Act 1999 (SA)*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.

The City of Adelaide is committed to:

- Ensuring compliance with all Australian Accounting Standards, the *Local Government Act 1999 (SA)*, and the *Local Government (Financial Management) Regulations 2011*
- Ensuring that all assets are managed efficiently in accordance with relevant Asset Management Plans (AMPs)
- Ensuring all processes undertaken in relation to this Policy and Operating Guideline are documented and defensible to external audit
- Providing guidance, clarity and consistency with regards to the treatment of non-current assets which will provide greater understanding and accuracy of Council's capital requirements.

The City of Adelaide will adopt these principles in developing and maintaining consistent non-current asset accounting policies and practices.

OTHER USEFUL DOCUMENTS

Legislation:

Local Government Act 1999 (SA)

Local Government Regulations 2011

Australian Accounting Standards

- *AASB 5 Non-Current Assets Held For Sale*
- *AASB 13 Fair Value Measurement*
- *AASB 101 Presentation of Financial Statements*
- *AASB 116 Property, Plant & Equipment*
- *AASB 120 Accounting for Government Grants and Disclosure of Government Assistance*
- *AASB 136 Impairment of Assets*
- *AASB 138 Intangible Assets*
- *AASB 140 Investment Properties*
- *AASB Practice Statement 2 Making Materiality Judgements*

Internal Publications

Fixed Asset Accounting Policy

Acquisition & Disposal of Land & Assets Policy
Asset Management Policy
Asset Management Plans

External Publications

Australian Infrastructure Financial Management Manual (Institute of Public Works Engineering Australasia)
Model Financial Statements (South Australian Local Government Financial Management Group)

SCOPE

This operating guideline applies to the treatment of the below listed non-current assets for financial purposes:

Land	Library Books
Buildings	Civic Collection
Park Land and Open Space Assets	Equipment, Furniture and Fittings
Infrastructure	Intangible Assets
Plant and Equipment	Investment Properties

The operating guideline does not cover leases, receivables, inventory and other non-current assets.

CONTENTS

1. INITIAL RECOGNITION AT ACQUISITION	6
1.1. TYPES OF ASSET ACQUISITION	6
1.2. RECOGNITION CRITERIA.....	6
1.2.1. Council has Control Over the Asset	6
1.2.2. It is Probable that Future Economic Benefits Will Flow to Council.....	6
1.2.3. Cost or Fair Value can be Reliably Measured	7
1.2.4. The value of the asset individually or as part of a grouped or networked asset exceeds the asset capitalisation threshold	8
1.3. NETWORK AND GROUPED ASSETS	8
1.3.1. Network assets	8
1.3.2. Grouped Assets.....	9
1.3.3. Distinction between Networked Assets and Grouped Assets.....	9
1.4. GIFTED / CONTRIBUTED ASSETS	9
1.4.1. Ownership.....	10
1.4.2. Valuation.....	10
1.5. SPARE PARTS INVENTORY	10
1.6. ASSETS HELD FOR SALE	11
2. SUBSEQUENT EXPENDITURE AFTER ACQUISITION	12
2.1. CAPITALISATION OF WIP	12
2.1.1. Distinction between capital, maintenance and operating expenditure	12
2.2. BUDGETING PROCESS	12
2.3. PARTIAL RENEWAL.....	12
3. CLASSIFICATION OF ASSETS.....	14
4. ACCOUNTING FOR THE DEPRECIATION, USEFUL LIFE AND RESIDUAL VALUE OF ASSETS.....	16
4.1. DEPRECIATION METHOD	16
4.1.1. Date to Start Depreciating	16
4.2. USEFUL LIFE	16
4.3. RESIDUAL VALUE.....	17
4.4. ANNUAL REVIEW OF DEPRECIATION PARAMETERS AND USEFUL LIFE AND RESIDUAL VALUE	18
4.4.1. Impact of Climate Change on Asset Useful Lives	18
5. DERECOGNITION OF INFRASTRUCTURE PROPERTY PLANT AND EQUIPMENT (IPPE).....	19
5.1. DISPOSALS (FULL AND PARTIAL)	19
5.2. ACCOUNTING FOR DISPOSAL.....	19
6. REVALUATION – INFRASTRUCTURE PROPERTY PLANT AND EQUIPMENT (IPPE).....	20
6.1. COST MODEL.....	20
6.2. REVALUATION MODEL.....	20



6.2.1. Timing of Revaluations	21
6.2.2. Interim Revaluations.....	21
6.2.3. Treatment in Assetic.....	21
6.2.4. Accounting for Revaluations	21
6.2.5. Revaluations and the Ongoing Impact to the Financial Accounts	22
7. STOCKTAKES	23
7.1. INFRASTRUCTURE, LAND AND BUILDINGS.....	23
7.2. PLANT AND EQUIPMENT	23
7.3. OFFICE FURNITURE AND EQUIPMENT	23
7.4. CIVIC COLLECTION	23
7.5. PORTABLE AND ATTRACTIVE ITEMS	23
8. IMPAIRMENT	24
8.1. INTRODUCTION.....	24
8.2. ASSESSMENT.....	24
8.3. REVERSING AN IMPAIRMENT LOSS.....	26
9. INVESTMENT PROPERTIES.....	27
9.1. DISTINGUISHING INVESTMENT PROPERTY FROM OWNER-OCCUPIED PROPERTY.....	27
9.2. RECOGNITION AND SUBSEQUENT MEASUREMENT OF INVESTMENT PROPERTIES	27
9.3. SUBSEQUENT MEASUREMENT	28
9.4. ACCOUNTING FOR INVESTMENT PROPERTY	28
10. INTANGIBLE ASSETS	29
10.1. INITIAL RECOGNITION CRITERIA	29
10.2. TYPES OF INTANGIBLE ASSETS	30
10.3. SEPARATE ACQUISITION	30
10.4. ACQUISITION BY WAY OF A GOVERNMENT GRANT	31
10.5. INTERNALLY GENERATED ASSETS	31
10.6. CLOUD-BASED SOFTWARE AND COUNCIL PROJECTS	32
10.7. MEASUREMENT AFTER RECOGNITION	34
10.8. AMORTISATION METHOD.....	35
10.9. ANNUAL IMPAIRMENT AND USEFUL LIFE REVIEW	35
11. WORK IN PROGRESS (WIP) PROCESS	36
11.1. HANDOVER TIMELINE	36
11.2. QUARTERLY WIP REVIEW.....	36
11.3 YEAR END WIP REVIEW.....	37

APPENDIX A – PROJECT WIDE VERSUS OPERATING COSTS	38
APPENDIX B – CAPITAL VERSUS OPERATING EXPENDITURE.....	40
B.1. BUILDINGS	40
B.2. LAND (CROWN AND OTHER)	41
B.3. INFRASTRUCTURE	42
B.4. PARK LAND AND OPEN SPACES	51
B.5. OTHER ASSETS	54
APPENDIX C – DEPRECIATION RATES.....	58
APPENDIX D – GREEN ASSETS	59
APPENDIX E – IMPAIRMENT TESTING.....	65
APPENDIX F – INTERNALLY DEVELOPED SOFTWARE CAPITALISATION TABLE	67
APPENDIX G – ASSETIC TREATMENT OF PUBLIC ART ASSETS	68
G.1 STANDARD ARTWORK	68
G.2 FUNCTIONAL ARTWORK	68
G.3 INTEGRATED ARTWORK	68
APPENDIX H – DEFINITIONS	70
<u>ADMINISTRATIVE</u>.....	75

1. INITIAL RECOGNITION AT ACQUISITION

1.1. TYPES OF ASSET ACQUISITION

Circumstances resulting in a non-current asset being acquired by Council include:

- Acquisition involving consideration such as purchased, commissioned or constructed assets
- Acquisition at no cost or for nominal consideration – such as gifted or contributed assets
- Asset not previously recognised but subsequently identified through revaluation, stocktakes or other processes. These assets may have been originally purchased, constructed, commissioned, contributed or donated.

1.2. RECOGNITION CRITERIA

For an asset to be financially recognised in Council's fixed asset register it must meet all of the following criteria:

1. Council has the control over the asset
2. It is probable that future economic benefits associated with the asset will flow to Council
3. The cost or fair value can be measured reliably
4. The value of the asset individually or as part of a grouped or networked asset exceeds the asset capitalisation threshold and
5. The economic benefits are expected to be received over more than one period (refer to [Section 4-Depreciation](#) for further discussion).

Definitions for the first four criteria are detailed below.

1.2.1. Council has Control Over the Asset

Council has control over an asset when it has control over the benefits that flow from the asset or has the ability to restrict the access of others to those benefits. Control usually arises from the legal right of ownership; however legal rights are not essential in determining whether Council controls the flow of the future economic benefits from the asset. Questions that can be asked to determine if Council has control over an asset:

- Does Council have the ability to use the asset to achieve its objective?
- Does Council have the ability to restrict or charge for use of the asset?
- Does Council have the authority to decide how the asset will be used?
- Is Council responsible for managing the asset's wear and tear?
- Does Council bear the risks associated with holding the asset?

Council occasionally obtains control over assets for no or nominal value. These assets are gifted or contributed assets. Refer to [1.4. Gifted / Contributed Assets](#) for discussion on when Council obtains control over these assets.

1.2.2. It is Probable that Future Economic Benefits Will Flow to Council

Future economic benefits typically arise when an asset produces goods or services that contributes to cash inflows to an entity. However, in the case of Council, where the generation of profits is not our principal objective, the future economic benefits of our assets are derived from their capacity to contribute to Council's service objectives to city ratepayers, workers and visitors.

Services that Council is responsible for include:

- Transportation – providing adequate infrastructure for residents and workers to freely access the city's facilities
- Flood protection – maintain channels, dams and bank protection to prevent flooding within the city
- Environmental – reducing CoA's carbon footprint through activities such as increasing street tree canopies
- Economic – improving technological infrastructure to enhance visitor experience and promote business development
- Leisure and culture – providing social and cultural benefits such as artworks and library services
- Recreation – providing activity areas such as sports fields, playgrounds, picnic areas and other facilities
- Public Health – ensuring adequate stormwater systems are in place and
- Corporate – maintain assets that allow CoA to provide administrative services.

1.2.3. Cost or Fair Value can be Reliably Measured

Under AASB 116.15 an item of property plant and equipment that qualifies for recognition as an asset shall be measured at cost. Under AASB 116.16 & 17 the cost comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates
- b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- c) Initial estimate of dismantling costs
- d) Costs of employee benefits arising directly from the construction or acquisition of property, plant and equipment
- e) Costs of site preparation
- f) Initial delivery and handling costs
- g) Installation and assembly costs
- h) Costs of testing functionality
- i) Professional fees
- j) Detailed design costs
- k) Fixed overhead allocation.

In instances where costs cannot be reliably measured, the asset must not be recorded in the fixed asset register. Where an asset has been gifted or contributed to Council for nominal consideration, the asset shall be valued at its market value or depreciated replacement cost. Refer to [1.4. Gifted / Contributed Assets](#) for further information.

1.2.3.1. Distinction between project wide and operating expenditure

Expenditure may be incurred throughout the project that relates to bringing multiple assets to the condition and location necessary to be operating as intended by management. This expenditure is referred to as project wide costs and should be proportionally allocated across all capitalised assets within the project.

However, care must be taken to ensure project wide costs meet the AASB 116 recognition criteria. Refer to [Appendix A](#) for a list of project wide costs typically recognised by Council. Project wide costs shall not be allocated to non-capital items.

1.2.4. The value of the asset individually or as part of a grouped or networked asset exceeds the asset capitalisation threshold

To avoid insignificant non-current assets being recognised in the fixed asset register Council applies the following recognition thresholds:

Asset Type	Threshold
Land	\$5,000
Building	\$5,000
Park Land and Open Space Assets	\$5,000
Infrastructure	\$5,000
All Other Non-Current Assets	\$5,000

Asset acquisition or construction costs that fall below the threshold will be expensed and, as such, the asset will not be recognised in the fixed asset register. Similarly, any gifted or contributed asset valued on acquisition below the recognition threshold should not be financially recognised.

If the total value of purchased or constructed network assets exceeds the capitalisation threshold, the individual component is capitalised irrespective of whether or not it exceeds the capitalisation threshold. For a grouped asset such as laptops, the assets might be below threshold on an individual basis, but, when considered as a group, is material in value and therefore should be recorded on asset register. CoA's asset management system (Assetic) keeps records for each individual component of a grouped asset on its register for repairs and maintenance purpose.

1.3. NETWORK AND GROUPED ASSETS

1.3.1. Network assets are defined as interconnected assets that rely on each other to provide a service. If a network asset were to be removed, the system may not function to full capacity. Individually these assets are below the capitalisation threshold but require recognition in the financial statements due to their collective value.

When it is applied:

Expenditure on networked assets for the purposes of procuring a new asset, upgrading the capability of the asset, extending the life or restoring the asset is classified as capital expenditure. If the total value of the networked asset exceeds the capitalisation threshold, the individual component is capitalised irrespective of whether or not it exceeds the capitalisation threshold. Only assets that form a network or part of a network are to be capitalised.

Examples of networked assets include the following:

- Roads and associated assets including kerb and water table, footpaths, cycleways and reseals or asphalt overlay of roads
- Stormwater network – including lined channels, underground culverts and pipe components
- Irrigation – underground pipe components, telemetry equipment and water meters
- Traffic lights
- Library books

- Archival collection.

1.3.2. Grouped Assets are a collection of homogenous-type assets which individually fall below Council's asset recognition threshold but when considered in combination are material in value and therefore should be recorded on the balance sheet.

This principle should be used for assets that fundamentally have the same characteristics, resulting in same assumptions around the useful life and depreciation. In determining what constitutes a grouped asset, the following criteria should be considered:

- Assets are below the recognition threshold level on an individual basis but when considered as a whole are material
- Individual items are homogenous in nature and typically purchased rather than constructed
- Useful life and consumption patterns of individual items are approximately the same.

Assets that are currently grouped include:

- BBQs
- Bike Racks
- Bins
- Bollards
- Bus Shelters
- Drinking Fountains
- Fences
- Gates
- Laptops and other IT equipment
- Parking ticket machines
- Picnic Tables
- Planter Boxes
- Seats
- Signs

For Council's purpose to monitor the condition of each grouped asset for asset management or risk purposes, each asset will be individually identified, and condition assessed.

1.3.3. Distinction between Networked Assets and Grouped Assets:

Networked Asset	Grouped Assets
Items are functionally interdependent	Items are functionally independent
Items have different characteristics and function with different useful lives	Items have similar characteristics and approximately the same useful life

1.4. GIFTED / CONTRIBUTED ASSETS

Occasionally, Council may receive gifted or contributed assets from one of the following sources:

- State or other government entities
- Developers
- Bequests

Council must first determine whether it wishes to accept the asset prior to recognising the asset in the fixed asset register. The following must be taken into consideration before accepting a gifted or contributed asset:

- What will be the ongoing costs to maintain the asset (consider both maintenance costs and resources)?
- Is the item of a specialist nature requiring a skill set unavailable within Council?
- Do we have adequate storage to hold the asset (e.g. for items donated to the civic collection)?
- What are the risks associated with holding the asset?
- Will the asset contribute to the services and objectives of Council?



Once a decision has been made to accept an asset, evidence of the transfer of ownership and valuation must be obtained to recognise the asset in the fixed asset register.

1.4.1. Ownership

The majority of gifted or contributed assets shall be recognised at the point at which legal title is transferred to Council. For land, this may be a land title notification. For other types of assets, it may be a legal contract, Council decision, letter or deed.

Ownership of developer contributed infrastructure assets shall be measured and recognised at the point they become "On maintenance". During the "On Maintenance" period, the assets are covered under a warranty and the developer is required to cover all costs to maintain the asset. Once Council completes the asset's final inspection, the asset will become "Off Maintenance" and all costs associated with managing and maintaining the asset are expensed by Council.

Following are examples of when ownership or control over the asset has been transferred:

Asset	Control/Ownership
Land and Buildings	When property title transferred
Contributed Infrastructure Assets	Commencement of the "On Maintenance" period
Plant and Equipment	When item is formally handed over to Council
Other Assets	Legal Title transferred

1.4.2. Valuation

Gifted or contributed assets are typically acquired for no or nominal consideration. Under these circumstances at initial recognition the item shall be recognised at fair value as at the date it is acquired.

Fair value is obtained via either:

- Market Value - for buildings, land or civic collection items that are part of an active market
- Depreciated Current Replacement Cost – applicable to all other assets.

The majority of Council's Infrastructure Property Plant and (IPPE) are measured at depreciated replacement cost. Therefore, in determining the fair value of gifted/contributed infrastructure asset either the most recent unit rate must be used or a recent invoice for a similar item.

1.5. SPARE PARTS INVENTORY

Occasionally excess materials will be purchased in a capital project. When excess materials have been purchased these shall be recorded as spare parts in the project asset register handover form and classified as inventory or plant and equipment in the ledger.

Spare parts and servicing equipment are normally carried as inventory under AASB 102 Inventories, however there are some instances as described below where they should be recognised under AASB 116 – Property, Plant and Equipment.

The following provides guidance for when an item should be classified as inventory or plant and equipment:

AASB 102 - Inventory	AASB 116 - Plant and Equipment
<ul style="list-style-type: none"> Are the spare parts held for sale or use in after sales, materials, consumable stores and other supplies, which would generally be consumed in a production process or in rendering services? <p>Example: Spare pavers that may be used for footpath maintenance purposes.</p>	<ul style="list-style-type: none"> Are the spare parts material in value and it is expected that they would be used over more than one period? or Can they only be used in connection with an item of infrastructure, property, plant and equipment? <p>Example: A spare engine.</p>

Project wide costs shall not be allocated to the spare parts when preparing the Project Asset Register. Project wide costs shall only be applied to the spare parts if utilised in a separate capital project.

Spare parts purchased specifically for a particular asset (or class) that could be redundant where that asset is retired, or its use discontinued, form part of the historical cost of the asset. If the spare parts can only be utilised in connection with an item of infrastructure, property, plant and equipment, it should be depreciated at the same rate as the related asset. Spare parts recorded as inventory under AASB 102 shall be reviewed annually for obsolescence.

For further information on the process surrounding spare parts inventory, refer to the attached [ProMapp Process](#).

1.6. ASSETS HELD FOR SALE

Recognition

When an asset is acquired for the purpose of resale and meets the following criteria, it should be classified as "Held for Sale" current asset in the financial statements.

	Recognition Criteria
Assets Held for Sale	<ul style="list-style-type: none"> A commitment to sale plan has been adopted by Council Marketing of the asset has been actively undertaken at a price commensurate with its fair value A sale is expected to happen in the next 12 months after the asset has being classified as Held for Sale. The timeframe can be extended due to circumstances beyond Council's control so long as there remains a commitment to the sale It is unlikely that Council's commitment to sell will be significantly changed or withdrawn.

Moreover, where an item is initially acquired for continuing operation purposes but subsequently meets the criteria above, it needs to be reclassified as "Held for Sale".

Assessment

"Held for Sale" assets need to be assessed at each reporting period by the Financial and Capital Accountant or Corporate Accountant. If the abovementioned criteria are no longer applicable due to changing circumstances, the asset must be reclassified to non-current and included within the relevant asset class.



Measurement

Council shall measure a held for sale asset at the lower of its carrying amount or fair value less costs to sell.



2. SUBSEQUENT EXPENDITURE AFTER ACQUISITION

2.1. CAPITALISATION OF WIP

2.1.1. Distinction between capital, maintenance and operating expenditure

Expenditure on infrastructure assets typically falls into two classes of expenditure being:

- Capital expenditure
- Operating expenditure.

Capital Expenditure

Capital expenditure is expenditure of which the resulting benefits are expected to be consumed over multiple years. Capital expenditure is usually made under one of the following categories:

New Assets – Expenditure on a new asset or the expansion of the footprint of an existing asset creating a new service / output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Upgraded Assets – Expenditure which enhances the existing asset to a higher level of service, including where superior materials have been used or the service capacity has increased above that endorsed by Council's asset management plan. It generally doesn't increase revenue, unless direct user charges apply, however does increase Council's future operating and maintenance expenditure.

Renewed Assets – Expenditure on an existing asset which returns the service potential or the expected life of the asset up to that which it had originally. Renewed assets also cover those where:

- the technology or materials are outdated and therefore a modern equivalent has been used and
- the works have been performed to ensure the asset meets legislative requirements.

As it reinstates existing service capacity, it generally has no impact on revenue but may reduce future operating and maintenance expenditure if completed at the optimum time.

Where an asset is partially renewed, its service potential increases but not up to its original service potential (refer to [Section 2.3](#) below for further discussion).

Operating Expenditure

Operating expenditure is usually classed as one of the following categories:

Maintenance Expenditure – periodic or reactive expenditure required as part of the anticipated schedule of works to ensure that the asset is able to deliver the desired service levels throughout its intended useful life. Maintenance expenditure does not significantly increase service potential or extend an assets useful life.

Operational Expenditure – periodic expenditure required to provide the regular service activities within the asset class.

Refer to [Appendix B](#) for how Council distinguishes between the different expenditure streams for each asset class.

2.2. BUDGETING PROCESS

During the budgeting process, the cost components of each capital project shall be determined. Any expenditure expected to be operating or maintenance in nature shall be identified during this process so accurate capital and expense reporting can be communicated to Council.



2.3. PARTIAL RENEWAL

Projects involving roads, kerbs and footpaths may involve minor works on asset segments which will not extend the overall useful life or improve the condition of the asset.

For these assets, Council have defined the point at which a partial capitalisation occurs to be in line with below:

Portion of Asset	Condition Rating
0-10%	No change as works are deemed maintenance on the asset.
10-90%	Condition rating adjusted per Asset Managers formula.
90-100%	Considered a full renewal. Condition of asset is reset to 0.

Refer to [Section 4.2 Useful Life](#) for how the useful life is calculated in Assetic under the above scenarios.



3. CLASSIFICATION OF ASSETS

The following table provides a classification of assets recognised in Council's fixed asset register and financial statements.

Asset Class – Financial Statements	Financial Subclass
LAND	Crown Land
	Land
BUILDINGS	Commercial
	Corporate / Community
PARK LAND and OPEN SPACE ASSETS	Park Lands and Open Space
INFRASTRUCTURE	Bridges
	Footpaths
	Kerb & Water Table
	Lighting and Electrical
	Public Art, Statues and Monuments
	Roads
	Traffic signals
	Urban Elements
	Water Infrastructure
OTHER ASSETS	Plant and Equipment
	Library Books
	Civic Collection
	Equipment, Furniture and Fittings
INVESTMENT PROPERTIES	Buildings and Other Structures



4. ACCOUNTING FOR THE DEPRECIATION, USEFUL LIFE AND RESIDUAL VALUE OF ASSETS

Depreciation is the process of allocating the cost of a tangible asset over its useful life. It reflects the gradual reduction in the asset's value due to factors like wear and tear, aging, or obsolescence.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life (AASB 116.6) and is recorded as an expense within the financial statements, helping to match the cost of the asset with the revenue or service delivery it generates over time.

4.1. DEPRECIATION METHOD

The straight-line depreciation method is adopted by Council to reflect patterns of consumption for all non-current assets other than land, the civic collection, public art, memorials and investment properties, which are not subject to depreciation. Straight-line depreciation results in a constant charge over the useful life if the asset's residual value does not change.

Straight- Line Formula:

$\text{Depreciation} = (\text{Net Book Value} - \text{Residual Value}) / \text{Remaining Useful Life}$
--

In doing so, due consideration is required to ensure:

- i. Where the asset has several different components with varying patterns of consumption, each major component is depreciated separately (AASB 116.43). However, Council may elect to depreciate separately parts of an item that do not have significant cost.
- ii. Depreciation is to be calculated on a systematic basis over the asset's useful life (AASB 116.50)
- iii. A residual value has been determined to ensure the depreciation is allocated against the depreciable amount.
- iv. A residual value based on salvage or scrap principles should only be allocated to an asset whenever there is some certainty on its condition at the end of its useful life. In general, this precludes the allocation of residual value to most of Council's depreciable asset types due to their long-life nature. Common exceptions are certain items of plant, equipment and fleet, which Council retains for a stipulated short-term period before being traded or disposed.

4.1.1. Date to Start Depreciating

Depreciation starts from the date of:

- Practical completion (the date the asset is available for use) for assets capitalised as part of a capital project (this date to be provided by the authorised officer) or
- Acquisition of the asset, the date of installation or the date the asset is available for use.

When recording depreciation in Assetic, depreciation shall be calculated at the end of the day, except when the asset has been capitalised at 30 June, where it should be recorded at the start of the day. This is since asset revaluations are conducted on 30 June at the end of the day and therefore cannot have depreciation calculated at the same time.

Refer to [Appendix C](#) for the current depreciation periods for each asset class. Note these are subject to change when revaluations are performed.



4.2. USEFUL LIFE

The useful life of an asset or part of an asset is the period over which an asset is expected to be available for use by Council. Therefore, the useful life to Council may differ from the asset's potential physical life or economic life. For example, Council may renew road assets when they reach a certain condition rating in line with endorsed service levels contained within Council's Asset Management Plans, notwithstanding that they could continue to be used. Alternatively, Council may continue to use a road past the point when it would be optimum to renew it, due to resource constraints.

For most infrastructure assets the duration (the period over which an asset or component will be used) will be the appropriate basis for measuring useful life.

Financial reporting standards require the useful life of an asset to be reviewed annually, with changes in useful life for an asset class to be accounted for as a change in an accounting estimate.

The following table refers to how the useful life should be calculated in Assetic.

Project Treatment Type	Calculation Method
Acquisition – Constructed	Retrospective
Acquisition – Gifted	Retrospective
Acquisition - Purchase	Retrospective
Full Renewal	Retrospective
Partial Renewal	Prospective

How to estimate useful life

The long-lived and complex nature of infrastructure assets makes the reliable estimation of useful life difficult. Council use the historic records of the current age of existing assets and the achieved ages of assets that have been replaced. Asset condition data is required to complement historic data, or as a surrogate when historic records are not available.

Condition data can be used to determine remaining useful life (i.e. when an asset or component is likely to be replaced). It can also be used to confirm current estimates of total expected useful life, based on the expected rate of deterioration of an asset or component.

Systematically capturing condition data over a number of years on a consistent basis will also allow Council to better understand the actual rate of degradation or deterioration of their infrastructure assets. The actual rate of degradation should be compared to the expected rate to determine whether current estimates of total and remaining useful life remain valid.

Useful life by component

Where an asset, such as buildings, comprises a number of major components, it is desirable to initially establish useful lives for each component. For example, lifts, air conditioning and lights may have different useful life with buildings and may be replaced during the building's life.

4.3. RESIDUAL VALUE

AASB 116 defines residual value as the estimated amount that would be obtained today from the disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and condition expected at the end of its useful life. For assets expected to be traded at the end of their useful life, consideration needs to be given to the salvage or scrap value and second-hand market when estimating residual value.



The residual value of the asset is what is expected to be obtained at trade in. Due to the long-life nature of most of the Council's assets, residual value based on salvage or scrap principle should only be allocated to an asset whenever the certainty exists on its condition at the end of its useful life.

For the avoidance of doubt, residual value does not include expected cost savings from reuse of part of an asset.

Residual values are not recognised for infrastructure assets as they do not have a resale or trade-in value by their very nature and when decommissioned are generally left in place or removed at considerable cost. The cost of decommissioning will ultimately outweigh any potential scrap value of infrastructure assets.

For components of most infrastructure assets that are to be replaced, the residual value of an asset is zero and has no effect in the calculation of the depreciable amount.

Residual values of plant and fleet assets shall be 30% of the total cost for light fleet and 15% for heavy fleet.

4.4. ANNUAL REVIEW OF DEPRECIATION PARAMETERS AND USEFUL LIFE AND RESIDUAL VALUE

AASB 116 requires the residual value and the useful life of an asset to be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change shall be accounted for as a change in an accounting estimate in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Useful lives and depreciation rates are reviewed as part of the annual revaluation process. Refer to [Section 6.2.5](#).

4.4.1. Impact of Climate Change on Asset Useful Lives

When undertaking the annual review, Asset Managers shall consider the potential reduction of an asset's useful life resulting from changes in the climate. Changes in climate are likely to impact useful lives through either physical damage or chemical deterioration (e.g. melting of bitumen road due to heatwaves or corrosion of concrete exposed to water and salts). When considering the impact of climate change on the useful life of an asset, refer to Institute of Public Works Engineering Australasia (IPWEA) Practice Statement 12.1.



5. DERECOGNITION OF IPPE

5.1. DISPOSALS (FULL AND PARTIAL)

An asset must be disposed from the asset register when one of the following occurs:

- Ownership of the asset has transferred to another party
- Significant or major works have been conducted to a portion of the asset (i.e. the asset has been partially renewed)
- The asset has been damaged and will not be replaced
- No future economic benefits are expected from the use, replacement or disposal of the asset.

Where a partial renewal has been conducted on the asset, the same portion of the asset shall be derecognised from the fixed asset register.

The date of disposal may be:

- The date ownership has been transferred to an external party
- The project completion date
- The date the decision is made that the asset will not be replaced.

5.2. ACCOUNTING FOR DISPOSAL

On derecognition of an asset, the net written down value of the asset shall be derecognised from the ledger and gain or loss on disposal recorded in profit or loss.

6. REVALUATION – INFRASTRUCTURE PROPERTY PLANT AND EQUIPMENT (IPPE)

In accordance with the Australian Accounting Standards, upon recognition of an asset Council must elect to choose the cost model or the revaluation model for subsequent measurement of the asset. Whichever method is selected shall be applied to the entire asset class of that asset.

6.1. COST MODEL

Under the cost model, assets are recognised at their cost less any accumulated depreciation or impairment. Asset classes which are measured under the cost model include:

- Plant and Equipment
- Equipment, Furniture and Fittings (including IT equipment)
- Civic Collection
- Intangible assets
- Land - Crown

The cost model has been selected for these items due to their relatively short life or the complexity involved in valuing these items.

6.2. REVALUATION MODEL

Under the revaluation model, the asset must be recognised at fair value at the date of revaluation less any accumulated depreciation and subsequent accumulated impairment losses.

Market based evidence shall be used, where available, to value IPPE assets and, if market-based evidence is unavailable, assets shall be valued at depreciated replacement cost.

Given the majority of Council's assets are infrastructure and not a part of an active market, assets are mostly revalued at depreciated replacement cost (DRC). Table 1 illustrates the valuation approach used for each asset class:

Asset Class	Fair Value Input*	Valuation Approach
Land – Other	2	Market Value
Land – Community	3	DRC
Park Land and Open Space Assets	3	DRC
Buildings – Commercial	2	Market Value
Buildings – Corporate	3	DRC
Stormwater and Drainage	3	DRC
Bridges	3	DRC
Footpaths	3	DRC
Kerb and Water Table	3	DRC
Lighting and Electrical	3	DRC
Roads	3	DRC
Traffic Signals	3	DRC
Urban Elements	3	DRC
Water Infrastructure	3	DRC

Table 1 – Valuation approach for asset classes

*Fair Value Level	Description
1	Quoted prices in an active market for identical assets of liabilities that can be accessed at the measurement date.
2	Are other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
3	Unobservable inputs for the asset or liability

When one item of IPPE is revalued, the entire asset class of that IPPE shall be revalued. The revaluation shall be accounted for in one of two ways:

- Gross revaluation method – where the current replacement cost and accumulated depreciation is adjusted proportionately to reflect the new amount
- Net revaluation method – where the accumulated depreciation is eliminated against the current replacement cost of the asset.

Council uses the gross revaluation method across all asset classes, with the exception of buildings, land, public art, memorials and civic collection assets valued at market value, which are accounted for using the net revaluation method. The gross revaluation method is used on assets measured at DRC so that the historical cost is maintained in balance sheet with remaining useful life adjusted to reflect service capacity. As the historical cost is not relevant to assets held at market value, the net revaluation method is used for these remaining asset classes.

6.2.1. Timing of Revaluations

Comprehensive revaluations must be conducted with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value at the end of the reporting period. To ensure the valuation of an asset class is materially correct, comprehensive revaluations must occur every three to five years.

Refer to [ACC2021/107336](#) for the revaluation schedule for each asset class.

Revaluations shall exclude new or renewed assets that were capitalised within the revaluation year.

6.2.2. Interim Revaluations

At each reporting period Council shall perform a desktop revaluation of the following asset classes by applying the LGPI Capital Index movement:

- Lighting & Electrical
- Transportation
- Water Infrastructure
- Park Lands and Open Space

Land and Buildings, which are measured at market value, and short life asset classes such as urban elements and ticket machines, are not required to be annually indexed.

Asset classes that are measured at cost are not required to be indexed.

6.2.3. Treatment in Assetic

Assetic provides an option of performing the valuation at the beginning or the end of the day on the prescribed date. When processing a revaluation through Assetic, the revaluation shall be conducted at the end of the day.

6.2.4. Accounting for Revaluations

If an asset's carrying amount has increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading revaluation surplus. However, the revaluation increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

If an asset's carrying amount has decreased as a result of the revaluation, the decrease shall be recognised in other comprehensive income to the extent that it offsets against any revaluation surplus previously recognised for that asset. This in turn will reduce accumulated equity being the revaluation surplus for that asset. Any revaluation decrease that exceeds the revaluation surplus previously recognised in equity shall be recorded in profit or loss.

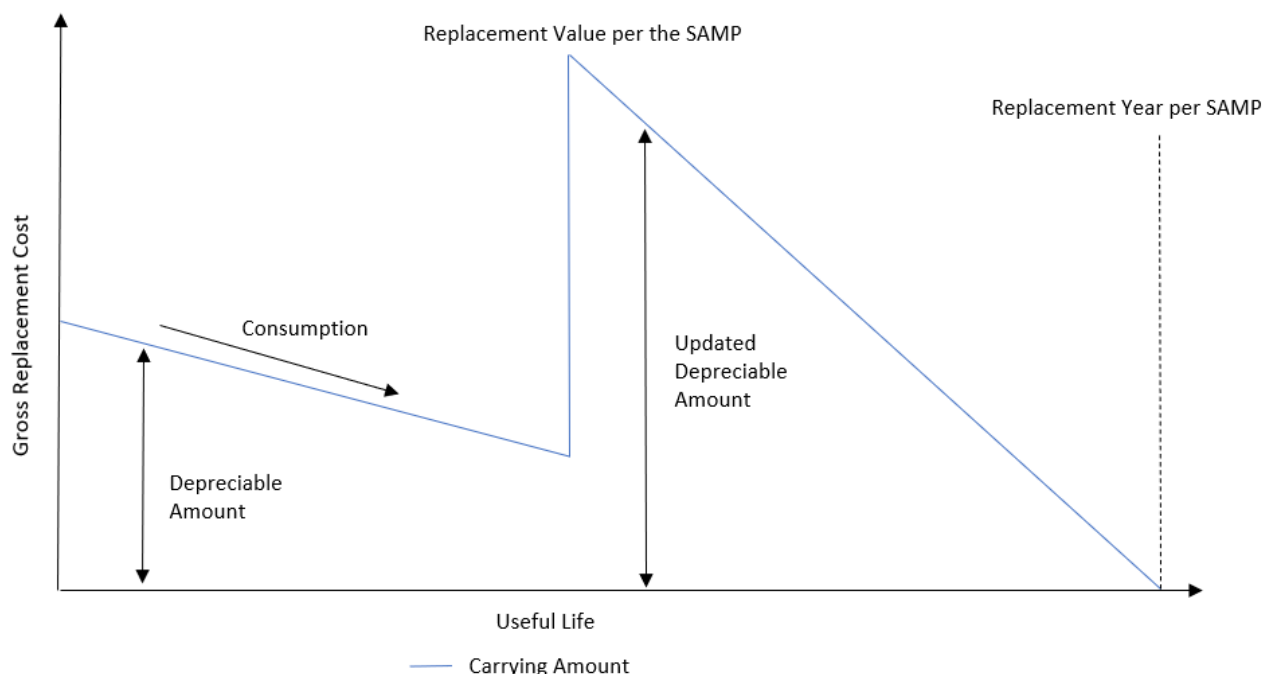
6.2.5. Revaluations and the Ongoing Impact to the Financial Accounts

The Infrastructure Team review the unit rates, condition, and useful lives of our assets as part of the revaluation process. Additionally, the level of componentisation is assessed for the asset class being revalued to determine the most appropriate level of detail Council wish to capture their asset data.

Following each revaluation, consideration must be given to the ongoing financial impacts, which may include:

- Increased depreciation;
- Increased cost to renew the assets under the strategic asset management plan (SAMP);
- Adjustment to the long-term financial plan; and / or
- Increased costs of maintenance.

Below provides an illustrative example of how an increase in the gross replacement cost impacts annual depreciation as well as the replacement value and year in the SAMP.



7. STOCKTAKES

7.1. INFRASTRUCTURE, PARK LAND AND OPEN SPACE ASSETS, LAND AND BUILDINGS

Infrastructure, Park Land and Open Space Assets, Land and Buildings are all tracked through Assetic and location mapped through the Geographic Information System (GIS). Stocktakes of these assets are conducted in conjunction with the condition audits and revaluation of the asset class, every three to five years. Council considers this to be sufficient to ensure the existence and completeness of assets recorded in the register.

7.2. PLANT AND EQUIPMENT

The plant and equipment asset register is recorded in Assetic. An annual stocktake shall be conducted of the asset register to confirm assets are still held at Council's Depot or other locations where relevant.

7.3. EQUIPMENT, FURNITURE AND FITTINGS

The equipment, furniture and fittings register is recorded in Assetic. An annual review of equipment older than five years shall be conducted to confirm these assets are still held by Council.

7.4. CIVIC COLLECTION

A stocktake of the civic collection is to be conducted at the time of revaluation.

7.5. PORTABLE AND ATTRACTIVE ITEMS

A stocktake shall be conducted of portable and attractive items on a rolling category approach with any anomalies followed up promptly.

A monthly review shall be performed of account 61001 – Minor Purchases - under \$5,000 and 61002 – Minor Equipment / Furniture – under \$5,000 with any portable or attractive items added to the *Portable and Attractive Items Register*. As part of the monthly review, any items that have been incorrectly allocated to this account shall be reclassified to the correct account.

8. IMPAIRMENT

8.1. INTRODUCTION

Under the requirements of AASB 136, Council is required to assess each financial year at reporting date if there are any indicators that an asset may be impaired.

Management need only assess assets that are considered to have a material effect on the financial statements should they be impaired. Assets that are deemed to have a material effect are those with carrying value >\$200,000 in line with the external auditor's materiality threshold for CoA.

Additionally, in the case of not-for-profit entities, AASB 136 Aus5.1 notes that assets are not primarily held for their ability to generate cash inflows and are typically held for continuing use of their service capacity. As these assets are rarely sold and costs of disposal are typically negligible, the recoverable amount is considered to be materially the same as their fair value. Any specialised assets that meet this criterion and are regularly revalued under AASB 116 may be excluded from impairment testing under AASB 136. Given Council undertake regular revaluations, it is expected any increments or decrements in the fair value of those assets are captured with sufficient frequency. However, Council must assess each reporting period whether there has been a reduction in service capacity of a specialised asset and, if required, revalue downwards (refer [Section 6](#) – Revaluations).

8.2. ASSESSMENT

The annual assessment shall be documented regardless of whether any impairment is found. If no indicators of impairment exist, Council must document that an analysis was undertaken, and no impairment indicators were found.

1. Assessing whether an asset may be impaired

Management should consider any internal or external events that occurred during the year that may indicate an asset is impaired. Examples of such circumstances include:

Source	Information	Example
External	Reduction in Demand	A convention centre's major lessee has declined to renew its lease with the result that the facility is expected to close.
	Change in Operating Environment	Play equipment in a children's playground is made unusable and redundant by new safety legislations.
		Computer software is no longer supported by the supplier because of technological advances.

Source	Information	Example
Internal	Physical Damage or Obsolescence	Building or infrastructure assets are damaged by fire, flood, storm, cyclone or other factors.
		Load limits are placed on a bridge after an inspection reveals structural deficiencies.
	Change in Use	A sewerage ocean outfall has its use reduced to only during the wet season by the commissioning of a water reuse scheme to store treated effluent and irrigate adjacent forest land in the dry season.
	Adverse Service Performance	A sport stadium is closed due to operating costs being significantly greater than operating budgets.

If management finds that an impairment indicator exists, the recoverable amount of the asset shall be determined (refer to step 2).

If no indicators exist, no further work is performed (other than documenting the process undertaken).

2. Determining the Recoverable Amount

If an indicator of impairment exists, management must determine the recoverable amount of the asset. The recoverable amount is defined as the higher of the:

- Fair value less costs to sell or
- Value in use.

The fair value less costs to sell for Council assets are either the market value, where a market is readily available for the asset, or the depreciated replacement cost. Refer to [Section 6](#) – Revaluations for further information.

The value-in-use refers to present value of future cash flows derived from the asset. The value in use approach is not applicable for Council, as Council's assets are not primarily used for the purpose of deriving income. Therefore, the concept of recoverable amount can be summarised as being the higher of:

- Market value where a readily available market exists or
- Depreciated current replacement cost.

If the carrying amount of an asset exceeds the recoverable amount an impairment loss is recorded.

Carrying Value > Recoverable Amount = Impairment Loss
 Carrying Value ≤ Recoverable Amount = No Impairment

3. Accounting for the Impairment Loss

An impairment loss is recognised as an expense immediately in profit or loss unless that asset is carried at a revalued amount. For revalued assets, the impairment loss shall be treated as a revaluation decrease to the extent that it offsets any revaluation surplus previously recognised for that class of asset, and movement recognised in the statement of comprehensive income.

Refer to [Appendix E](#) for Impairment Testing Flow Chart.



8.3. REVERSING AN IMPAIRMENT LOSS

Each reporting period, Council shall assess whether there is any indication that an impairment loss previously recognised for an asset no longer exists or has decreased.

If Council assesses that the impairment loss no longer exists, this may indicate that the remaining useful life, depreciation or amortisation method or the residual value may need to be reassessed even if the impairment loss is not reversed.

The impairment loss shall be reversed if there has been a change in estimates used to determine the asset's recoverable amount. The increase in the asset's carrying amount shall not exceed the carrying amount had no impairment loss be previously determined.

A reversal of impairment on a revalued asset shall be recognised as other comprehensive income and an increase in the revaluation surplus. However, if the impairment loss for the same class of asset was previously recognised in profit or loss, it shall be recorded in the statement of comprehensive income to the extent the impairment was previously recorded.

When reversing the impairment loss of an (completed) asset that was impaired when the asset was WIP, the reversal is to go through the Statement of Comprehensive Income. As the reversal relates to an asset that was previously recognised at cost, the initial impairment would have been recorded through the Statement of Comprehensive Income.



9. INVESTMENT PROPERTIES

9.1. DISTINGUISHING INVESTMENT PROPERTY FROM OWNER-OCCUPIED PROPERTY

Investment properties are distinct from owner-occupied property in the way income is generated from these assets. Investment properties comprise property held by Council to generate rental income or for capital appreciation and are accounted for under AASB 140 – Investment Properties. In contrast, Council's owner-occupied property is used for administrative purposes or in the supply of goods or services, with the related cash flows attributable to the property and other assets. AASB 116 – Property, Plant and Equipment applies to owner-occupied property and AASB 16 – Leases applies to owner-occupied property held by the lessee as a right-of-use asset (not covered in this operating guideline).

Examples of investment properties:

- Land held for long-term capital appreciation rather than for short-term sale in the ordinary course of business
- Land held for a currently undetermined use. Under this scenario, if land is not owner-occupied or to be sold in the ordinary course of business then it is regarded as being held for capital appreciation
- A building owned by Council, or right-of-use asset leased by Council, that is being leased out under one or more operating leases (e.g. a shopping centre).
- A building that is vacant but planned to be leased out under one or more operating leases
- Property that is being constructed or developed with the future use intended to be for investment property.

Examples of property that is not investment property:

- Property held for sale in the ordinary course of business shall be treated as inventory under AASB 102 Inventories
- Owner-occupied property (e.g. property occupied with employees or used in the production of goods or services)
- Property held for strategic objectives (e.g. a building which is used to provide a social service or land strategically purchased to provide future development). Note when land has been strategically purchased for future development, any subdivisions due for sale form part of *Inventory* under *Real Estate Developments*.

9.2. RECOGNITION AND SUBSEQUENT MEASUREMENT OF INVESTMENT PROPERTIES

Investment property shall be initially recorded at cost when it meets the asset recognition criteria (refer to [Section 1.2](#) – Initial Recognition Criteria).

The cost comprises:

- (a) Purchase price, including taxes, professional fees or legal fees and other transaction costs and
- (b) Start-up costs that are required to get the property in a condition necessary for it to be capable of operating in the manner intended by management.

Expenditure that shall not be recognised in the initial cost of an investment property:

- (a) Start-up costs that **are not** necessary to bring the property to the condition necessary for it to be capable of operating in the manner intended by management
- (b) Operating losses incurred before the investment property achieves the planned level of occupancy
- (c) Abnormal amounts of wasted material, labour or other resources incurred in constructing or developing the property.



9.3. SUBSEQUENT MEASUREMENT

Council have elected to value investment properties under the fair value model. Therefore, the rental income from current leases and other assumptions market participants would use when pricing investment property shall be reflected in the fair value of the property.

To ensure Council's investment properties are materially correct, a desktop valuation must be conducted annually either internally by the rates team or externally by a qualified valuer.

9.4. ACCOUNTING FOR INVESTMENT PROPERTY

The carrying value of Council's investment properties shall be adjusted at each reporting period to reflect the fair value of the property.

The gain or loss on the fair value of the investment property shall be recognised in profit or loss in the period it is incurred.

Investment property recognised under the fair value model is not required to be depreciated.

10. INTANGIBLE ASSETS

10.1. INITIAL RECOGNITION CRITERIA

AASB 138 defines intangible assets as identifiable non-monetary assets without physical substance. In order to recognise an intangible asset, the following criteria shall be met:

1. Identifiability
2. Control over a resource
3. Existence of future economic benefits
4. Cost of the intangible asset can be reliably measured.

1. Identifiability

The definition requires an intangible asset to be identifiable to distinguish it from goodwill. Goodwill acquired in a business combination and not capable of being individually identified and separately recognised. An asset meets the identifiability criterion in the definition of an intangible asset when:

- a) It is capable of being separated or divided from Council, and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability or
- b) It arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Where the software is a component of an asset that has a significant physical component and the physical component could not operate without the software, the software is not separately identifiable and is classified as part of the physical asset in accordance with AASB116. Items of this nature will be classified as Office Furniture and Equipment.

2. Control

Control over an asset has been defined in "Initial Recognition at Acquisition" [Section 1.2](#) and reflects the ability of Council to access future economic benefits from the asset and restrict the access of others to those benefits. Control of an intangible asset usually arises when an entity acquires legal title for hardware and IP licences or otherwise has contractual or legal rights to a specific asset. When Council accesses cloud services (refer section [10.6](#) below), Council's right to access the software does not give rise to the ability to gain future economic benefits from the software or restrict others' access to those benefits. In this instance the cloud service provider retains control of the intangible asset.

3. Future Economic Benefits

The future economic benefits flowing from an intangible asset may include revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by Council. For example, the use of new system in a production process may reduce future production costs rather than increase future revenues.

4. Cost Can Be Reliably Measured

The intangible asset shall be measured initially at cost.

For intangible assets that are acquired, costs may be reliably measured by way of purchase invoice.

Complexities arise when Council undertakes projects where an intangible asset may be internally developed as the majority of expenditure arises through Council employee's salaries and wages or consultants engaged. Internally developed intangible assets have components that may be capitalisable or expensed, which employees or consultants may work on at the same time.



It is imperative that clear records are kept of when an employee or consultant works on a capitalisable activity versus an operating activity. This may include clearly documenting in a timesheet or invoice time spent on the relevant activities.

Further discussion on internally developed intangible assets can be found below under [Section 10.5](#).

As a not-for-profit entity, Council may also acquire intangible assets for a nominal amount. In these circumstances, Council shall measure the cost at its fair value as at the date of acquisition with any surplus recognised in accordance with AASB 1058 Income of Not-for-Profit Entities.

Quoted market prices in an active market provide the most reliable estimate of the fair value of an intangible asset. If no active market exists, the fair value of an intangible asset is the amount that Council would have paid at the acquisition date. In determining this amount, Council should consider the outcome of recent transactions for similar asset.

10.2. TYPES OF INTANGIBLE ASSETS

There are two types of intangible assets that Council will most commonly come across in its operations:

- Assets that have been separately acquired
- Assets that have been internally developed.

Intangible assets may also be acquired as part of a business combination, which gives rise to the recognition of goodwill. As Council doesn't typically operate in the space of acquiring businesses, this operating guideline will only focus on the treatment of the above listed scenarios. Should Council plan to acquire a business in future, please contact Finance to discuss recognition treatment.

The following are examples of intangible assets:

Intangible Asset	Explanation/ Examples
Licenses	Business licenses in a highly regulated industry such as banking licenses and fishing licenses.
Trademarks	Trademarks and other visual symbols of a brand such as trade dress. For example, Target's trademark has become a red bullseye, widely recognised by consumers.
Patents	Right to inventive designs and solutions such as software patents.
Copyrights	Right to creative and intellectual work such as a novel copyright.
Rights	Rights enshrined in contracts such as mortgage servicing rights.
Research and Development	Results of research and development such as internally developed software.

10.3. SEPARATE ACQUISITION

At initial recognition, the cost of a separately acquired intangible asset includes:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and
- Any directly attributable cost of preparing the asset for its intended use.

Directly attributable costs include:

- Salaries and wages arising directly from bringing the asset to working condition
- Professional fees arising directly from bringing the asset to working condition (e.g. consultants fees)
- Costs of testing whether the asset is functioning properly.

Expenditure that shall not be capitalised as part of an intangible asset includes:

- Advertising and promotional activities
- Staff training
- Administration and other general overhead costs.

10.4. ACQUISITION BY WAY OF A GOVERNMENT GRANT

Intangible assets may be acquired free of charge, or for nominal consideration by way of a government grant. For example, the government may transfer or allocate to Council intangible assets such as licences to operate radio or television stations or the right to access restricted resources. In accordance with AASB 120, Council may choose to recognise both the intangible asset and the grant initially at fair value or recognise at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use.

10.5. INTERNALLY GENERATED ASSETS

To assess whether an internally generated intangible asset meets the criteria for recognition, Council should classify the generation of the asset into the:

- (a) Research phase and
- (b) Development phase.

All costs incurred during the research phase are expensed when they are incurred. This stage includes:

- Activities aimed at obtaining new knowledge
- The search for, evaluation and final selection of, applications of research findings or other knowledge
- The search for alternatives for materials, devices, products, processes, systems or services and
- The formulation, design, evaluation and final selection of possible alternatives for new or improved materials, devices, products, processes, systems or services.

The development phase of an internal project includes design, construction and testing prior to the asset being available for use. In the development phase, expenditure is capitalised if it meets all the requirements set out in AASB 138.57, as listed below:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale
- (b) Its intention to complete the intangible asset and use or sell it
- (c) Its ability to use or sell the intangible asset
- (d) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

If the above criteria are not met, development expenditure is expensed.



If an internal project cannot distinguish its research phase from the development phase, the entity treats the expenditure on that project as if it were incurred in the research phase only.

The cost of an internally developed intangible asset shall include all expenditure directly attributable to create, produce and prepare the asset to be capable in the manner intended by Council, and includes:

- (a) Costs of materials and services used or consumed in generating the intangible asset
- (b) Costs of employee benefits (as defined in AASB 119) arising from the generation of the intangible asset
- (c) Fees to register a legal right
- (d) Amortisation of patents and licences that are used to generate the intangible asset.

Expenditure that may not be capitalised includes:

- (a) Administrative costs and other general overhead expenditure
- (b) Identified inefficiencies or operating losses before the asset achieves its required performance
- (c) Staff training costs
- (d) Expenditure recognised in a previous period.

If a decision is made to terminate or materially rescope a project, any expenditure that was capital shall be expensed.

Refer to [Appendix F](#) for examples of expenditure that may be capitalised from an internally generated intangible asset.

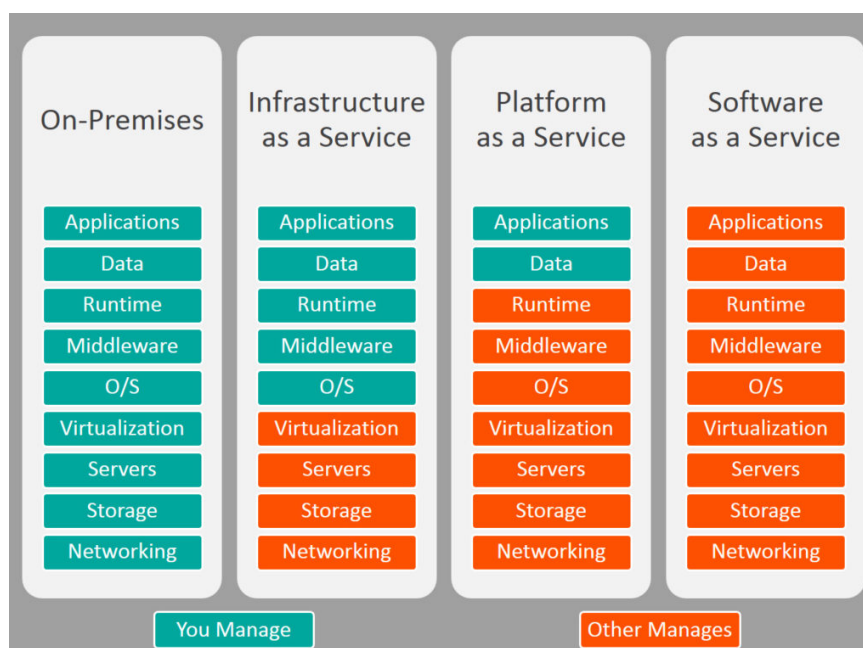
10.6. CLOUD-BASED SOFTWARE AND COUNCIL PROJECTS

There are four scenarios Council most commonly uses in its information management (IM) capital projects, with varying degrees of involvement with cloud services. Additionally, within each IM capital project Council may use a hybrid of the below scenarios.

Software as a Service (SaaS)	<p>Software applications are delivered over the internet, on demand and usually via subscription.</p> <p>Under these agreements a third-party provider owns and manages the software and is responsible for the maintenance. Council employees are able to connect to the application over the internet, with no requirements for downloads and installations.</p> <p>Examples of SaaS cloud solutions include Gmail, Office 365 and Asstetic.</p>
Platform as a Service (PaaS)	<p>PaaS cloud services supply an on-demand environment over the web that developers can use to develop, test, deliver and manage software applications.</p> <p>Under a PaaS agreement, Council are able to create web or mobile apps without the need to set up or manage the underlying infrastructure such as servers and storage.</p> <p>Examples of PaaS cloud solutions include Google App Engine and Windows Azure</p>

Infrastructure as a Service (IaaS)	<p>IaaS refers to the most basic group of cloud computing services.</p> <p>Under these arrangements Council pays for scalable IT infrastructure from a cloud provider on a PAYG basis. This includes servers, storage, networks and operating systems.</p> <p>Examples of IaaS cloud solutions include Amazon Web Services, Microsoft Azure and Google Compute Engine.</p>
On Premises (On-Prem)	<p>On-Prem comprises software and technology that is located within the physical confines of Council as opposed to being run remotely through hosted services such as the cloud. Under this scenario, Council purchases and installs the software on site, can physically access, manage and secure the data, and can control the configuration.</p> <p>Examples of On-Prem solutions include TechOne and Pathway.</p>

Under each of these arrangements, Council has control over intellectual property (IP) to varying degrees, as illustrated in the diagram below:



The areas highlighted orange are controlled by a third party, which Council accesses via the cloud. As Council does not own or control these assets, any fees paid to access these services are treated as an operating expense. Capitalisation treatments are per below:

Arrangement	Capitalisation Treatment
On-Prem	Council have 100% control over the software and physical infrastructure and therefore expenditure may be capitalised.
IaaS	Council (may) control a portion of the IP, highlighted in green. Consider the questions below to determine if capital.
PaaS	Council (may) control a portion of the IP, highlighted in green. Consider the questions below to determine if capital.
SaaS	Council does not control the core asset and therefore all related expenditure should be treated as an operating expense.



When determining whether an intangible asset has arisen and can be recognised the following should be considered:

1. Can we clearly define the asset?
 - a. Can the asset be separated or divided from Council, and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability, regardless of whether Council intends to do so?
 - b. Has an asset arisen from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations?
2. Do we control the asset?
 - a. Do we have legal title over the asset?
 - b. Can we restrict the access of external parties to the intellectual property (IP)?
 - c. Does the cloud service provider have a right to Council's IP (note – while the above diagram indicates we own the IP, the service contract may stipulate the provider is able to access our data, therefore please review the contract)?
 - d. If our cloud service provider changed or disappeared, would Council still have control of the asset or would it disappear?
3. Does the asset provide future economic benefits in the form of:
 - a. Potential future sales of the product?
 - b. Reduction in internal production costs?
4. Can costs be reliably measured, including:
 - a. Can development activities (e.g. time spent specifically developing code) be distinguished from research or proof of concept (POC)? (If not, then everything shall be expensed)
 - b. Have consultants provided clear records of time spent on developing the asset?
 - c. Are staff working on development activities maintaining clear timesheets?
5. What is the expected useful life of the asset?
 - a. Due to changing technological demands will the asset likely be redundant in within one year? (If yes, then costs are expensed in the year they are incurred).

If Council is able to meet all the above requirements, then an intangible asset may be recognised. [Appendix E](#) provides examples of expenditure that may be capitalised.

Date from which Council can capitalise costs:

Council may capitalise costs from the point which the research and assessment phase is complete and the development phase has started.

What costs would be deemed maintenance or operating costs?

The following costs will always be deemed maintenance or operating:

- Subscription costs under a service arrangement
- Maintenance costs (e.g. If, under a PaaS arrangement, the supplier performs an update in the platform which prompts Council to update the coding in their application, this will be maintenance)
- Security costs, particularly any expenditure incurred to ensure software is PCI compliant
- Support costs
- Staff training

- Reusing application programming interface (API).

10.7. MEASUREMENT AFTER RECOGNITION

AASB 138 states the cost model or revaluation model should be used as measurement methodology for an intangible asset. As Council's intangible assets are expected to have a short useful life in line with technological changes or service contracts, the cost model approach shall be applied to all intangible assets after initial recognition. Under the cost model, an intangible asset shall be carried at its cost less any accumulated amortisation and impairment.

10.8. AMORTISATION METHOD

Amortisation has been defined in AASB 138 as the systematic allocation of the depreciable amount of an intangible asset over its useful life.

Commencement date of amortisation

Amortisation shall begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Cease date of amortisation

Amortisation shall cease at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with AASB 5 and the date that the asset is derecognised.

Amortisation method

The amortisation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. For Council's purpose, the straight-line amortisation method has been adopted to reflect the patterns of consumption of intangible asset.

Recognition of amortisation charge

The amortisation charge for each period shall be recognised in profit or loss unless another Standard permits or requires it to be included in the carrying amount of another asset.

Estimation of Useful Life

Assets should be capitalised if the useful life is expected to be greater than one year.

When determining the useful life of an intangible asset, the following shall be considered:

- Technological redundancy
- Supportable lifestyle
- The fixed term of the contract (if applicable).

10.9. ANNUAL IMPAIRMENT AND USEFUL LIFE REVIEW

Intangible assets must be reviewed annually for impairment and reasonableness of useful life. The following will prompt an asset to be impaired:

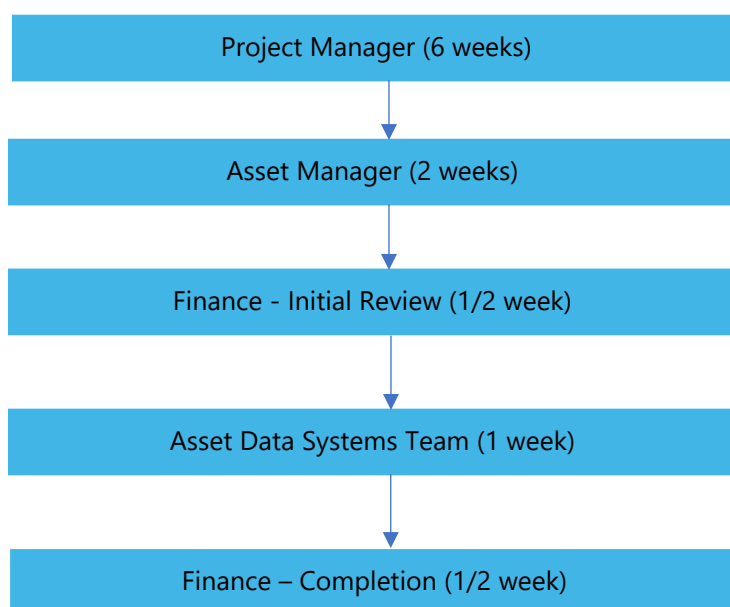
- Significant or major upgrades to the software
- Redundancy of technology.

11. WORK IN PROGRESS (WIP) PROCESS

11.1. HANDOVER TIMELINE

All capital expenditure incurred before the completion of a project must be treated as work in progress. Once the project has reached practical completion, the total expenditure shall be recognised 'At Cost' in the relevant asset class of Council's asset register.

A [Project Asset Register](#) shall be completed for each project as part of the handover process to document the financial data that supports asset capitalisation. All capital projects shall be capitalised as soon as practically possible after they've reached practical completion. A typical timeframe for project handovers is as follows:



Further information about each person's responsibilities as part of the handover process can be found [here](#).

Handover should happen within 10 weeks of reaching practical completion, in line with the approved KPI, however may not exceed 6 months.

11.2. WIP REVIEW

A review of WIP shall be performed weekly at the Asset Renewal Governance (ARG) and Change Triage Group (CTG) meetings to ensure all projects that have reached practical completion have been financially capitalised through to TechOne.

The Project Management Office (PMO) team will be responsible for overseeing the handover process and ensuring WIP is progressing through each stage. In the lead up to the end of each quarter, all staff involved in the handover process shall ensure they are progressing the projects to the next stage as efficiently as possible.

An annual review of WIP shall be performed to identify non-capital expenditure within WIP. Points to consider include:

- Design projects that have not eventuated into a capital project (five years or greater) and

- Projects that typically have operating expenditure (e.g. IM projects that contain SaaS or condition audits).

11.3 YEAR END WIP REVIEW

The cut off for projects to be formally handed over at year end is 31 May. All projects that have reached practical completion before this date must be financially capitalised.

Every effort must be made wherever possible to ensure projects completed after this date are capitalised within the financial year. Projects that reach completion in the month of June will be reviewed for materiality and determined the appropriate handover timeframe.

APPENDIX A – PROJECT WIDE VERSUS OPERATING COSTS

The purpose of this appendix is to provide examples of when a cost is classified as an operating expense or project wide cost in the project asset register. Project wide costs shall not be allocated to non-capital expenditure.

Business case and feasibility costs may be capitalised to WIP on an exception basis, with approval from the Director City Infrastructure. Approval will be based on the certainty of capitalisation of these costs.

Design costs may remain in WIP when they align with CoA's five-year asset management plan or certainty of construction has Director Services, Infrastructure & Operations approval.

Business Case and Feasibility (Preliminaries)	Design and Construction	Ongoing Operating Costs
EXPENSE	CAPITALISABLE	EXPENSE
<p>Costs associated with projects up to the point when Council formally decides that a capital project will be undertaken, for example:</p> <ul style="list-style-type: none"> • Business case • Feasibility studies • Research studies • Master plans • Stakeholder consultation prior to project approval 	<p>All costs related to the design and construction of a capital project shall be treated as a project wide cost, for example:</p> <ul style="list-style-type: none"> • Adjacent tie in works (i.e. minor works considered immaterial on adjacent asset segments to transition between core works within the project footprint and adjacent asset segments – generally to improve amenity at street intersections) • Cleaning (construction related) • Contamination testing and soil removal • Detailed design costs • Disposal of assets being replaced including dump fees • Earthworks, where the earthworks directly link to an asset that Council capitalises (refer Appendix D – Green Assets for instances where expenditure is non-capital) • Engineering survey fees 	<p>Costs classified as operating expenditure, include:</p> <ul style="list-style-type: none"> • Advertising, marketing or promotion • Art pod • Catering • Cleaning • Cleansing • Condition and compliance audits • Consumables • Contributions and grants related to assets we don't own • Hazard / defect inspections • Inspections • Insurances (non-project related) • Introducing a new product or service • Linemarking (periodic relinemarking) • Maintenance (planned or reactive – refer to Appendix B – Capital versus Maintenance Expenditure for examples for each asset class) • Mowing • Murals

Business Case and Feasibility (Preliminaries – cont'd)	Design and Construction (Project Wide cont'd)	Post Practical Completion (Operating cont'd)
	<ul style="list-style-type: none"> • Greening expenditure undertaken in conjunction with the construction of an asset (refer Appendix D – Green Assets for instances where expenditure is capitalisable) • Insurance (construction related) • Line marking (when performed as part of resurfacing the road. Periodic re-line marking is expensed) • Plant and equipment hire • Professional fees that are directly linked to the construction or commissioning of an asset (e.g. consultants' fees) • Project fees and charges (e.g. CITB levy, development application fees, planning approval and other authority fees necessary for construction) • Rubbish removal • Safety and compliance sign off • Salaries directly related to the construction of the asset • Signage and temporary fencing used for safety of the site • Site preparation • Site security • Stakeholder and community consultation before and during construction • Tenders SA • Traffic management • Travel costs (Car Parking and cab charges) • Utility fees relating to the cost of interruption of third-party services. 	<ul style="list-style-type: none"> • Relocation or reinstatement of existing assets where: <ul style="list-style-type: none"> ○ They are not material in value and ○ The asset being relocated is not being replaced, upgraded or subject to major renewal works as part of the relocation and reinstatement process • Replanting garden beds • Revegetation of land • Sculpture hire and temporary art display • Servicing • Street sweeping • Security • Subscriptions • Utility service costs. • Water treatment

APPENDIX B – CLASSIFICATION OF OPERATING, MAINTENANCE, RENEWAL AND NEW/UPGRADE EXPENDITURE

This appendix provides further clarification for each asset class of what is considered operating or maintenance in nature which are expensed, versus capital renewals, new assets or upgrades which are capitalised. This is to provide guidance but judgement may be required to determine the most appropriate treatment.

B.1. BUILDINGS

Buildings are categorised into the following groups in the fixed asset register:

- Electrical Services
- Fire and Security Services
- Fit Out and Fittings
- Hydraulic Services
- Mechanical Services
- Roof
- Structure
- Vertical Transport Services.

Council have three investment properties as listed in the [Investment Properties](#) section. The recognition treatment of all other properties fall under this section.

Leasehold improvements may be capitalised as Council have the right to control the use of the asset as per AASB 16 – Leases. Leasehold improvements shall be depreciated at the shorter of the improvements design life or remaining lease term.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewals	New / Upgrade
<ul style="list-style-type: none"> • Cleaning • Condition audits • Items that are immaterial to the building should be purchased through facilities maintenance and on-charged to the relevant business unit • Security • Structural inspections • Utility service costs 	<p>Preventive – Planned maintenance that is scheduled based on legislative requirements and obligations under the NCC (National Construction Code)</p> <ul style="list-style-type: none"> • Fire Maintenance (ESP / Form 3) • Electrical Maintenance • HVAC Maintenance • Vertical Transport • Pest Control • Cleaning 	<ul style="list-style-type: none"> • Replacement of items within a building component with the modern equivalent • Additions undertaken to meet legislative requirements (e.g. adding disabled facilities as required under new legislation where existing facilities are already in place for able bodied persons i.e. toilet facilities, updating fire services to meet compliance standards) • Making good a property for re-leasing. 	<ul style="list-style-type: none"> • New structures • Commercial improvements that are discretionary in nature • Increasing the footprint of a building • Leasehold improvements • Upgrade: Enhancement of a building component (e.g. installing larger windows) • Upgrade: Repurposing a building • Upgrade: Major refurbishments • Legislative requirements which create a new structure or

	Reactive – Break fix tasks that enable a component or building element to achieve its original designed life. <ul style="list-style-type: none"> Leaking Tap Adjust Doors Fixing broken air conditioner Removal of pests 	<ul style="list-style-type: none"> Specialist treatments that extend the useful life of a building component (e.g. silane treatment, heritage painting, fire protection coating) 	component of an asset. i.e. new lift
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B.2. LAND (CROWN AND OTHER)

Crown Land (being the Park Lands surrounding the city and squares and gardens within the City) is measured at cost. No capital works adjust the value of Crown Land. Refer to SCAN2006/23991 for previous assessment of accounting treatment.

Other land represents all other land assets held by the City of Adelaide.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewals	New / Upgrade
<ul style="list-style-type: none"> Legal costs where the project did not eventuate Easements (right of access) Mowing. 			<ul style="list-style-type: none"> All new land acquisitions (excluding land under roads) Stamp duty.

B.3. INFRASTRUCTURE

Bridges

Bridges are recognised under the following components:

- Abutment
- Arches
- Bridge Kerbs
- Bridge Railing
- Cross Beams / Floor Beams
- Deck Joints
- Deck Slab
- Bridge Footpath
- Wearing Surface on Deck
- Wingwall/Retaining Wall

EXPENSE		CAPITAL	
Operating	Maintenance	Renewals	New / Upgrade
<ul style="list-style-type: none"> • Condition audits • Cleaning • Structural inspections independent of any preliminary design work 	Planned or reactive maintenance activities (e.g. painting, crack sealing, concrete repairs, timber repairs, corrosion repairs) <ul style="list-style-type: none"> • Extensive cleaning of location to allow for full and extensive inspection to develop designs for renewal/new and upgrade project. • Structural repairs to the bridge where the service life of the asset isn't extended 	<ul style="list-style-type: none"> • Replacement or rehabilitation of asset component with modern equivalent • Increasing bridge height to achieve 10% Annual Exceedance Probability (AEP) • Strengthening to restore – renewal • Structural repairs to the bridge where the service life of the asset is extended 	<ul style="list-style-type: none"> • New bridge structures and components (e.g. hand railing) • Upgrade: Strengthening to new design code or widening bridge (supported by renewal funding)

Footpaths and Bikeways

Footpath assets are recognised at the following level and include access ramps:

- Footpaths
- Bikeways
- Access Ramps.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewals	New / Upgrade
<ul style="list-style-type: none"> • Footpath hazard / defect inspections • Condition audits • Cleansing and street sweeping. 	<ul style="list-style-type: none"> • Planned or reactive maintenance activities (e.g. regrouting, crack sealing). • Replacement or modifications to footpath < 10% of the defined asset segment (e.g. asphalt patching, paver adjustments, paver replacements) 	<ul style="list-style-type: none"> • Replacement or rehabilitation of asset component with the modern equivalent (e.g. reconstruction of asphalt footpath). • Partial renewal of footpath component $\geq 10\%$ of the defined asset segment • Widening of an existing footpath to meet level of service objective for the specific existing footpath hierarchy (e.g. existing 2.5m shared use path to 3.5m design standard shared use path) • Increasing width of footpath but reducing road size to meet minimum footpath width service level objectives for specific hierarchy 	<ul style="list-style-type: none"> • New asset segments • Upgrade: Widening of existing footpath to elevate the hierarchy and service level objectives in accordance with the Integrated Transport Strategy (e.g. existing 1.5m pedestrian path to 3.5m design standard shared use path) • Upgrade: Replacement of footpath component to higher standard (e.g. to bluestone or a superior material, or asphalt to in-situ concrete). Superior materials are considered those with a unit rate > 20% to alternative materials
Project Wide Costs Specific to Footpaths: <ul style="list-style-type: none"> • Adjacent tie in works - Expenditure on minor tie in works performed to blend a new or renewed footpath asset into the existing asset shall be recognised as a project wide cost. 			

Kerb & Water Table

Kerb and water table are recognised at the following levels:

- Kerb and Water Table
- Traffic Control Devices

EXPENSE		CAPITAL	
Operating	Maintenance	Renewals	New / Upgrade
<ul style="list-style-type: none"> • Condition audits • Street sweeping. 	<ul style="list-style-type: none"> • Planned or reactive maintenance activities (e.g. replacing isolated section of kerbing that is not functioning or in poor condition). • Replacement or modifications to kerb < 10% of the defined asset segment 	<ul style="list-style-type: none"> • Replacement or rehabilitation of asset component with the modern equivalent • Partial renewal of kerb component $\geq 10\%$ of the area of the defined asset segment • Increasing length of kerb (e.g. to provide small protuberances for DDA compliant kerb ramps) resulting in an increase in footpath area and reduction in road pavement area. 	<ul style="list-style-type: none"> • New asset segments • Upgrade: Replacement of whole kerb segment to a higher standard

Lighting and Electrical

Lighting and electrical includes the following asset types:

- Public Lighting (light poles, luminaires - attached to pole, luminaires – standalone)
- Cabling
- Distribution (electrical conduit, metered boards, switchboards)

The lighting and electrical network is made up of key components, as defined in Assetic, which are crucial to the operation of the network. At times the asset component will be below the asset capitalisation threshold. Regardless, if a component is renewed, upgraded or replaced as part of a capital project the expenditure shall be capitalised regardless of whether the component meets the capitalisation threshold.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewals	New / Upgrade
<ul style="list-style-type: none"> • Condition audits • Cleaning • Switchboard audits (e.g. electrical compliance) • Subscription • Undergrounding of power lines, as the related infrastructure belongs to SAPN • Utility costs. 	<ul style="list-style-type: none"> • Planned or reactive maintenance activities (e.g. re-lamping of luminaires, painting poles, reconnection / disconnection). 	<ul style="list-style-type: none"> • Replacement or rehabilitation of asset component with the modern equivalent (e.g. changing light fittings to LED) • Partial replacement of lighting and electrical asset component • Installing additional lighting columns and luminaires to ensure existing infrastructure is renewed to meet service level objectives and lighting standards of the specific hierarchy (e.g. existing 30 post top lights supplemented by an additional 15 post top lights along the existing lighting provision) 	<ul style="list-style-type: none"> • New assets (e.g. no existing provisions) • New assets: to supplement the replacement of SAPN lighting through undergrounding works • New assets: fill lighting to supplement SAPN lighting • Upgrade: Expansion of lighting structures

Public Art, Statues and Monuments

Public Art comprise the following asset types:

- Public art
- Statues and sculptures
- Fountains and memorials,
- Light elements
- Integrated street furniture; and
- Other elements.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewals	New / Upgrade
<ul style="list-style-type: none"> • Cleaning • Graffiti removal • Murals • Sculpture hire or temporary art display • Funding to external parties 	<ul style="list-style-type: none"> • Planned or reactive maintenance activities (minor repairs, waxing etc) 	<ul style="list-style-type: none"> • Conservation and rehabilitation works • Full replacement of asset or component 	<ul style="list-style-type: none"> • New assets \geq\$5,000

Roads (Sealed and Unsealed)

Roads are recognised under the following components:

- Wearing Course
- Base Course Layer
- Sub-base Layer.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewals	New / Upgrade
<ul style="list-style-type: none"> • Road hazard / defect inspections • Condition audits • Periodic line marking reapplication • Street sweeping. 	<ul style="list-style-type: none"> • Planned or reactive maintenance activities (e.g. crack sealing, asphalt patching) • Replacement or modifications to small areas of road < 10% of the defined asset segment 	<ul style="list-style-type: none"> • Replacement or rehabilitation of asset component with the modern equivalent (e.g. resurfacing of wearing course, base course replacement, in-situ stabilisation). • Partial renewal of road components ≥10% of the area of the defined asset segment • Replacing brick paved road segment with asphalt and street print/stencil to replicate service levels with a more maintenance friendly and cheaper solution. • Slightly widening the width of asphalt surface to include the rubble shoulders of a road • Increasing width of footpath but reducing road size to meet minimum footpath width service level objectives for specific hierarchy 	<ul style="list-style-type: none"> • New asset segments • Upgrade: Replacement of a road component to a higher standard (e.g. resealing a gravel road, paving an asphalt road) • Upgrade: Pavement widening to increase capacity • Upgrade: Road realignment costs beyond adjusting the kerb line
Project Wide Costs Specific to Roads: <ul style="list-style-type: none"> • Minor enabling works of underlying road components - expenditure on minor works (<10% of segment area) performed in conjunction with a capital works project (e.g. repairs to the base course performed in conjunction with the resurfacing of the road) may be recognised as a project wide cost. 			

**Major Maintenance:**

Where works are classified maintenance but are large in dollar value (e.g. works on <10% of a segment of a Category 1 road), the following process shall be undertaken:

1. Finance Business Partner will firstly work with the business unit to determine if the costs can be absorbed
2. Finance will flag a potential budget increase – but will place it on hold until needed
3. Once it is deemed the cost cannot be absorbed, it will be moved from potential increase to quarterly forecast (QF) request
4. At the next quarterly forecast the increase will be prioritised for funding. This does not guarantee the funding, as it will be dependent on available savings and other competing priorities for funding

Traffic Signals

Traffic signals include the following components:

- Audio Tactile
- Push Buttons
- Conduits
- Pits
- Signal Controllers
- Signal Controller Top Box
- Detectors
- Lanterns
- Poles
- Target Boards
- Uninterrupted Power Supply
- Other Signal Related Devices (CCTV)

Traffic signal assets are made up of key components, as defined in Assetic, which are required for the asset to operate effectively. At times the asset component will be below the asset capitalisation threshold. Regardless, if a component has been renewed, upgraded or replaced as part of a capital project the expenditure shall be capitalised regardless of whether the component meets the asset capitalisation threshold.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewals	New / Upgrade
<ul style="list-style-type: none"> • Condition audits • Servicing / testing cabinets • Utility costs. 	<ul style="list-style-type: none"> • Planned or reactive maintenance activities (e.g. lens covers, closed visors, light bulbs, reprogramming, refitting, minor electrical works) 	<ul style="list-style-type: none"> • Replacement or rehabilitation of asset component with the modern equivalent (e.g. poles, lanterns, audio tactile, conduits) • Replacement of assets with modern equivalent to meet the desired functionality outcomes (e.g. 3 aspect lantern to 6 aspect lantern, standard pole to outreach or mast arm, increased fibre capacity to reach desired level of service) 	<ul style="list-style-type: none"> • New traffic signal infrastructure (e.g. new signalised intersection site)

Urban Elements

Urban Elements comprise the following categories:

- Furniture (e.g. BBQs, picnic tables, seats, bike racks, drinking fountains, planter boxes, flag poles, bollards)
- Structures (e.g. bus shelters, retaining walls, fences, gates and boat landings)
- Other Structures (e.g. pergola, rotundas, horse troughs)
- Parking Machines
- Signs (e.g. custom, street and regulatory)
- Smart Parking Sensors
- Waste Bins.

Urban elements contain a number of homogenous assets that can be easily grouped. If you are unsure whether an urban element should be capitalised as a grouped asset, contact Finance.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewals	New / Upgrade
<ul style="list-style-type: none"> • Installation and removal of Christmas Tree and decorations. 	<ul style="list-style-type: none"> • Planned or reactive maintenance activities (e.g. cleaning, painting, general repairs). • Replacement of individual item that do not form a grouped asset. 	<ul style="list-style-type: none"> • Replacement of individual or grouped assets with the modern equivalent. 	<ul style="list-style-type: none"> • Individual assets or grouped assets with value to a superior standard • Upgrading an asset (e.g. increasing length of fence).

Water Infrastructure

The water infrastructure asset class contains the following asset types:

- Stormwater drainage networks (pits, pipes, manholes)
- Culverts
- Weir
- Basins
- Earth retaining structures
- Gross pollutant traps
- Open Channels / Swales
- Sewerage Network
- WSUD Gardens

The water infrastructure network is made up of key components, as defined in Assetic, which are required for the stormwater network to operate. At times the asset component will be below the asset capitalisation threshold. Regardless, if a component has been renewed, upgraded or replaced as part of a capital project the expenditure shall be capitalised regardless of whether the component meets the asset capitalisation threshold.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewals	New / Upgrade
<ul style="list-style-type: none"> • CCTV inspections • Clearing blockages and pits • Mowing basins and swales • Cleaning gross pollutant traps 	<ul style="list-style-type: none"> • Planned or reactive maintenance activities (e.g. pipe repair) • Replanting vegetation (basins) 	<ul style="list-style-type: none"> • Replacement or rehabilitation of asset component with the modern equivalent • Increasing pipe size to address capacity deficiencies (under 1 in 20 ARI) • WSUD – replacement of filter media in conjunction with replanting vegetation • Installing new infrastructure whilst abandoning old infrastructure in the ground 	<ul style="list-style-type: none"> • New assets (additional stormwater pipes to support current pipes)

B.4. PARK LAND AND OPEN SPACES

Irrigation

An irrigation system includes the reticulation pipes, controllers, water supply line and pumps.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewal	New / Upgrade
<ul style="list-style-type: none"> Utility costs. 	<ul style="list-style-type: none"> Replacement of consumable component of irrigation system (e.g. sprinkler heads) Replacement of sections of irrigation asset as defined in Assetic <20% 	<ul style="list-style-type: none"> Partial renewal of irrigation asset as defined in Assetic ≥20%, or replacement of whole system 	<ul style="list-style-type: none"> Upgrade: Extension of current irrigation system or components by 20% over and above the current area Upgrade: Providing an additional supply point or source

Playgrounds and Playground Equipment

EXPENSE		CAPITAL	
Operating	Maintenance	Renewal	New / Upgrade
<ul style="list-style-type: none"> Cleaning Condition audits Inspections 	<ul style="list-style-type: none"> Replacement of consumable components of equipment systems (e.g. chains, turn buckles, swing seats) Partial replacement of equipment system components where failure affects <20% of the element (e.g. panels, planks) Top up of wood chips and sand 	<ul style="list-style-type: none"> Refurbishment of play spaces to equivalent quality standard and footprint Replacement or renewal of existing play equipment to modern equivalent, within the same category of playground Softfall modification up to 30% over and above whole area to accommodate renewed equipment 	<ul style="list-style-type: none"> New assets (e.g. installation of new shade sails) as additional equipment Upgrade: Increasing the footprint of the playground Upgrade: Updating a playground to a higher service standard compared to the current service category (note partially renewal funded) Upgrade: modification of soft fall attenuation material (e.g. bark chips to rubberised soft fall)

Sports Fields and Active Areas

EXPENSE		CAPITAL	
Operating	Maintenance	Renewal	New / Upgrade
<ul style="list-style-type: none"> Strategic health management audits Utility costs 	<ul style="list-style-type: none"> Mowing Turf replacement and improvements 	<ul style="list-style-type: none"> Replacing an asphalt surface with a painted asphalt Alteration of supported activity to similar surface treatment and size/area (e.g. modify tennis court to basketball court) 	<ul style="list-style-type: none"> Upgrade: Expansion of sport field, including modification to supported activity Upgrade: Change surface to a higher standard (e.g. asphalt to acrylic)

Water Features

Water features comprise the following asset types:

- Boat Ponds
- Rock Pools
- Himeji Gardens Water Feature.

The cost of the water feature includes the structure, pumps, pipes and water supply lines.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewal	New / Upgrade
<ul style="list-style-type: none"> • Cleaning • Utility costs • Water treatment. 	<ul style="list-style-type: none"> • Planned or reactive maintenance activities including replacement of parts • Assets considered to be non-capital (refer to Appendix D – Green Assets). 	<ul style="list-style-type: none"> • Replacement or rehabilitation of asset component with the modern equivalent 	<ul style="list-style-type: none"> • New assets (refer to Appendix D – Green Assets). • Upgrade: Expanding footprint greater than 20%

B.5. OTHER ASSETS

Equipment, Furniture and Fittings

Equipment, furniture and fittings comprises assets from the commercial businesses or programs within the City of Adelaide, such as:

- Adelaide Town Hall
- Commercial Off-Street Parking
- Events
- Information, Communication and Technology
- North Adelaide Golf Course equipment

EXPENSE		CAPITAL	
Operating	Maintenance	Renewal	New / Upgrade
<ul style="list-style-type: none"> • Installing and dismantling decorations • IT Subscription fees • Warranty costs • Consumable items (e.g. headsets) 	<ul style="list-style-type: none"> • Expenditure <\$5,000 for individual hardware/ furniture assets or assets that cannot be easily grouped. • Repainting decorations 	<ul style="list-style-type: none"> • Replacing technology with the modern equivalent for current FTE requirements • Replacement of decoration based on the location (e.g. if a Park Land Square holds a large Christmas box decoration, and this is replaced with a Christmas Tree) 	<ul style="list-style-type: none"> • New assets that expand the asset base of Council (e.g. new Christmas decorations expanding the collection held by the CoA, additional laptops due to an increase in FTE) • Upgrade: Replacing technology with a superior model (e.g. spatial systems team replacing a standard laptop with a high efficiency laptop). NOTE: There will be a renewal component with the funded from new/upgrade)

For further information regarding treatment of intangible assets, please refer to [10. INTANGIBLE ASSETS](#) and [Appendix F](#).

Plant and Equipment

Plant and equipment comprises:

- Motor Vehicles
- Minor Plant and Equipment.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewal	New / Upgrade
<ul style="list-style-type: none">• Accessories that can be removed from the vehicle (e.g. tool box)• Fuels costs• Modifications to vehicle after the vehicle has been purchased• Plant and fleet assets <\$5,000• Utility costs.	<ul style="list-style-type: none">• Planned or reactive maintenance activities (e.g. servicing vehicles)	<ul style="list-style-type: none">• Plant and fleet assets where the asset has been replaced with the base model, including permanent modifications made at time of purchase	<ul style="list-style-type: none">• New plant and fleet assets• Upgrade: Plant and fleet assets where the asset has been replaced with the superior model

Library Books

EXPENSE		CAPITAL	
Operating	Maintenance	Renewal	New / Enhancement
<ul style="list-style-type: none"> Magazines, newspapers, periodicals and toys. 			<ul style="list-style-type: none"> Library books, videos, DVDs, CDs and other permanent additions to the library collection.

Civic Collection

Council's Civic Collection comprises items of historical significance such as:

- Antiques
- Antique furniture
- Artworks (portraits, paintings and prints)
- Artefacts
- Ephemera
- Medals
- Gold/silver
- Maps
- Clocks.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewal	New / Enhancement
<ul style="list-style-type: none"> Assets with value <\$5,000. 	<ul style="list-style-type: none"> Planned or reactive maintenance activities 	<ul style="list-style-type: none"> Conservation and rehabilitation works to current collection 	<ul style="list-style-type: none"> New assets with value ≥\$5,000.

Investment Properties

Council owns three investment properties, being:

- Jolley's Boathouse (Assetic ID 109685)
- Pavilion in the Park Restaurant (Assetic ID 109704)
- Torrens Weir Restaurant (Red Ochre) and Boat Store (Assetic ID 109721)

Council own these buildings with the lessees responsible for any leasehold improvements, as determined by the lease agreement.

These are not depreciated as they are revalued annually under AASB 140 – Investment Properties.

EXPENSE		CAPITAL	
Operating	Maintenance	Renewal	New / Enhancement
<ul style="list-style-type: none"> • Costs of day to day servicing • Costs associated with the lease • Start-up costs (costs incurred that are not required to get the property running). 	<ul style="list-style-type: none"> • Planned or reactive maintenance activities (e.g. decorative painting, fencing, guttering, repairing oven). 	<ul style="list-style-type: none"> • Replacement of items within building component $\geq \\$5,000$ with the modern equivalent. 	<ul style="list-style-type: none"> • New properties with value $\geq \\$5,000$.





APPENDIX C – DEPRECIATION RATES

The table below depicts the depreciation rates for major asset types within each asset class. These are determined by the Asset Managers as part of the revaluation process.

The below table shall be assessed and updated annually for current depreciation rates. Any changes in depreciation rates shall be disclosed in the financial statements as a change in accounting estimate in accordance with AASB 108. The range in useful life comprise individual components with varying materials, design standards and eras of construction. Specific useful lives for componentry can be found in Assetic.

Asset Class	Useful Life
<u>Buildings</u>	
Structure – other buildings	30 to 150 years
Structure – heritage buildings	250 years
Other building components	10 to 100 years
<u>Infrastructure</u>	
Roads – surface	15 to 25 years
Roads – structure	30 to 80 years
Roads - Formation	Indefinite
Bridges (road and major)	20 to 100 years
Bridges (minor)	25 to 75 years
Footpaths and Bikeways - Surfaces	20 to 50 years
Footpaths and Bikeways – Pavement	30 to 100 years
Footpaths and Bikeways - Formation	Indefinite
Kerb and water table	60 to 120 years
Stormwater drainage networks	50 to 125 years
Culverts	80 years
Weir components	25 to 100 years
Basins	50 to 80 years
Earth retaining structures	30 to 80 years
Gross pollutant traps	80 years
Irrigation	10 to 30 years
Traffic signals	10 to 30 years
Lighting and electricals	25 to 30 years
Electrical switch boards	30 years
Ticket Machines	10 years
CCTV	5 to 10 years
Sports fields	15 to 50 years
Park Land and Open space assets	5 to 80 years
Statues and Monuments	Indefinite
Urban Elements	5 to 80 years
Public Art	5 to 15 years

Asset Class	Useful Life
Other Assets	
Equipment, Furniture and Fittings	3 to 25 years
Vehicles and Road making equipment	2 to 20 years
Other Plant and Equipment	3 to 30 years
Library books	1 to 7 years
Civic Collection	Indefinite

APPENDIX D – GREEN ASSETS

Green assets are natural assets which reflect the City of Adelaide's Strategic Plan commitment of environmental leadership through enhanced greening and biodiversity of the city. The determination of whether an item is capital or non-capital comes down to the consideration of the following criteria:




- Does the asset contribute to Council's service objectives to the ratepayers, workers and visitors of the CoA?
- Is the asset likely to be renewed as part of CoA's asset management plan?

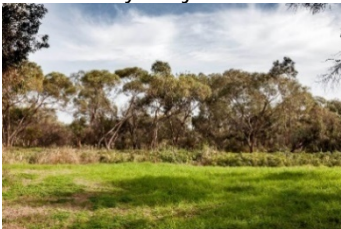



If the answer is yes to the above two criteria, then the asset is capital in nature and should be capitalised to Park Land and Open Space Assets.




Pre-existing green assets that have not been financially recognised in Council's fixed asset register will not be brought into account.





The table below illustrates examples of green assets the City of Adelaide will encounter in their capital works program and their capitalisation treatment.




Table 2 – Green Assets





Item	Non-Capital	Capital	Reasoning
Arbours 		X	Arbours are recognised under urban elements - other structures . Any expenditure on plants form the cost of the arbour asset.
Basins (E.g. detention, sedimentation)  		X	Basins formed to assist in the flow of water and are distinct from the constructed lining and formal bank protection, which are capitalised separately under Water Infrastructure . Plants may be used in the construction of a basin to improve the quality of the stormwater. Therefore, basins are capital as they: <ul style="list-style-type: none"> • aid in stormwater catchment; • perform a function for Council over a number of years; and • would be renewed under an asset management plan. Note –basins are to be classed as a Water Infrastructure asset Plants that are used in the initial structure and renewal of the structure shall be capitalised as part of the asset. Replacement plants that are installed for only an aesthetic purpose are expensed. Replacement plants that are installed to ensure the basin continues to function as intended are capitalised against the basin

Item	Non-Capital	Capital	Reasoning
Biodiversity Projects 	X		<p>Council undergo biodiversity projects to revegetate various areas of the Park Lands.</p> <p>Expenditure on biodiversity projects is considered to be an operating activity and shall be expensed.</p>
Boulders / logs – general (aesthetic) 	X		<p>Boulders or logs that are purely laid out for aesthetic purposes in the Park Lands will be treated as non-capital as they serve no function and would not be renewed under an asset management plan.</p>
Boulders / logs - functional  		X	<p>Boulders or logs should be capitalised where they have a functional purpose (such as seats or benches or barriers to a playground). If there is uncertainty around whether the boulder or log provides a function, the assumption should be that it's non-capital.</p> <p>Note – These are not green assets, and instead would be capitalised under Urban Elements based on their function (e.g. a log used as a seat will be capitalised under Urban Elements - Seats).</p>

Item	Non-Capital	Capital	Reasoning
<p>Creek Channel (man-made)</p> 		X	<p>Man-made creek channels are formations to assist in the flow of water and excludes the constructed lining and / or formal bank protection (which is capitalised separately under Water Infrastructure)</p> <p>Creek channels are capital as they:</p> <ul style="list-style-type: none"> • aid in stormwater catchment; • perform a function for Council over a number of years; and • would be renewed under an asset management plan. <p>Note – creek channels are to be classed as a Water Infrastructure asset.</p>
<p>Garden Beds</p> 	X	Project wide	<p>Replanting garden beds is considered to be an operating activity and therefore shall be expensed.</p> <p>However, expenditure on gardens undertaken in conjunction with an asset (e.g. reinstating a garden bed when installing irrigation, landscaping surrounds to a new monument) may be capitalised against the associated asset as a project wide cost.</p>
<p>Green Wall</p> 		X	<p>The green wall is considered an improvement to the building and provides oxygen and cooling while removing urban air pollution.</p> <p>As the green wall is an improvement to the building it will get capitalised to Buildings as a separate component.</p>

Item	Non-Capital	Capital	Reasoning
Sand Pit		X	A sandpit is a structure that forms part of the playground and therefore should be capitalised under Urban Elements .
Softfall material – Formal materials with life greater than 12 months (e.g. rubber) 		X	Formalised soft fall material, such as rubber, typically forms part of a playground and therefore should be capitalised as a cost of the playground asset under Urban Elements .
Softfall material – Informal materials (e.g. bark chips, sand) 	X	Project wide	Expenditure that relates to the replacement or top up of existing soft-fall material shall be expensed. However, expenditure on soft fall material undertaken when installing a new playground may be treated as a project wide cost against the playground.
Soil 	X		Expenditure on soil alone is considered to be maintenance in nature and therefore not capitalised, however if it forms part of the cost of a street – tree or basin then expenditure will be captured as part of the cost of the asset.
Soil Mounds (e.g. for BMX tracks, behind the archery field) 		X	Soil mounds are capitalised when they are created for a recreational activity such as the BMX tracks or the mounds in the archery fields. Note – soil mounds (e.g. BMX tracks) are of a specialised nature and shall be capitalised under Urban Elements – Sports fields .

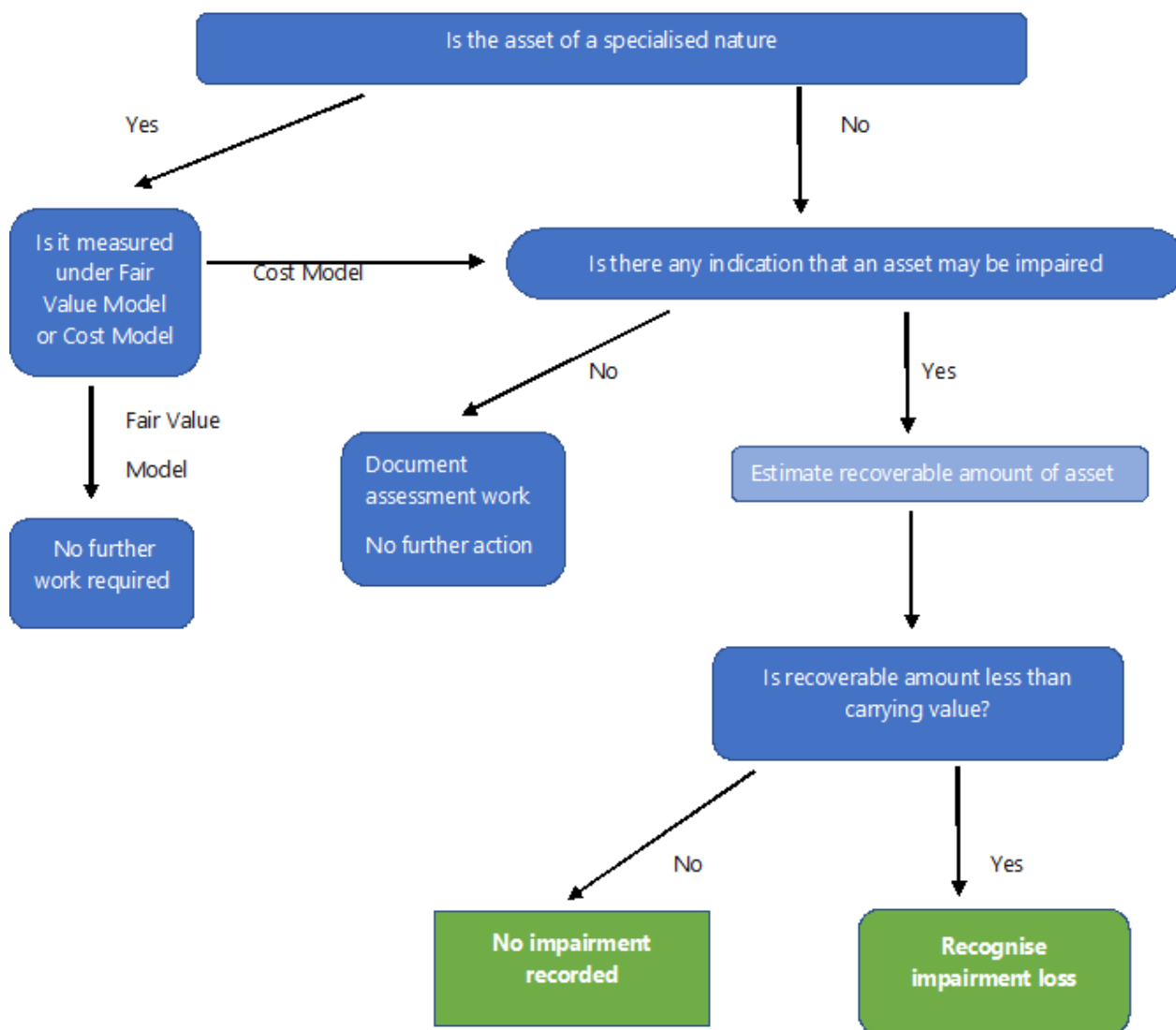
Item	Non-Capital	Capital	Reasoning
<p>Swales</p> 		X	<p>Swales are formed to assist in the flow of water and are distinct from the constructed lining and formal bank protection, which are capitalised separately under Water Infrastructure. Plants may be used in the construction of a swale to improve the quality of the stormwater.</p> <p>Swales are therefore capital as they:</p> <ul style="list-style-type: none"> • aid in stormwater catchment; • perform a function for Council over a number of years; and • would be renewed under an asset management plan. <p>Note – swales are to be classed as a Water Infrastructure asset rather than a green asset.</p> <p>Replacement plants that are installed for only an aesthetic purpose are expensed.</p> <p>Replacement plants that are installed to ensure the swale continues to function as intended (i.e. water filtration, erosion control purposes) are capitalised against the swale.</p>
<p>Trees – Park Lands, Square and Gardens</p> 	X		<p>General planting of trees within the Park Lands is considered an operating activity and shall be expensed.</p>
<p>Trees – Streets</p> 		Project wide	<p>Street trees are those located adjacent to the footpaths and roads within the City of Adelaide.</p> <p>Their purpose is to provide screening to surrounding suburbs, oxygen, cooling and remove urban air pollution. They are considered to improve the market value of surrounding properties and therefore over time may provide a future economic benefit through increased rates income.</p> <p>Therefore, street trees shall be capitalised. As the value of a tree increasing in line with its maturity, it is to be treated as a project wide cost.</p>

Item	Non-Capital	Capital	Reasoning
Turf – Event Space 	X		Turf laid out in event spaces is replaced annually after the event is held. Therefore, while it may be considered capital as it relates to an area that generates income for Council, as the useful life of the asset is one year it should be expensed immediately.
Turf – General Park Lands 	X		General planting of turf within the Park Lands is considered to be an operating activity and shall be expensed.
Turf - Specialised nature (e.g. Sports fields) 		X	Turf used for sports fields are of a specialised nature and are hired out by Council to generate income, therefore related expenditure is capital in nature. Examples of these include cricket pitches. Note – turf of a specialised nature is not an open space asset and shall be capitalised under Urban Elements – Sports fields.
Water Features (e.g. Boat Ponds, Himeji Garden water feature, Veale Gardens Rock Pool) 		X	Water features perform a function of reticulating water and may be used for commercial gain (e.g. the Council may charge for the use of the boat ponds). Therefore, water features may be capitalised. Costs to be included in a water feature asset include the pumps and pipes.

APPENDIX E – IMPAIRMENT TESTING

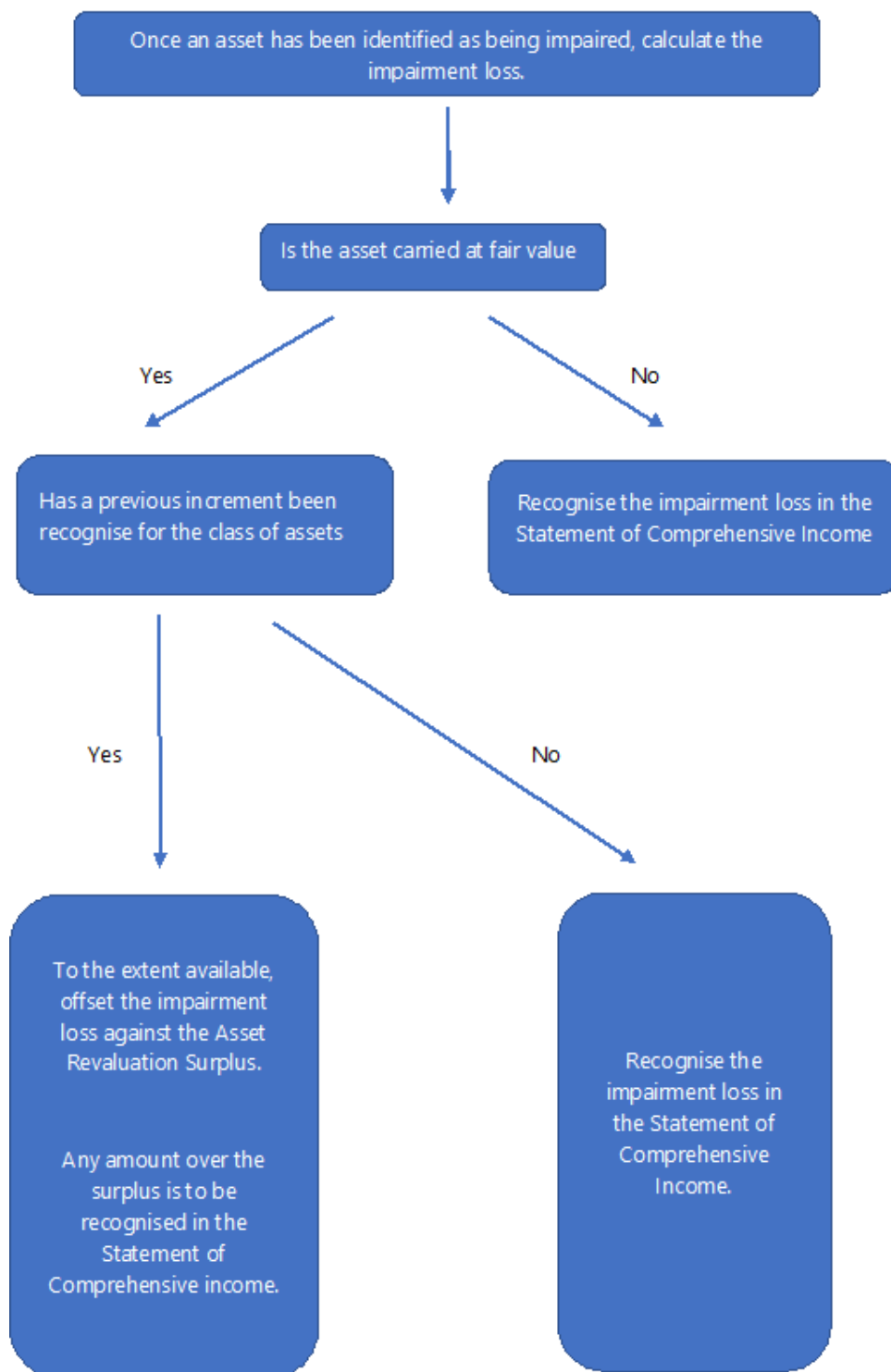
Decision Tree

Implementation of AASB 136 Impairment of Assets





Recognition of Impairment Loss





APPENDIX F – INTERNALLY DEVELOPED SOFTWARE CAPITALISATION TABLE

The table below illustrates what costs are typically capitalised and expensed in relation to internally developed software.

	Expensed	Capitalised
Preliminary Project Stage		
Assessment (any expenditure incurred in relation to market research, feasibility and development of the business case).	X	
Research activities: <ul style="list-style-type: none"> activities aimed at obtaining new knowledge; the search for, evaluation and final selection of, applications of research findings or other knowledge; the search for alternatives for materials, devices, products, processes, systems or services; and the formulation, design, evaluation and final selection of possible alternatives for new or improved materials, devices, products, processes, systems or services. 	X	
Installation and Implementation		
Internal and external costs incurred- modify provider offerings or develop bridging modules to existing systems or bespoke additional capability. This may include contractor or staff costs specifically spent on developing code. Any preliminary activities prior to developing the code is deemed research and is expensed .		X
Fees to access SaaS, PaaS or IaaS services.	X	
Depreciation of software & equipment specifically required to develop or test the asset.		X
Project manager costs – planning data migration and/or training.	X	
Administration cost – not directly related to development.	X	
Inefficiencies in development (sunk cost of abandoned software).	X	
Testing costs- enable final system will be capable of being used by Council.		X
Training Costs at Implementation		
Employee training costs.	X	
Development of training materials.	X	
Data Conversion Costs		
Purging or cleansing of existing data, reconciliation or balancing of old data and data in the new system, creation of new or additional data and conversion of old data to the new system.	X	
Post-implementation stage		
Post implementation- operation stage.	X	
Re-use of application programming interface (API).	X	
Maintenance costs (e.g. If, under a PaaS arrangement, the supplier performs an update in the platform which prompts Council to update the coding in their application, this will be maintenance).	X	



APPENDIX G – DEFINITIONS

Item	Definition
Amortisation	The systematic allocation of the cost of an intangible asset (less any residual value) over its useful life to reflect patterns of periodic consumption of the asset.
Assetic	The City of Adelaide's asset management system and asset register used for Infrastructure, Buildings, Land, Park Land and Open Spaces and Plant and Equipment assets.
Assets	Future economic benefit controlled by Council as a result of past transaction or other past events.
Asset Class	Grouping of non-current assets of a similar nature and the lowest level of information on non-current assets included within Council's financial statements.
Assets-Current	Assets that are expected to be consumed, realised, sold or disposed of within 12 months.
Assets Non-Current	Assets that are not expected to be consumed, realised, sold or disposed of within 12 months.
Capitalisation	A cost is included in the value of an asset and depreciated over the useful life of that asset.
Capital Expenditure	Costs that are incurred over the life of an asset that either renew, extend or upgrade the asset's underlying service potential.
Carrying Amount	The cost of an asset less the depreciation and any impairment losses accumulated since the asset was acquired.
Contributed Asset	An asset that is acquired by Council at nominal or no cost, usually by way of an agreement with property developers, through State Government arrangements or bequeathed to Council.
Cost Model	Measurement methodology for intangible asset. An intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses.
Decommissioning	Removal, demolition, or elimination of an asset's service potential, resulting from a specific management decision.
Depreciable Amount	The cost of an asset, or other amount substitute for cost, less its residual value.
Depreciated Current Replacement Cost	Current cost of replacement or reproduction of an asset, less deductions for physical deterioration of the asset.
Depreciation	The systematic allocation of the depreciable amount of an asset over its useful life.
Design Life	Expected period of time an asset can be used based on its design characteristics. The design life can be greater than the period of time Council intends to use an asset.
Desktop Revaluation	A revaluation that is undertaken without physically inspecting the asset.
Directly Attributable Cost	Cost occurred in preparing the asset for its intended use, including costs of employee benefits, professional fees and costs of testing arising from bringing the asset to its working conditions.
Economic Life	The period over which an asset is expected to be economically useful to Council. For example, a vehicle may be replaced after two years for economic reasons even though its design life may exceed 15 years.



Event Space	An area within the Park Lands, Squares or Gardens where an event is held.
Fair Value	The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.
Fixed asset register	Repository of financially recognised non-current assets and related information used primarily for financial accounting purposes.
Full Renewal	Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally, including replacement of an existing asset. Council's policy is a full renewal covers 90-100% of an asset.
Full Revaluation	The process whereby the fair value of all assets within an asset class are updated to reflect current market value or current replacement cost as well as reassessing remaining useful life and residual value.
Future Economic Benefits	In respect to not-for-profit entities such as Council, future economic benefits refer to the ability of an asset to provide goods or services in accordance with the organisation's objectives.
Goodwill	Goodwill is an intangible asset that is associated with the purchase of one entity by another. The amount of goodwill is the cost of purchase minus fair value of tangible asset, intangible asset that can be identified, and the liabilities obtained in the purchase.
Gardens	Gardens refers to Brougham and Palmer Gardens. These are Crown land in accordance with the <i>Adelaide Park Lands Act 2005</i> .
Garden Beds	Garden beds include soil, mulch, small plants and flowers.
Green Assets	Refers to trees, shrubs, grasses, green walls and water sensitive design infrastructure such as raingardens and wetlands.
Grouped Asset	A grouped asset combines homogenous assets that provide the same type of service but individually fall below the recognition threshold. When considered in aggregate, the grouped assets are of a material value and should be recognised as an asset.
Intangible Asset	An identifiable non-monetary asset without physical substance.
Interim Revaluation	Desktop review of unit rates whereby all asset values within an asset class are adjusted by an indexation factor.
Impairment	A decline in the service potential of an asset such that the carrying amount of an asset exceeds its recoverable amount.
Infrastructure Asset	Typically, large, interconnected networks or programs of composite assets. The components of these assets may be separately maintained, renewed, replaced or disposed of, so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and hence the assets, have long lives. They are fixed in place and rarely have any market value.
Maintenance Expenditure	Recurrent planned and unplanned expenditure, which is periodically or regularly required as part of Council's maintenance plan to ensure that the asset is kept in an operational state, achieves its useful life and provides the required level of service.
Market Value	The price that would be received to sell an asset in an orderly transaction between market participants, excluding transaction costs but inclusive of any transport costs.
Net Book Value	The amount at which an asset is recorded (either at cost or fair value) within the fixed asset register after deducting any accumulated depreciation and accumulated impairment losses. This is the same as an asset's carrying amount or written down value.



Network Asset	Network assets are a chain of interconnected but different assets that rely on each other to provide the one service, but where individually, fall below the recognition threshold. When considered in aggregate, the network assets are of a material value and should be recognised as an asset.
New Asset	Expenditure on a new asset or the expansion of the footprint of an existing asset creating a new service / output that did not exist beforehand as it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.
Nominal Cost	A price or charge that is well below the real value or cost.
Off Maintenance	Point in time that the period of "On Maintenance" applicable to contributed assets either expires or ceases and Council is responsible for the maintenance costs.
On Maintenance	Point in time that Council accepts control of an asset handed over by a property developer and assets are recognised in Council's accounts. The term "On Maintenance" refers to an effective warranty period whereby the responsibility for rectifying defects associated with the contributed assets rests with the developer.
Operating Expenditure	Encompasses all costs associated with operating an asset (i.e. electricity, fuel, staff, plant and equipment on costs and corporate overheads).
Park Lands	The region referred to as the Park Lands covers the Park Lands surrounding the central business district (CBD), Squares and Gardens (Brougham and Palmer) in accordance with the <i>Adelaide Park Lands Act (2005)</i> .
Partial Renewal	Expenditure on an asset which increases the service potential of the asset but not up to its original service potential. Council's policy is a partial renewal covers 10-90% of an asset.
Portable and Attractive Items	Minor assets up to the value of \$5,000 which do not get captured in the fixed asset register, however due to the attractiveness of the item shall be tracked via the Portable and Attractive Items Register.
Practical Completion	The point at which the assets constructed within a capital project are available for use.
Project-wide Costs	Project expenditure that has brought multiple assets to the condition and location necessary to be operating as intended by management. This expenditure shall be proportionally allocated across all capitalised assets within the project.
Prospective (Remaining Useful Life)	Depreciation calculation method used in Assetic. This is a forward-looking approach to calculating the depreciated replacement cost.
Recognition Threshold	The recognition threshold is the amount of expenditure below which an item is recorded as an expense rather than an asset.
Recoverable Amount	The higher of an asset's fair value less the cost to sell and its value in use.
Rehabilitation	See Renewed Asset Capital Expenditure
Remaining Useful Life (RUL)	The remaining operational life of an asset in service, irrespective of the period an asset has been in use or its design life or initial useful life when first recognised.
Renewed Asset Capital Expenditure	Expenditure on an existing asset which returns the service potential or the expected life of the asset up to that which it had originally. Renewed assets also cover those where: <ul style="list-style-type: none"> the technology or materials are outdated and therefore a modern equivalent has been used and



	<ul style="list-style-type: none"> the works have been performed to ensure the asset meets legislative requirements. <p>As it reinstates existing service capacity, it generally has no impact on revenue but may reduce future operating and maintenance expenditure if completed at the optimum time.</p>
Replacement Asset	See Renewed Asset Capital Expenditure
Replacement Cost	The current cost to replace or reproduce an asset based on similar operating conditions.
Residual Value (aka Salvage Value or Scrap Value)	The estimated amount that would be obtained today by Council from the disposal of an asset, after deducting the estimated costs of disposal (where applicable), if the asset were already of the age and in condition expected at the end of its useful life.
Retrospective (Useful life)	Depreciation calculation method used in Assetic. This approach is used to calculate depreciated replacement cost if the initial asset value requires updating that will affect the depreciated value.
Service Potential	The capacity to provide goods and services in accordance with Council's objectives.
Squares	Squares located in Adelaide are Hurtle, Victoria, Hindmarsh, Light, Wellington and Whitmore Square. These form part of the Adelaide Park Lands in accordance with the <i>Adelaide Park Lands Act 2005</i> .
Sunk Cost	Costs that are incurred on the initial construction of an asset that are unlikely to be incurred again when the asset is renewed or replaced.
TechOne	City of Adelaide's accounting ledger.
Upgraded Assets Capital Expenditure	Expenditure which enhances the existing asset to a higher level of service, including where superior materials have been used or the service capacity has increased above that endorsed by Council's asset management plan. It generally doesn't increase revenue, unless direct user charges apply, however does increase Council's future operating and maintenance expenditure.
Useful Life	The period over which the asset is expected to be available for use by Council.
Valuation Unit Rates	Asset unit rates based on replacement cost principles that exclude specific asset management costs to fully comply with accounting standards and to avoid the potential for double counting of costs.
Value in Use	The present value of the future cash flows expected to be derived from an asset or cash-generating unit.
Work In Progress (WIP)	Work In Progress is the accumulation of the construction costs of an asset that is incomplete as at the end of the financial year. The most common example is the design costs of an asset that has yet to commence construction. Every year the work in progress is reviewed and where it is not certain that the construction of the asset will commence within the following financial year the amount of work in progress shall be expensed.
Written Down Value	The amount at which an asset is recorded (either at cost or fair value) within the fixed asset register after deducting any accumulated depreciation and accumulated impairment losses. This is the same as an asset's carrying amount or net book value.

Table of Key Changes and Comments to the Fixed Asset Accounting Guidelines

No	Page	Item	Change/Comment
1		Global updates	Grammatical and language changes updated throughout the document to support full review (including re-titling to Non-Current Asset Accounting Operating Guidelines)
2	1-2	Internal Publications	Added the following related internal publications: <ul style="list-style-type: none"> Fixed Asset Accounting Policy Acquisition & Disposal of Land and Assets Policy Asset Management Policy Asset Management Plans
3	2	External Publications	Removal of "2019" from Model Financial Statements Removal of PWC article – Accounting for Cloud Based Software
4	2	Scope	Updated "Furniture and Fittings" to "Equipment, Furniture and Fittings" (note: global changes made throughout document where applicable)
5	11	Assets Held for Sale	Amended "Financial Accountant" to "Financial and Capital Accountant"
6	12	Budgeting Process	Removed " <i>Capital budgets shall be reviewed and updated on a quarterly basis to ensure capital and expense components continue to accurately reflect expectations</i> "
7	14	Classification of Assets	Deleted asset componentry from table
8	20	6.2.1 Timing of Revaluations	Updated revaluation schedule TRIM reference to the current version - ACC2021/107336
9	22	7. Stocktakes	Amended " <i>Office Furniture and Equipment</i> " to " <i>Equipment, Furniture and Fittings</i> " and " <i>TechOne</i> " to " <i>Assetic</i> ". Updated account codes to review portable and attractive items to: <ul style="list-style-type: none"> 61001 – Minor Purchases – under \$5,000 61002 – Minor Equipment / Furniture – under \$5,000
10	35	11.2 – WIP Review	Removed " <i>Quarterly</i> " from the title as this is completed at the weekly Asset Renewal Governance (ARG) and Change Triage Group (CTG) meetings
11	35	11.2 – WIP Review	Amended " <i>Each quarter, a review of WIP shall be performed to ensure:</i> " <ul style="list-style-type: none"> <i>All projects that have reached practical completion have been financially capitalised through TechOne</i> <i>Projects that are identified as non-capital have been expensed.</i>" to " <i>A review of WIP shall be performed weekly at the Asset Renewal Governance (ARG) and Change Triage Group (CTG) meetings to ensure all projects that have reached practical completion have been financially capitalised through to TechOne.</i> "

No	Page	Item	Change/Comment
12	35	11.2 – WIP Review	Amended <i>"The Performance and Systems team from Infrastructure"</i> to <i>"The Project Management Office (PMO) team"</i>
13	35	11.2 – WIP Review	Amended <i>"To identify non-capital expenditure within WIP, staff will consider:</i> <ul style="list-style-type: none"> <i>Design projects that have not eventuated into a capital project (five years or greater) and</i> <i>Projects that typically have operating expenditure (e.g. IM projects that contain SaaS or condition audits)."</i> To <i>"An annual review of WIP shall be performed to identify non-capital expenditure within WIP. Points to consider include:</i> <ul style="list-style-type: none"> <i>Design projects that have not eventuated into a capital project (five years or greater) and</i> <i>Projects that typically have operating expenditure (e.g. IM projects that contain SaaS or condition audits)."</i>
14	35	11.2 – WIP Review	Deletion of <i>"As detailed under section 2.2, the budgeted WIP write off shall be reviewed and updated on a quarterly basis to ensure capital and expense components reported to Council continue to accurately reflect expectations"</i> . The reason for the deletion is we don't budget for WIP write off, rather at project inception we identify whether the project should be funded from the capital program or through operating.
15	36	11.3 Year End WIP Review	Deletion of <i>"Projects that are practically complete but are not formally handed over shall be manually capitalised at the end of financial year"</i>
16	37	Appendix A – Project Wide Versus Operating Costs	Amended <i>"Director Services, Infrastructure and Operations"</i> to <i>"Director City Infrastructure"</i>
17	39	Appendix B	Amended title <i>"Capital versus Operating Expenditure"</i> to <i>"Classification of Operating, Maintenance, Renewal and New/Upgrade Expenditure "</i> Added <i>"This is to provide guidance but judgement may be required to determine the most appropriate treatment."</i>
18	39-40	B.1 - Buildings	Operating - Added the following <ul style="list-style-type: none"> <i>Items that are immaterial to the building should be purchased through facilities maintenance and on-charged to the relevant business unit</i> <i>Structural inspections</i> Maintenance – Replaced <ul style="list-style-type: none"> <i>Planned or reactive maintenance activities (e.g. decorative painting, fencing, guttering, repairing oven</i> <i>Replacement of items within building component <\$5000 (e.g. walls, floors, roof, ceiling and windows)</i> With <ul style="list-style-type: none"> <i>Preventive – Planned maintenance that is scheduled based on legislative requirements and obligations under the NCC (National Construction Code)</i> <ul style="list-style-type: none"> <i>Fire Maintenance (ESP / Form 3)</i> <i>Electrical Maintenance</i>

No	Page	Item	Change/Comment
			<ul style="list-style-type: none"> ○ HVAC Maintenance ○ Vertical Transport ○ Pest Control ○ Cleaning <p><i>Reactive – Break fix tasks that enable a component or building element to achieve its original designed life.</i></p> <ul style="list-style-type: none"> ○ Leaking Tap ○ Adjust Doors ○ Fixing broken air conditioner ○ Removal of pests <p>Renewal – Removed “≥\$5,000”</p> <p>New/Upgrade - Added</p> <ul style="list-style-type: none"> • Commercial improvements that are discretionary in nature • Increasing the footprint of a building
19	40	B.2. Land (Crown and Other)	<p>Amended “Land includes Crown land (being the Park Lands surrounding the city and squares and gardens within the City) and other land.” to</p> <p>“Crown Land (being the Park Lands surrounding the city and squares and gardens within the City) is measured at cost. No capital works adjust the value of Crown Land. Refer to SCAN2006/23991 for previous assessment of accounting treatment.</p> <p>Other land represents all other land assets held by the City of Adelaide.”</p>
20	41	B.3. Infrastructure - Bridges	<p>Operating – Added</p> <ul style="list-style-type: none"> • Structural inspections independent of any preliminary design work <p>Maintenance – Added</p> <ul style="list-style-type: none"> • Extensive cleaning of location to allow for full and extensive inspection to develop designs for renewal/new and upgrade project. • Structural repairs to the bridge where the service life of the asset isn't extended <p>Renewals – Added</p> <ul style="list-style-type: none"> • Increasing bridge height to achieve 10% Annual Exceedance Probability (AEP) • Strengthening to restore – renewal • Structural repairs to the bridge where the service life of the asset is extended <p>New/Upgrade – Amended</p> <ul style="list-style-type: none"> • Amended “New bridge structures” to “New bridge structures and components (e.g. hand railing)” • Amended “Upgrade: Strengthening or widening bridge” to “Upgrade: Strengthening to new design code or widening bridge (supported by renewal funding)” • Deleted “Upgrade: Increasing handrail height”

No	Page	Item	Change/Comment
21	42	B.3. Infrastructure – Footpaths and Bikeways	<p>Renewals – Added</p> <ul style="list-style-type: none"> Widening of an existing footpath to meet level of service objective for the specific existing footpath hierarchy (e.g. existing 2.5m shared use path to 3.5m design standard shared use path) Increasing width of footpath but reducing road size to meet minimum footpath width service level objectives for specific hierarchy <p>New / Upgrade</p> <p>Amended</p> <ul style="list-style-type: none"> Upgrade: Widening of footpath – to Upgrade: Widening of existing footpath to elevate the hierarchy and service level objectives in accordance with the Integrated Transport Strategy (e.g. existing 1.5m pedestrian path to 3.5m design standard shared use path) <p>Amended</p> <ul style="list-style-type: none"> Upgrade: Replacement of footpath component to higher standard (e.g. to bluestone or a superior material – to Upgrade: Replacement of footpath component to higher standard (e.g. to bluestone or a superior material, or asphalt to in-situ concrete). Superior materials are considered those with a unit rate > 20% to alternative materials
22	43	B.3. Infrastructure – Kerb & Water Table	<p>Renewals – Added</p> <ul style="list-style-type: none"> Increasing length of kerb (e.g. to provide small protuberances for DDA compliant kerb ramps) resulting in an increase in footpath area and reduction in road pavement area. <p>New / Upgrade – Added "(e.g. bluestone)"</p>
23	44	B.3. Infrastructure – Lighting and Electrical	<p>Deletion of</p> <ul style="list-style-type: none"> CCTV (camera and server equipment) Smart technology (electric vehicle charging station, people movement sensors, smart parking) <p>Operating – Added:</p> <ul style="list-style-type: none"> Undergrounding of power lines, as the related infrastructure belongs to SAPN <p>Renewals:</p> <ul style="list-style-type: none"> Included example "e.g. changing light fittings to LED" Deleted "≥ \$5,000" Added "Installing additional lighting columns and luminaires to ensure existing infrastructure is renewed to meet service level objectives and lighting standards of the specific hierarchy (e.g. existing 30 post top lights supplemented by an additional 15 post top lights along the existing lighting provision)" <p>New/Upgrade</p> <ul style="list-style-type: none"> Added the example – "(e.g. no existing provisions)" Added "New assets to supplement the replacement of SAPN lighting through undergrounding works" Added "New assets: fill lighting to supplement SAPN lighting" Deleted "Upgrade: Changing light fittings to LED"
24	45	B.3. Infrastructure - Public Art, Statues and Monuments	<p>Transferred the activities "cleaning" and "graffiti removal" from maintenance to operating.</p> <p>Deleted "Art pod" from operating activities.</p> <p>Deleted "For further information around how asset data for public art</p>

No	Page	Item	Change/Comment
			assets are captured in the project asset register and Assetic, particularly around functional artwork and integrated artwork, refer to APPENDIX G – ASSETIC TREATMENT OF PUBLIC ART ASSETS ."
25	47	B.3. Infrastructure – Roads (Sealed and Unsealed)	<p>Renewals:</p> <ul style="list-style-type: none"> Added "Replacing brick paved road segment with asphalt and street print / stencil to replicate service levels with a more maintenance friendly and cheaper solution" Added "Slightly widening the width of asphalt surface to include the rubble shoulders of the road" Added "Increasing width of footpath but reducing road size to meet minimum footpath width service level objectives for specific hierarchy" <p>New / Upgrade:</p> <ul style="list-style-type: none"> Added "Upgrade: Road realignment costs beyond adjusting the kerb line"
26	47	B.3. Infrastructure – Roads (Sealed and Unsealed)	<p>Included the following new procedure for major maintenance:</p> <p>Major Maintenance:</p> <p>Where works are classified maintenance but are large in dollar value (e.g. works on < 10% of a segment of a Category 1 road), the following process shall be undertaken:</p> <ol style="list-style-type: none"> 1. Finance Business Partner will first work with the business unit to determine if the costs can be absorbed 2. Finance will flag a potential budget increase – but will place it on hold until needed 3. Once it is deemed the cost cannot be absorbed, it will be moved from potential increase to quarterly forecast (QF) request 4. At the next quarterly forecast the increase will be prioritised for funding. This does not guarantee the funding, as it will be dependent on available savings and other competing priorities for funding
27	48	B.3. Infrastructure – Traffic Signals	<p>Renewals:</p> <ul style="list-style-type: none"> Added "Replacement of assets with modern equivalent to meet the desired functionality outcomes (e.g. 3 aspect lantern to 6 aspect lantern, standard pole to outreach or mast arm, increased fibre capacity to reach desired level of service)" <p>New/Upgrade</p> <ul style="list-style-type: none"> Amended "New traffic signal asset ≥\$5,000" to "New traffic signal infrastructure (e.g. new signalized intersection site)" Deleted "Replacement of asset components to a superior standard"
28	49	B.3. Infrastructure – Urban Elements	<p>Deleted category "Recreational areas (e.g. sports fields, playgrounds and playground equipment"</p> <p>Added category "Smart parking sensors"</p> <p>Operating:</p> <ul style="list-style-type: none"> Deleted "Strategic health management audits (sports fields)" <p>Maintenance</p> <ul style="list-style-type: none"> Deleted "<\$5,000" <p>Renewals</p>

No	Page	Item	Change/Comment
			<ul style="list-style-type: none"> Amended "Individual assets or grouped assets with value \geq \$5,000 with the modern equivalent" to "Replacement of individual or grouped assets with modern equivalent" New / Upgrade <ul style="list-style-type: none"> Deleted "\geq \$5,000"
29	50	B.3. Infrastructure – Water Infrastructure	Added category "WSUD Gardens" Renewals - Added <ul style="list-style-type: none"> "Increasing pipe size to address capacity deficiencies (1 in 20 ARI)" "WSUD – replacement of filter media in conjunction with replanting vegetation" "Installing new infrastructure whilst abandoning old infrastructure in the ground" New / Upgrade <ul style="list-style-type: none"> Provided example "(additional stormwater pipes to support current pipe)" Deleted "Enhancements (e.g. increasing the diameter of pipes)"
30	51	B.4. Park Land and Open Space Assets – Irrigation System	Renewals: <ul style="list-style-type: none"> Amended "Renewal of irrigation system as defined in Assetic \geq20%" to "Partial renewal of irrigation system as defined in Assetic \geq20%, or replacement of whole system" New / Upgrade <ul style="list-style-type: none"> Removed "Replacement of whole irrigation asset system \geq \$5,000" Amended "Upgrade or extension of current irrigation system or components \geq\$5,000" to "Upgrade: Extension of current irrigation system or components by 20% over and above the current area" Added "Upgrade: Providing an additional supply point or source" Removed: "Project wide cost specific to irrigation: <ul style="list-style-type: none"> Where turf or garden beds have been reinstated as part of the installation of irrigation the associated costs may be recognized as a project wide cost"
31	52	B.4. Park Land and Open Space Assets – Open Space Assets	Deleted table Categories in Appendix to align with asset subclasses in Assetic
32	52	B.4. Park Land and Open Space Assets – Playgrounds and Playground Equipment	Added new table with the following points Operating: <ul style="list-style-type: none"> Cleaning Condition audits Inspections Maintenance <ul style="list-style-type: none"> Replacement of consumable components of equipment (e.g. chains, turn buckles, swing seats) Partial replacement of equipment system components where failure affects <20% of the element (e.g. panels, planks) Top up of wood chips and sand Renewals <ul style="list-style-type: none"> Refurbishment of play spaces to equivalent quality standard and footprint Replacement or renewal of existing play equipment to modern equivalent, within the same category of playground Soft fall modification up to 30% over and above whole area to

No	Page	Item	Change/Comment
			<p><i>accommodate renewed equipment</i></p> <p>New / Upgrade</p> <ul style="list-style-type: none"> <i>New assets (e.g. installation of new shade sails) as additional equipment</i> <i>Upgrade: Increasing the footprint of the playground</i> <i>Upgrade: Updating a playground to a higher service standard compared to the current service category (note partially renewal funded)</i> <i>Upgrade: modification of soft fall attenuation material (e.g. bark chips to rubberised soft fall)</i>
33	52	B.4. Park Land and Open Space Assets – Sports Fields and Active Areas	<p>Added new table with the following points</p> <p>Operating:</p> <ul style="list-style-type: none"> <i>Strategic health management audits</i> <i>Utility costs</i> <p>Maintenance</p> <ul style="list-style-type: none"> <i>Mowing</i> <i>Turf replacement and improvements</i> <p>Renewals</p> <ul style="list-style-type: none"> <i>Replacing an asphalt surface with a painted asphalt</i> <i>Alteration of supported activity to similar surface treatment and size/area (e.g. modify tennis court to basketball court)</i> <p>New / Upgrade</p> <ul style="list-style-type: none"> <i>Upgrade: Expansion of sport field, including modification to supported activity</i> <i>Upgrade: Change surface to a higher standard (e.g. asphalt to acrylic)</i>
34	53	B.4. Park Land and Open Space Assets – Water Features	<p>Maintenance</p> <ul style="list-style-type: none"> <i>Amended point 1 to include “..including replacement of parts”</i> <p>New / Upgrade</p> <ul style="list-style-type: none"> <i>Removed “≥\$5,000” from point 1</i> <i>Added “Upgrade: Expanding footprint greater than 20%”</i>
35	54	B.5. Other Assets – Office, Furniture and Equipment	<p>Updated title to “<i>Equipment, Furniture and Fittings</i>”</p> <p>Updated commentary to: <i>“Equipment, furniture and fittings comprises assets from the commercial businesses or programs within the City of Adelaide, such as:</i></p> <ul style="list-style-type: none"> <i>Adelaide Town Hall</i> <i>Commercial Off-Street Parking</i> <i>Events</i> <i>Information, Communication and Technology</i> <i>North Adelaide Golf Course”</i> <p>Operating:</p> <ul style="list-style-type: none"> <i>Added “Installing and dismantling decorations”</i> <p>Maintenance:</p> <ul style="list-style-type: none"> <i>Added “Repainting decorations”</i> <p>Renewals:</p>

No	Page	Item	Change/Comment
			<ul style="list-style-type: none"> Deleted "<i>≥\$5,000, or assets that can be easily grouped</i>" and replaced with "<i>for current FTE requirements</i>" Added "<i>Replacement of decoration based on location (e.g. if a Park Land Square holds a large Christmas box decoration, and this is replaced with a Christmas Tree</i>" <p>New / Upgrade:</p> <ul style="list-style-type: none"> Deleted "<i>≥\$5,000, or assets that can be easily grouped</i>" and replaced with "<i>that expand the asset base of Council (e.g. new Christmas decorations that expand the asset base, additional laptops due to an increase in FTE</i>" Replaced "<i>≥\$5,000</i>" with "<i>(e.g. spatial systems team replacing a standard laptop with a high efficiency laptop)</i> NOTE: <i>There will be a renewal component with difference funded from new/upgrade.</i>"
36	55	B.5. Other Assets – Plant and Equipment	<p>Operating - Added</p> <ul style="list-style-type: none"> <i>"Accessories that can be removed from the vehicle"</i> <i>Modifications to the vehicle after the vehicle has been purchased</i> <p>Renewals:</p> <ul style="list-style-type: none"> Removed "<i>≥\$5,000</i>" and added "<i>including permanent modifications made at the time of purchase</i>" <p>New/Upgrade:</p> <ul style="list-style-type: none"> Removed "<i>≥\$5,000</i>"
37	56	B.5. Other Assets – Civic Collection	<p>Renewals:</p> <ul style="list-style-type: none"> Added "<i>Conservation and rehabilitation works to current collection</i>"
38	58	Appendix C – Depreciation	Useful lives updated in table to align with most recent financial statements
39	69	Appendix G – Assetic Treatment of Public Art Assets	Deleted – approach is not used

Friday, 14 November 2025

Audit and Risk Committee

Exclusion of the Public

Program Contact:

Anthony Spartalis, Chief
Operating Officer

Approving Officer:

Michael Sedgman, Chief
Executive Officer

Public

EXECUTIVE SUMMARY

Section 90(2) of the *Local Government Act 1999 (SA)* (the Act), states that a Council 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 Activity of Strategic Risk and Internal Audit Group [section 90(3) (i) of the Act]

11.2 Shortlist of External Audit Proponents [section 90(3) (k) of the Act]

The Order to Exclude for Item 11.1 & 11.2:

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) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 14 November 2025 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 11.1 [Activity of Strategic Risk and Internal Audit Group] listed on the Agenda.

Grounds and Basis

Section 90 (3) (i) of the *Local Government Act 1999 (SA)*.

Information relating to 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.

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 14 November 2025 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 [Activity of Strategic Risk and Internal Audit Group] 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.

ORDER TO EXCLUDE FOR ITEM 11.2

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (k) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 14 November 2025 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 11.2 [Shortlist of External Audit Proponents] listed on the Agenda.

Grounds and Basis

Section 90 (3) (k) of the *Local Government Act 1999 (SA)*

(k) tenders for the supply of goods, the provision of services or the carrying out of works.

This Item is confidential as the item contains certain information of a confidential nature relating to a tender to provide services to the City of Adelaide.

The disclosure of information may adversely impact on the commercial position of the City of Adelaide, and the professional standing of proponents tendering for the specified goods or services.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 14 November 2025 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 11.2 [Shortlist of External Audit Proponents] 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) (k) 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 reports are submitted seeking consideration in confidence.
 - 6.1 Information contained in Item 11.1 - Activity of Strategic Risk and Internal Audit Group
 - 6.1.1 Is not subject to an existing Confidentiality Order dated.

- 6.1.2 The grounds utilised to request consideration in confidence is section 90(3) (i) of the Act
(i) *information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council;*
- 6.2 Information contained in Item 11.2 - Shortlist of External Audit Proponents
- 6.2.1 Is not subject to an existing Confidentiality Order dated.
- 6.2.2 The grounds utilised to request consideration in confidence is section 90(3) (k) of the Act
(k) *Tenders for the supply of goods, the provision of services or the carrying out of works;*

ATTACHMENTS

Nil

- END OF REPORT -

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