



CITY FINANCE AND GOVERNANCE COMMITTEE

Agenda and Reports

for the meeting on

Tuesday, 17 June 2025

at 5.30 pm

in the Colonel Light Room, Adelaide Town Hall

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Our Adelaide.
Bold.
Aspirational.
Innovative.

CITY FINANCE AND GOVERNANCE COMMITTEE
Meeting Agenda, Tuesday, 17 June 2025, at 5.30 pm

Members – The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith
Councillor Dr Siebentritt (Chair)

Deputy Lord Mayor, Councillor Martin and Councillors Abrahamzadeh, Couros, Davis, Giles, Martin and Snape

Agenda

Item	Pages
1. Acknowledgement of Country	
At the opening of the City Finance and Governance Committee meeting, the Chair will state:	
‘Council acknowledges that we are meeting on traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today.	
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	
Apology:	
The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith	
3. Confirmation of Minutes - 20/5/2025	
That the Minutes of the meeting of the City Finance and Governance Committee held on 20 May 2025, be taken as read and be confirmed as an accurate record of proceedings.	
View public 20 May 2025 Minutes.	
4. Declaration of Conflict of Interest	
5. Deputations	
6. Workshops	
Nil	
7. Reports for Recommendation to Council	
7.1 State Government Community Engagement Charter - submission	4 - 11
7.2 Independent Desktop Review - Business Plan and Budget	12 - 23
7.3 Rating Policy Review	24 - 41
7.4 Treasury Policy, Future Fund & Investment Policy Review	42 - 60
7.5 Rate Rebate Policy Review	61 - 78
7.6 2025/26 Business Plan & Budget - Final for Approval	79 - 308
7.7 Street Numbering Policy Review	309 - 324
8. Reports for Noting	
Nil	

- 9. Exclusion of the Public** 325 - 327
- In accordance with sections 90(2), (3) and (7) of the *Local Government Act 1999* (SA) the City Finance and Governance Committee will consider whether to discuss in confidence the reports contained within section 10 of this Agenda.
- 10. Confidential Reports for Recommendation to Council**
- 10.1** Delegation to Award Contract [S90(3) (b), (d)] 328 - 333
- 11. Closure**

State Government Community Engagement Charter - submission

Strategic Alignment - Our Corporation

Public

Tuesday, 17 June 2025

City Finance and Governance
Committee

Program Contact:

Rebecca Hayes, Associate
Director Governance & Strategy

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

The purpose of this report is to seek Council endorsement of the City of Adelaide's submission to the State Government on their new Local Government Community Engagement Charter. The Office of Local Government released the new Community Engagement Charter on 30 May 2025 and is undertaking consultation until 29 June 2025.

Council endorsement is sought in order to finalise the submission (**Attachment A**) and respond to the Office of Local Government by the deadline of 29 June 2025.

The City of Adelaide prepared a submission on the State Government's Local Government Participation and Elections Review in early 2024. As part of the review, the State Government sought feedback on ideas and suggestions on how communities can better engage with their councils throughout a council term and, particularly, at election time. The submission to the review was endorsed by Council on 26 March 2024, following a workshop at a City Finance and Governance Committee on 19 March 2024.

RECOMMENDATION

The following recommendation will be presented to Council on 24 June 2025 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Endorses the City of Adelaide's submission to the new Local Government Community Engagement Charter included in Attachment A to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.
2. Authorises the Chief Executive Officer or delegate to make minor, typographical or syntactical updates to the documents contained in Attachment A to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held 17 June 2025.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<p>Strategic Alignment – Our Corporation</p> <p>This aligns with the following under ‘Our Corporation’:</p> <p>Key Action - Use community feedback, data and research to monitor, maintain and adapt our range of quality services to continuously improve the value and efficiency.</p> <p>Indicator of Success – Review the Community Engagement approach by 2025</p>
Policy	Council’s Community Consultation Policy is relevant to the consideration of information within this report (Link 1) and will be impacted by the final Local Government Community Engagement Charter.
Consultation	No consultation is required as a result of this report. However, the report relates to the manner by which consultation activities are currently conducted and how these may be impacted as a result of the new Local Government Community Engagement Charter.
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Council’s submission allows it to advocate for improved public consultation across the local government sector as well as for specific provisions as they apply to the City of Adelaide.
24/25 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
24/25 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. Between October 2023 to March 2024, the Office of Local Government sought feedback on ideas and suggestions on how communities can better engage with their councils throughout a council term, particularly at election time. The purpose of the consultation at the time was to inform reforms proposed and the development of the bill to amend local government legislation.
2. As part of the review, the Office of Local Government prepared a discussion paper for feedback. Administration provided a draft submission in response to the discussion paper and presented it to the City Finance and Governance Committee on 20 February 2024 ([Link 2](#)), which resolved that the matter be deferred to a workshop at a future City Finance and Governance Committee meeting. The workshop was held 19 March 2024 ([Link 3](#)) with a Special City Finance and Government Committee held 21 March 2024 before Council endorsed the submission on 26 March 2024.
3. The City of Adelaide's submission to the Local Government Participation Elections Review can be found here ([Link 4](#)). In addition to the City of Adelaide submission, 92 submissions were received directly by the Office of Local Government, and 406 surveys were completed on the South Australian Government online engagement portal 'YourSAy'.

Consultation on the new Local Government Community Engagement Charter

4. On 30 May 2025, the Office of Local Government released the new Community Engagement Charter (the new Charter) for public consultation ([Link 5](#)). The new Charter sets principles for engagement and also stipulates minimum actions that councils must comply with to meet these standards. These mandatory actions vary according to what councils are consulting on and ensures that they are making the optimal effort to reach all community members who are interested.
5. The new Charter was developed based on feedback received as part of the Local Government Participation and Elections Review. In response to this feedback, the new Charter:
 - 5.1. Includes different categories of consultation
 - 5.2. Sets mandatory requirements for each category
 - 5.3. Gives councils flexibility in how they meet those requirements, and
 - 5.4. Places greater emphasis on consultation for more significant decisions.
6. The new Charter consists of the following sections.
 - 6.1. Principles – outlines principles that members of the community should have reasonable, timely, meaningful and ongoing opportunities to participate in relevant processes; have information that is accessible and in plain language; foster and encourage constructive dialogue, discussion and debate; participation methods are appropriate to the level of significance and likely impact of the proposed initiative; and community members are provided with information on how their views have been taken into account.
 - 6.2. Categories – establishes categories of engagement (significant for example, annual business plan and rating policy, and standard, local, and inform) and the requirements that are appropriate to each category.
 - 6.3. Mandatory requirement definitions – outlines the requirements such as news publication, public meeting, website notice, for each category.
7. The City of Adelaide has prepared its submission based on the sections listed above and will provide this as an attachment to a letter to the Minister for Local Government (**Attachment A**). Below is a summary of the feedback provided in the submission.
 - 7.1. Principles – the City of Adelaide is generally supportive of the principles proposed however further clarification is required on how the new Charter interacts with the *Local Government Act 1999* (SA) and individual councils' current public participation policies.
 - 7.2. Categories – the proposed categories provide a useful framework however further refinements are recommended to provide better structure and clarity.
 - 7.3. Mandatory requirements – the City of Adelaide proposes further revisions to the mandatory requirements and notes that the approaches outlined continues to prioritise 'traditional' engagement methods over more contemporary approaches.

Next steps

8. Pending Council's endorsement, the City of Adelaide's submission on the new Community Engagement Charter will be finalised and submitted to the Office of Local Government by the agreed timeframe of 27 June 2025 so it meets the consultation deadline of Sunday 29 June 2025.
9. Administration is also progressing a broader piece of work on reviewing community engagement at the City of Adelaide, including revising the City of Adelaide's current Community Consultation Policy and Guidelines.
10. This work will build on previous feedback from Council Members on City of Adelaide community engagement practices, align with the final Community Engagement Charter from the State Government and further leverage the success of the 'Our Adelaide' brand. It also delivers on the measure of success, 'review the Community Engagement approach by 2025' under the 'Our Corporation' aspiration in the City of Adelaide Strategic Plan 2024-2028.
11. Council input will be sought once the details of the project have been articulated.

DATA AND SUPPORTING INFORMATION

Link 1 - [Community Consultation Policy](#)

Link 2 - [Draft submission to the Local Government Participation Elections Review](#)

Link 3 - [Local Government Participation and Participation Election Review Workshop](#)

Link 4 - [Local Government Participation Elections Review Submission](#)

Link 5 - [Office of Local Government new Community Engagement Charter](#)

ATTACHMENTS

Attachment A – City of Adelaide submission to the new Local Government Community Engagement Charter

- END OF REPORT -

Hon Joe Szakacs MP
Minister for Local Government
Office of Local Government
Department of Infrastructure and Transport
GPO Box 1475
Adelaide SA 5001

12 June 2025

By email: DHUD.OfficeofLocalGovernment@sa.gov.au

Dear Minister,

Submission on Community Engagement Charter

Thank you for the opportunity to contribute to the development of the Community Engagement Charter.

The City of Adelaide provided feedback on the Community Engagement Charter as part of the Local Government Participation and Elections Review and welcomes the opportunity to further contribute to its finalisation.

The Council endorsed its submission on the draft Community Engagement Charter at its City, Finance and Governance Committee meeting held on 17 June 2025 (Enclosure 1).

The City of Adelaide's submission is structured to address the key sections of the draft Charter, including the principles, categories and mandatory requirements. A summary of the submission is outlined below:

- **Principles** – The City of Adelaide supports the principles outlined in the Charter. However, further clarification is required on how the Charter interacts with the *Local Government Act 1999* (SA) and individual councils' Public Participation Policies.
- **Categories** – The City of Adelaide acknowledges that the proposed categories provide a useful framework however, recommends further refinements to improve structure and clarity.
- **Mandatory Requirements** – The City of Adelaide proposes further revisions to the mandatory requirements, noting that the current approach continues to prioritise traditional engagement methods over more contemporary and flexible practices.

The full submission from the City of Adelaide is enclosed. For further information, please contact Rebecca Hayes, Associate Director Governance and Strategy, via email at r.hayes@cityofadelaide.com.au or by telephone on +61882037882.

Yours sincerely

Dr Jane Lomax-Smith AM

Enc.

1 City of Adelaide submission to the draft Community Engagement Charter.

Enclosure 1. City of Adelaide submission to the draft Community Engagement Charter

Community Engagement Charter Section	City of Adelaide Administrative Comment	Recommendations and Opportunities
Principles	<p>The City of Adelaide supports the principles, particularly the emphasis on timely, meaningful, and accessible engagement. The inclusion of plain language and the requirement to explain how community input informs decisions is welcomed.</p> <p>However, the Charter could further strengthen these principles by recognising the importance of:</p> <ul style="list-style-type: none"> • Innovation in engagement approaches • Transparency around when consultation is not appropriate or required <p>It is unclear whether the Charter is intended to replace existing public consultation provisions under the Local Government Act 1999 (SA) and how the Charter and Act interact</p> <p>There is no reference to the role of individual councils' Public Consultation Policy in implementing the Charter.</p>	<p>Expand principles to explicitly encourage digital engagement and other innovative and inclusive methods.</p> <p>Introduce a principle clarifying when engagement is not appropriate (e.g. where decisions are governed by legislation or funding constraints), and where informing the community is sufficient.</p> <p>Confirm whether the Community Engagement Charter is intended to replace or update current provisions in the Local Government Act 1999 (SA).</p> <p>Reference the ongoing role of individual council's Public Consultation Policies.</p>
Categories	<p>The engagement categories Significant, Standard, Local, and Inform provide a useful structure for scaling engagement. However, separating the Annual Business Plan (ABP) and Rating Policy into a separate 'Significant' category adds unnecessary complexity.</p> <p>In addition, categorising 'Inform' as an engagement level is inconsistent with the intent and</p>	<p>Combine Annual Business Plan and Rating Policy with the broader Significant category.</p> <p>Remove the 'Inform' category as a standalone engagement level and instead integrate informing as a component of all engagement activities.</p> <p>Reorder the mandatory actions table by engagement level:</p> <ol style="list-style-type: none"> 1. Significant

	principles of community engagement, as informing is not engagement.	2. Standard 3. Local
Mandatory requirements definitions	<p>The current definition of 'community' as residents, ratepayers, businesses, children and young people, local communities, groups, and associations, does not adequately reflect the diversity of populations within a capital city context.</p> <p>It omits key cohorts who are significantly impacted by council decisions and who actively participate in city life, including city workers, students, and visitors.</p> <p>Without an inclusive and context-sensitive definition of 'community', there is a risk that engagement efforts may unintentionally exclude or overlook the needs and experiences of these groups.</p>	Align the definition with the engagement intent of the Charter, to be inclusive, equitable, and relevant across a wide range of community members and users of place.
Mandatory requirement	<p>While minimum engagement requirements are useful for consistency, several actions are overly prescriptive and are not reflective of contemporary engagement practice.</p> <p>The Charter prioritises traditional engagement techniques such as newspaper advertisements and public meetings, with limited emphasis on digital or interactive methods.</p> <p>The requirement to publish in a locally produced news outlet for Standard and Local engagements imposes significant costs and does not reflect current information access trends.</p> <p>Further, this method may limit the ability of certain groups in the community, such as young adults and culturally and linguistically diverse (CALD) groups, to access information.</p>	<p>News Publication:</p> <p>Remove 'news publication' as a mandatory requirement, or at a minimum, exclude it for local and standard.</p> <p>Allow councils to demonstrate how awareness has been achieved through more relevant methods (e.g. website, social media, signage).</p> <p>Public Meetings:</p> <p>Remove as a standalone mandatory requirement.</p> <p>Combine with the opportunity for submission makers to address Council meetings.</p> <p>Explain Decision-Making:</p> <p>Include this as a mandatory requirement across all categories.</p>

	<p>Additionally, public meetings and submissions may not be suitable for all projects and audiences.</p>	<p>Information to Whole Council Area:</p> <p>Reconsider the need for blanket notification</p> <p>Provide flexibility for councils to determine appropriate notification methods.</p>
Glossary	<p>Some terms used in the Community Engagement Charter require clarification.</p>	<p>Include a glossary defining: community engagement, consultation, news publication, public notice, significant amendments, significant impact, etc</p>

Independent Desktop Review - Business Plan and Budget

Strategic Alignment - Our Corporation

Public

Tuesday, 17 June 2025

City Finance and Governance Committee

Presenter:

Anthony Spartalis, Chief Operating Officer

PURPOSE OF PRESENTATION

On the 27 May 2025 Council resolved:

'THAT COUNCIL:

Noting that the Draft 2025/26 Business Plan and Budget which proposes:

- *an Operating Surplus of \$8.541m*
- *a Capital Works Program of \$107.116m*
- *an Asset Renewal Funding Ratio of 93.5%*
- *a Net Financial Liabilities Ratio of 34%*

seeks an independent desktop review of claims made that the City of Adelaide faces a financial crisis, a budget shortfall of \$97.1 million, long term underfunding of Asset Management Plans and the need for rate revenue to rise by 27.8%.'

In response, Administration engaged Ms Michele Bennetts, Managing Director at LGiQ to undertake an independent desktop review of the claims made.

To support Ms Bennetts' review to be undertaken in a timely manner, Administration provided:

- A copy of the Motion without Notice as printed in the minutes of the meeting of Council of the 27 May 2025.
- A copy of the documentation that Administration provided to ESCOSA through its review.
- Links to the distributed newsletter in which said claims were made.
- Links to the City of Adelaide public website where the minutes of the Audit and Risk Committee are contained.

Ms Bennetts has completed her independent review and will provide Council a verbal presentation of her report, as attached to the Agenda Item 7.2 for the 17 June 2025 meeting of the City Finance and Governance Committee.

- END OF REPORT -

JUNE 2025

Independent Desktop Review City of Adelaide

1. EXECUTIVE SUMMARY

An independent desktop review was conducted to assess claims that the City of Adelaide (CoA) faces a financial crisis, a \$97.1 million budget shortfall, long-term underfunding of assets, and the need for a 27.8% rate increase. The review was based on Council documents, financial plans, asset management plans, and staff input.

Budget Shortfall

Funding assumptions for two major capital projects: Adelaide Bridge and Torrens Weir include \$41.7 million in external funding which currently remains unsecured. These are currently treated as holding positions in the Long-Term Financial Plan (LTFP), not as an immediate budget shortfall. Council has also chosen to change the renewal of the Rundle UPark from the cost of a full replacement of \$60 million to an extension of the assets useful life costing \$15 million.

Asset Management Funding

Historically, CoA underfunded renewals, with an Asset Renewal Funding Ratio (ARFR) averaging 75.8% over 10 years. Revised Asset Management Plans now forecast higher renewal needs, and the current LTFP projects ARFR gradually increasing to 100% by 2031/32. Renewal programs are actively managed based on asset condition and risk.

Rate Revenue

The adopted 2025/26 Draft Business Plan includes a general rate revenue increase of 6.9%, aligning with financial plan projections. Claims of a required 27.8% increase are not substantiated by current budgets or financial policy, which remain focused on maintaining intergenerational equity.

Financial Crisis Status

CoA is not in a financial crisis. Key financial indicators remain within target ranges, and debt levels are considered prudent and sustainable. However, ongoing financial risks relating to project cost estimates, grant reliance, and debt exposure require continued monitoring and risk management.

2. BACKGROUND

This report provides the outcomes of the independent review of relevant documents to fulfill the requirements of a Council decision passed by the City of Adelaide Council (CoA) at its meeting held on 27 May 2026

Noting that the Draft 2025/26 Business Plan and Budget which proposes:

- *an Operating Surplus of \$8.541m*
- *a Capital Works Program of \$107.116m*
- *an Asset Renewal Funding Ratio of 93.5%*
- *a Net Financial Liabilities Ratio of 34%*

seeks an independent desktop review of claims made that the City of Adelaide faces a financial crisis, a budget shortfall of \$97.1 million, long-term underfunding of Asset Management Plans, and the need for rate revenue to rise by 27.8%.

The report addresses each of the following claims, namely that the City of Adelaide allegedly faces

- 1) a financial crisis;
- 2) a budget shortfall of \$97.1 million;
- 3) long-term underfunding of Asset Management Plans; and
- 4) the need for rate revenue to rise by 27.8%.

To undertake the review, the following documents were examined.

- Council minutes and agendas
- Draft 2025/26 Business Plan and Budget
- 2024/25 Business Plan and Budget
- Audit and Risk Committee minutes and agendas
- Essential Services Commission of South Australia (ESCOSA) report including Council submitted data returns
- CoA Long Term Financial Plan (LTFP)
- CoA Asset Management Plans (AMP)
- Councillor websites
- Discussions with staff

The review was conducted by Michele Bennetts (CPA). Michele is the managing director of LGiQ Pty Ltd, an accounting firm specialising in providing financial management support to local governments in South Australia, the Northern Territory, and Tasmania. Michele has over 35 years of experience in local government, including senior management positions in councils, the Local Government Association of South Australia, and more recently, in consulting. Currently, she serves as the chair of the Audit and Risk committees for the District Council of Mount Barker, the City of

Walkerville, and the District Council of Ceduna. She is also a member of the Audit and Risk Committees for the Victor Harbor City Council and Wakefield Regional Council.

3. DOES THE CITY OF ADELAIDE COUNCIL FACE A BUDGET SHORTFALL OF \$97.1 MILLION

Councillor Henry Davis, in his letter to ratepayers¹ purports that three capital renewal projects—the Torrens Weir, Adelaide Bridge and Rundle UPark are unfunded to the value of \$97.1 million.

The CoA in its LTFP, adopted in October 2024, listed each of these projects under the section “Significant Renewals”²

Significant Renewals \$'000s	Financial Year	Un-indexed	Indexed	External Funding
Adelaide Bridge	2027/28 - 2028/29	60,000	65,550	(15,000)
Torrens Weir Structure	2028/29 - 2029/30	40,000	44,700	(26,666)
Rundle UPark	2029/30 - 2030/31	15,000	17,138	-

The information in the Councillor’s letter does not provide adequate detail to determine the components of the \$97.1 million.

The total of unsecured external funding of \$41.6 million and the reduction of internal funding for the Rundle UPark of \$45 million from \$60.0 million to \$15.0 million equals \$86.6 million. These items are explained in the section below.

3.1. Inclusion of unsecured external funding in the LTFP

At the time of adoption of the Long-Term Financial Plan (LTFP), external funding for the renewal of the Adelaide Bridge and Torrens Weir, with a combined estimated cost of \$41.7 million, remained unsecured. Accordingly, financial projections for both projects were presented as *holding positions*³ within the plan.

Subsequent clarification provided by staff confirmed that the holding position for the Adelaide Bridge reflected the ongoing pursuit of funding through continued advocacy with other tiers of government. In respect of the Torrens Weir, the holding position recognised that the technical scope of the proposed renewal had yet to be fully defined, with several upgrade options under assessment. Each option carries varying financial

¹ Henry Lloyd Davis, Budget 2025_City Budget Briefing_What the Numbers Really Say.pdf, <https://www.henryldavis.com/post/what-you-need-to-know-about-the-25-26-budget>, accessed 8 June 2025

² City of Adelaide, Long Term Financial Plan 2024-25 to 2033-2034, <https://ouradelaide.sa.gov.au/draft-long-term-financial-plan>, accessed 8 June 2025

³ City of Adelaide, Long Term Financial Plan 2024-25 to 2033-2034, <https://ouradelaide.sa.gov.au/draft-long-term-financial-plan>, accessed 8 June 2025, P.14

implications, including the potential requirement for differing levels of additional borrowings.

Should Council not secure the required external funding, there would be a funding gap of \$41.6 million in the delivery of its LTFP (long-term planning), for which it would be required to find other asset management options or other funding options (including, but not limited to, debt or the sale of assets).

3.2. Non-inclusion of AMP renewal expenditure in the LTFP

The CoA Building AMP reports a non-indexed cost of \$60 million to replace the Rundle UPark building, however, stating that council will carry out a strategic review to “determine whether Council retains the asset, redevelop the asset or dispose/sell the asset”.⁴ The LTFP provides for a renewal cost of \$15 million to extend its useful life on the basis that “A structural condition audit will determine risks, timing and associated costs with extending the useful life of the building”⁵.

The Local Government Act 1999 (LG Act) specifies that

*The financial projections in a long-term financial plan adopted by a council must be consistent with those in the infrastructure and asset management plan adopted by the council.*⁶

Many councils take the approach that the AMP details the best prediction of when assets should be replaced. The LTFP is then prepared, using those predictions and then altered based on the council’s financial ability to fund it. However, as per the LG Act, both documents should contain the same financial projections. This is based on the principle that any changes, including which assets are renewed, how they are renewed, and when they are renewed, constitute a change in the council's management of those assets and need to be reflected in its AMPs.

While this could be viewed as a procedural concern only due to the timing of updating AMPs, CoA is currently not fully compliant with the LG Act. To ensure the alignment of LTFP and AMPs (per requirements of the LG Act), the Building AMP should be updated to reflect the assumptions of the LTFP

⁴ City of Adelaide, Buildings Asset Management Plan, <https://d31atr86jnqrq2.cloudfront.net/docs/plan-asset-management-building.pdf>, accessed 8 June 2025, P.37

⁵ City of Adelaide, Long Term Financial Plan 2024-25 to 2033-2034, <https://ouradelaide.sa.gov.au/draft-long-term-financial-plan>, accessed 8 June 2025, P.14

⁶ Local Government Act 1999, Section 122 (1b), https://www.legislation.sa.gov.au/_legislation/lz/c/a/local%20government%20act%201999/current/1999.62.auth.pdf

As Council has decided to extend the useful life of the asset rather than replace (or there is a higher probability that it will do so than not), that decision should be reflected within its Building AMP.

4. DOES THE CITY OF ADELAIDE COUNCIL FACE A LONG-TERM UNDERFUNDING OF ASSET MANAGEMENT PLANS

For the period 2013/14 to 2022/23, the CoA underfunded the renewal and replacement of its infrastructure assets, with an average Asset Renewal Funding Ratio (ARFR) of 75.8%. This equates to over \$100 million over the ten-year period. As highlighted by ESCOSA

...the underspend on asset renewals relative to its Asset Management Plans was created during a period in which construction costs were generally lower, and logistics were generally easier, than is now the case. As a result, the impact of the underspend is having to be addressed at a time of general construction cost escalation, with longer lead times, and in circumstances where the Council is also needing to undertake three significant asset renewal projects: the Adelaide Bridge (on King William Road near the Festival Centre), the Torrens Weir and the Rundle Street carpark.⁷

To address this issue, the Council has since updated its AMPs, adopting six (6) new plans covering Transport, Buildings, Parklands and Open Space, Lighting and Electrical Infrastructure, Water Infrastructure and Urban Elements. The outcome from these plans requires an average annual increase of \$14.9 million compared to the previous AMPs.⁸

Council's previous LTFP for the period 2023/24 to 2032/2033 planned to transition from an ARFR of 90% to 100% in four (4) years based upon the spending required in the previous AMPs.

The current adopted LTFP for the period 2024/25 to 2033/34 has adjusted this plan, transitioning from 92.5% to 100% over eight (8) years based upon the increased spending as outlined in the current AMPs. The result is an average ARFR of 97.85% over the life of the plan, reaching 100% in the 2031/32 financial year.

In total approximately \$27 million will not be funded as detailed within the AMPs over the life of the LTFP.

⁷ ESCOSA Local Government Advice The Corporation of the City of Adelaide, February 2025, <https://www.escosa.sa.gov.au/ArticleDocuments/21863/20250228-LocalGovernmentAdvice2024-25-CityOfAdelaide.pdf.aspx?Embed=Y>, accessed 9 June 2025, P.2

⁸ City of Adelaide, Long Term Financial Plan 2024-25 to 2033-2034, <https://ouradelaide.sa.gov.au/draft-long-term-financial-plan>, accessed 8 June 2025, P.8

Staff provided comment regarding this and stated that to mitigate any adverse impacts from this, Council is managing the renewal program on an annual basis, prioritising assets based on risk. This approach ensures assets that require renewal are renewed whilst ‘sweating’ others that can be deferred (e.g. condition assessment suggests this asset can be deferred) without significant community or deferred financial impacts. This has been communicated to Councillors within workshops.

As recommended in Section 2 of this report, the Council should reflect the adjusted asset management within the AMPs, in particular addressing any backlog that may arise.

5. DOES THE CITY OF ADELAIDE COUNCIL FACE THE NEED FOR RATE REVENUE TO RISE BY 27.8%

The CoA Draft Annual Business Plan 2025/26 incorporates a general rate revenue increase of 6.9%, which results in an average rate increase of 5.5%⁹. This increase is based on the following components.

General Rate Revenue Component	%
CPI	3.0
To fund Asset Renewal Repair Fund	2.2
To fund Asset Renewal Funding Ratio	0.4
Rate Revenue Increase (Existing Properties)	5.6
Growth (new assessments)	1.3
General Rate Revenue Increase	6.9

Over the period of the Council LTFP, the following rate increases have been included.

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
CPI	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
To fund Asset Renewal Repair Fund	2.2%	2.0%	2.0%	2.0%	-	-	-	-	-
To fund Asset Renewal Funding Ratio	0.4%	0.5%	0.5%	0.4%	0.4%	0.4%	0.6%	-	-
Rate Revenue Increase (Existing Properties)	5.6%	5.0%	5.0%	4.9%	2.9%	2.9%	3.1%	2.5%	2.5%
Growth (new assessments)	1.3%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
General Rate Revenue Increase	6.9%	6.0%	6.0%	5.9%	3.9%	3.9%	4.1%	3.5%	3.5%

⁹ City of Adelaide Draft 2025/26 Business Plan and Budget, https://hdp-au-prod-app-adl-ouradelaide-files.s3.ap-southeast-2.amazonaws.com/7317/4675/6837/Draft2025-26BPB_FINALFORWEBcompressed.pdf, accessed 8 June 2025, P.72

A council should set its rate revenue at an amount that achieves a small operating surplus over the long term. This, of course, follows a robust budgeting process that should include setting affordable service levels, estimating cost increases, finding efficiency savings and generating non-rate income.

The Local Government Association of SA recommends a target Operating Surplus Ratio of between 0% and 10%¹⁰. This ensures intergenerational equity by the current generation of ratepayers and consumers paying for the services they benefit from. In CoA's situation, however, the additional imposition on ratepayers to fund the Asset Renewal Repair Fund and improve the Asset Renewal Funding Ratio moves away from intergenerational equity by charging them for service levels received by previous ratepayers. Unfortunately, councils across South Australia are having to implement such budget repair mechanisms due to previous councils' unwillingness to address budget issues, as well as inadequate cash accounting practices prior to the introduction of accrual accounting in local government.

Applying these rate increases, the CoA will achieve the following underlying surpluses, which are adjusted for capital revenues received for asset replacement.

'000	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Surplus/ (Deficit)	9,367	6,070	13,181	23,450	36,573	29,318	13,793	15,291	14,681	15,277
Less: Operating Capital Revenues	-	-	-	7,500	20,833	13,333	-	-	-	-
Underlying Surplus/ (Deficit)	9,367	6,070	13,181	15,950	15,740	15,985	13,793	15,291	14,681	15,277
Underlying Surplus/(Deficit) Ratio	4.00%	2.5%	5.0%	5.8%	5.6%	5.5%	4.6%	5.0%	4.7%	4.7%

Councillor Henry Davis details in his letter to ratepayers that the current budget spending requires a rate increase of 27.8% on the basis that the following is required.

- *\$8.6 million (4.91%) to cover the renewals shortfall (capital asset maintenance)*
- *\$4.0 million (2.28%) to plug the operating deficit*
- *\$16.2 million (9.26%) to begin paying down debt with an assumption of 0 debt in 2033-34*
- *Rate revenue increase of 6.9% this year.¹¹*

The report addresses each of these items in the section below.

¹⁰ lga. south Australia, Financial Indicators – Financial Sustainability Information paper (FSIP) No.9, November 2024, https://www.lga.sa.gov.au/_data/assets/pdf_file/0028/472438/09-Financial-Indicators.pdf, viewed 10 June 2025, P.8

¹¹ Henry Lloyd Davis, Budget 2025_City Budget Briefing_What the Numbers Really Say.pdf, <https://www.henryldavis.com/post/what-you-need-to-know-about-the-25-26-budget>, accessed 8 June 2025

5.1. \$8.6 million (4.91%) to cover the renewals shortfall (capital asset maintenance)

It is unclear as to how this figure was determined. Section 2.2 addresses issues regarding changes to renewals in the LTFP compared to AMPs.

5.2. \$4.0 million (2.28%) to plug the operating deficit

The draft 25/26 Business Plan and Budget does not contain an operating **deficit**, achieving instead an operating **surplus** of \$8.5 million ¹².

5.3. \$16.2 million (9.26%) to begin paying down debt with an assumption of 0 debt in 2033-34

Given that the debt raised in the CoA's LTFP is intended to fund long-term infrastructure assets, the Council should not apply a rate increase to pay down debt in a materially shorter timeframe than the assets' useful life.

The use of debt provides a tool to create intergenerational equity. By charging ratepayers an amount that recovers depreciation (the utilisation of an asset's service potential) and finance charges, it spreads the cost of the asset over its total useful life. The cash raised through depreciation is then used to pay down debt. Any early repayment of debt, such as through an increase in rate revenue, moves away from intergenerational equity, requiring ratepayers to pay for their current services as well as future generations.

This principle can be applied to renewals and new assets. It is noted, however, that the CoA has adopted a strategy of funding renewals from operating revenue.

5.4. Rate revenue increase of 6.9% this year.

This is consistent with the rate increase and expected growth component from new development detailed within the Council's LTFP and Draft 2025/26 Business Plan and Budget.

6. DOES THE CITY OF ADELAIDE COUNCIL FACE A FINANCIAL CRISIS

The assumptions for the CoA LTFP 2024/25 to 2033/34 regarding the Council's financial situation result in the following financial indicator outcomes.

¹² City of Adelaide Draft 2025/26 Business Plan and Budget, https://hdp-au-prod-app-adl-ouradelaide-files.s3.ap-southeast-2.amazonaws.com/7317/4675/6837/Draft2025-26BPB_FINALFORWEBcompressed.pdf, accessed 8 June 2025, P.77

Financial Indicator	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Operating Surplus Ratio	4.0%	2.5%	5.0%	8.3%	12.1%	9.7%	4.6%	5.0%	4.7%	4.7%
Underlying Surplus Ratio	4.00%	2.5%	5.0%	5.8%	5.6%	5.51%	4.6%	5.0%	4.7%	4.7%
Net Financial Liabilities Ratio	21%	48%	51%	61%	68%	74%	80%	79%	80%	80%
Asset Renewal Funding Ratio	93%	94%	95%	96%	97%	98%	99%	100%	100%	100%

All financial indicators sit within the recommended targets prescribed by the LGA in its Financial Indicators – Financial Sustainability Information paper.¹³

The CoA has an additional range of indicators, including the Prudential Limits (Borrowings) ratio. This ratio calculates borrowings as a percentage of 50% of total saleable property assets. The Council's endorsed target for this ratio is <100%. The table below details the amount by which the Council achieve this target ratio.

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Borrowing as a % of the prudential borrowing limit	34%	58%	60%	77%	92%	98%	101%	99%	100%	100%

The current adopted LTFP proposes that the Council will incur borrowings slightly over the target range in 2030/31. It is noted, however, that the Council could fall further out of this target if grant funding for major renewal works is not received or replacement costs escalate once the Council has updated its valuations, including asset condition assessments.

Staff provided commentary regarding this matter, stating that there is currently unidentified and uncommitted new capital spend which could be used to manage debt levels within prudential limits if required.

Councils, as managers of high-value, long-lived infrastructure assets, typically have the ability to assume levels of debt higher than individuals or businesses even though historically they have not chosen to do so. For example, if an individual on an annual salary of \$300,000 had a net financial liabilities ratio of 80%, it would equate to a loan of \$240,000. Compared to most individuals, this would be viewed as a low level of debt. Councils also have a steady, guaranteed revenue through the collection of rate revenue, which individuals and businesses often do not have.

While the set of CoA financial ratios indicates it is not in a financial crisis, several risks could adversely affect these results, which were highlighted by ESCOSA, resulting in a

¹³ lga. south Australia, Financial Indicators – Financial Sustainability Information paper (FSIP) No.9, November 2024, https://www.lga.sa.gov.au/__data/assets/pdf_file/0028/472438/09-Financial-Indicators.pdf, viewed 10 June 2025.

“potentially unsustainable” rating for projected financial performance¹⁴—and have been detailed by the CoA within its various financial plans.

The three main risks the Council’s financial strategy faces are:

- 1. Low to medium confidence levels in the cost estimates for critical capital projects.*
- 2. Reliance on unsecured grant financing.*
- 3. Increasing exposure to interest rate and financial structure risk, as debt levels increase.¹⁵*

To ensure CoA remains financially sustainable into the future, the Council must have adequate strategies to mitigate these risks.

A review of the CoA draft Strategic Risk Register dated February 2025¹⁶, as provided to the Council's Audit and Risk Committee, does include as its first risk “Financial Sustainability - Council financial settings are not sustainable in the long term”, highlighting that risks are being managed. This includes the following treatments:

- Determine future funding requirements for community assets such as Torrens Weir enhancement and replacement/strengthening of Adelaide Bridge
- Effective Procurement processes in awarding contracts and ensuring sufficient specifications documents are prepared prior to going out to the market.

These treatments address Risk 1; however, items 2 and 3 are not explicitly addressed. CoA should consider including all three (3) specific risks highlighted by ESCOSA and the strategies to mitigate them. Regular updates on the progress of these treatments should be provided to the Audit and Risk Committee and Council to ensure they are acted upon promptly.

¹⁴ ESCOSA Local Government Advice The Corporation of the City of Adelaide, February 2025, <https://www.escosa.sa.gov.au/ArticleDocuments/21863/20250228-LocalGovernmentAdvice2024-25-CityOfAdelaide.pdf.aspx?Embed=Y> , accessed 9 June 2025.

¹⁵ ESCOSA Local Government Advice The Corporation of the City of Adelaide, February 2025, <https://www.escosa.sa.gov.au/ArticleDocuments/21863/20250228-LocalGovernmentAdvice2024-25-CityOfAdelaide.pdf.aspx?Embed=Y> , accessed 9 June 2025, P.2

¹⁶ City of Adelaide Draft Strategic Risk Register, 20 February 2025

Rating Policy Review

Strategic Alignment - Our Corporation

Public

Tuesday, 17 June 2025

**City Finance and Governance
Committee**

Program Contact:

Nicole van Berkel, Acting
Associate Director Finance &
Procurement

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

This report seeks Council adoption of an updated Rating Policy (the Policy), which outlines the framework to rate properties within City of Adelaide boundaries.

Council adopted the current Policy in June 2024 as part of the 2024/25 Business Plan and Budget. The current Policy is shown in [Link 1](#).

In line with Chapter 10 of the Local Government Act 1999 (SA) (the Act), Council has responsibility for establishing policies that support rates and charges on land, including assessment of rateability, the basis of rating, establishing the characteristics of rates and charges, valuations of land, provision of rebates and mechanisms regarding collection. It is important, in order to facilitate ongoing improvements in the rating system, that the correct policy structure is applied to ensure Council clearly outlines its approach to rating.

At the 29 April 2025 Special Council Meeting, Council approved a draft 2025/26 Business Plan and Budget for the purposes of community consultation. This included a new proposed \$600 minimum rate, based on a rating review recommendation presented in that meeting. It is also now incorporated in the draft 2025/26 Rating Policy.

This report proposes changes to the current Policy:

- Introduction of a \$600 minimum rate
- Rating property developments in line with the residential or non-residential land use reflected in the approved development application

Other minor amendments have been recommended to wording and dates.

The proposed Policy is at Attachment A, and a tracked-change version is shown in [Link 2](#).

RECOMMENDATION

The following recommendation will be presented to Council on 24 June 2025 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL
THAT COUNCIL

1. Notes changes to the Rating Policy, including introduction of a minimum rate of \$600, and rating of property developments in line with the land use reflected in their approved development application.
2. Notes the table summarising changes made to the Rating Policy as contained in Attachment B to Item 7.3 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.
3. Adopts the updated Rating Policy as per Attachment A to Item 7.3 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.
4. Authorises the Chief Executive Officer (or delegate) to make minor, typographical, syntactical and technical updates to the Rating Policy as contained in Attachment A to Item 7.3 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025 to finalise this document.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Council's ability to raise rates, provide rebates, and employ a respectful debt collection process together enable the delivery of its services to the community and delivery of its Strategic Plan
Policy	This report proposes both minor and major amendments of the Rating Policy.
Consultation	The Rating Policy under Section 151 of the <i>Local Government Act 1999</i> (SA) requires Council to consult on any significant changes to its Rating Policy. Community consultation for the proposed introduction of a minimum rate, and rating of residential property developments was conducted from 9am Tuesday 6 May 2025 and concluded at midnight on Tuesday 27 May 2025.
Resource	The Rating Policy defines how Council will generate rates revenue.
Risk / Legal / Legislative	Chapter 10, sections 151-170 of the Local Government Act 1999 (SA) (the Act) defines how councils raise rates, and considers items such as rateability, basis of rating, valuations of land, provision of rebates and mechanisms for collection. Section 132A of the Act requires Council to have appropriate policies, practices and procedures implemented and maintained in order- 1. to ensure compliance with any statutory requirements; and 2. to achieve and maintain standards of good public administration
Opportunities	Not as a result of this report.
24/25 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.
24/25 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. The Rating Policy (the Policy) is scheduled to be reviewed annually in line with the Business Plan and Budget. The current Policy was reviewed in June 2024 (current policy at [Link 1](#)).
2. The Policy sets out the Corporation's framework to rate properties within Council's boundaries.

Rates as a Taxation System

3. Under Chapter 10 of the Local Government Act 1999 (SA) (the Act), Council has the responsibility to ensure it has appropriate policies in place to support rating and charges on land.
4. For Council to establish clear policy intent, these legislative parameters define:
 - 4.1. Rateability: the Act determines the ability for Council to charge a rate and in some case specifically identifies areas of exemption. For example, Crown land, Universities and hospitals are all exempt from rating.
 - 4.2. Basis of rating: Council must set a rate based on land value or fixed charge.
 - 4.3. Characteristics of rates and charges: Council can set a general rate (differential where applicable), separate rates, or service charges.
 - 4.4. Valuations of land: Council must select a valuation methodology which represents the rating base.
 - 4.5. Provision of rebates: In addition to mandatory rebates, section 166 of the Act enables Council to set the parameters for discretionary rebates.
 - 4.6. Collection of rates and fees: the Act provides general principles regarding rates collection, leaving Council to determine its approach to collection.
5. Each element of the rating system requires diligence to ensure integrity in the system and alignment with policy intent.
6. As the rating base changes constantly, policies aim to be clear and able to manage the broader rating base and any changes.

Summary of Council discussions to date

7. The 2024-28 Strategic Plan commits Council to reviewing its rating system to optimise Council's efforts towards budget repair, through responsible and sustainable financial management, while balancing intergenerational equity and quality service delivery, and maintaining and enhancing community assets.
8. At a Special City Finance & Governance Meeting held on 22 April 2025, a rating review summary was presented, which identified seven focus areas:
 - 8.1. Minimum rate or fixed charge.
 - 8.2. The existing 10% rate increase cap
 - 8.3. The approach to discretionary rebates
 - 8.4. A separate rate to fund a Hindley Street tenancy mix manager
 - 8.5. Reviewing existing property exemptions and mandated rebates
 - 8.6. Rating incentives for council initiatives
 - 8.7. Rating commercial short stay accommodation properties
9. At a Special Council Meeting held on 29 April 2025, Council approved the draft 2025/26 Business Plan and Budget for the purposes of community consultation. This included a new proposed \$600 minimum rate, based on a rating review recommendation (and incorporated in the draft 2025/26 Rating Policy).
10. The Audit and Risk Committee (ARC) received the draft 2025/26 Business Plan and Budget document at its meeting held on 16 May 2025 and supported Council's proposal to introduce a minimum rate.
11. The outcomes of the public consultation were provided to Council at its meeting held on 10 June 2025 [Link 3](#).
12. The following section on a minimum rate has been included in the updated Policy as per **Attachment A**:

"Minimum Rate

Section 158 of the Act provides that councils may fix a minimum amount payable by way of rates (a minimum rate).

Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

Where a Council imposes a minimum rate, it must not apply to more than 35% of properties in the Council area.

Council imposes a minimum rate, as it considers it appropriate that all rateable properties make a base level contribution to the cost of:

- *Creating and maintaining the physical infrastructure that supports each property;*
- *Administering council functions; and*
- *Delivering council services*

The minimum rate been set at \$600.00”

13. The other notable change proposed in the updated Policy is in relation to residential property developments.
14. The current Policy rates all property developments as non-residential during construction (including residential developments). The Policy has been revised to rate property developments in line with the nature of the development application, being residential or non-residential, as follows:

“Where a Development Application (DA) has been approved for a residential or non-residential development, rating of the property during the construction phase (development site) will be applied based on the DA’s approved residential or non-residential status.

For example

- *A residential property that has been demolished and a new residential building is being constructed, the property will be rated as residential during the construction phase.*
- *A residential property, that has been demolished, and a commercial building is being constructed, the property will be rated as non-residential during the construction phase.*

The above construction phase will apply to all property developments and not just those on vacant land.”

15. In reviewing the Policy, other minor amendments have been recommended to wording and dates. Refer to [Link 2](#) for tracked changes of the Policy.

DATA AND SUPPORTING INFORMATION

Link 1 - [2024 Rating Policy](#)

Link 2 - [Revised Rating Policy with tracked changes](#)

Link 3 – [Outcomes of public consultation on the draft 2025/26 Business Plan and Budget](#)

ATTACHMENTS

Attachment A – Revised Rating Policy

Attachment B – Table of key changes and comments

- END OF REPORT -

RATING POLICY

June 2025

legislative

PURPOSE

The purpose of this policy is to outline Council's approach towards rating its community in line with the requirements of the *Local Government Act 1999* (SA) (the Act).

Section 123 of the Act requires Council to have a rating policy that must be prepared and adopted as part of the Business Plan and Budget each financial year in conjunction with the declaration of rates.

STATEMENT

Council's powers to raise rates are found in Chapter 10 of the Act which provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices.

This document includes reference to compulsory features of the rating system, as well as the policy choices that the Council has made on how it imposes and administers the collection of rates.

At all times, the rating policy should be fair and equitable, recognising that all ratepayers have access to core goods services and should contribute toward the costs of providing these services.

Principles of Taxation

Rates are not fees for services. They constitute a system of taxation on the community for Local Government purposes. This policy represents the Council's commitment to balancing the five main principles of taxation with the need to raise revenue for the purpose of providing the services the community requires.

Benefit received – ratepayers who receive more benefit (services provided, or resources consumed) should pay a higher share of tax,

Capacity to Pay – a ratepayer who has less capacity to pay should pay less, and ratepayers of similar means should pay similar amounts,

Administrative simplicity – minimal costs are involved in applying and collecting the tax and the tax is difficult to avoid,

Economic efficiency – whether or not the tax distorts economic behaviour,

Policy consistency – the tax should be internally consistent, and based on transparent, predictable rules that are easily understood and accepted by ratepayers,

In applying these principles, any decision with respect to rating should consider the financial effects of the decisions made today on the future generations of tomorrow.

For example, Council operating deficits imply that today's ratepayers are paying less than the cost of the services they are consuming, and this is inequitable to the ratepayers of the future.

The City of Adelaide acknowledges the Kaurna people as the Traditional Owners of the Country where the city of Adelaide is situated, and pays its respect to Elders past, present and emerging.

Valuation Methodology

Under Section 151 of the Act, Council may adopt one of two valuation methodologies to value the properties in its area:

- Capital value: the value of land, buildings, and other improvements
- Annual assessed value: the value of the rental potential of the property.

The Council has adopted the use of annual assessed value as the basis for valuing land. The main reasons for choosing annual assessed value are:

- The majority of residential and non-residential properties in the City are leased (i.e. are not owner occupied), therefore it is a suitable valuation measure considering the ability to pay according to the income earning potential of the property
- Annual assessed value is based on the predominant non-residential land use for the city, annual value has been used for many years and is understood by the majority of ratepayers
- The availability of a significant amount of annual market rental information makes the annual value method more efficient to administer
- This method is considered consistent with the equity, ability to pay, efficiency and simplicity principles of taxation.

As per Section 167 of the Act, Council engages a firm to undertake an annual valuation program to ensure that rating valuations are equitable. This is achieved by ensuring that the valuations are assessed on the basis of the most recent market evidence and are consistent across the Council area.

Exemptions

The City of Adelaide's practice is to identify and value all land in the council area. Once identified, each separate piece of land is assessed for rateability. Section 147 of the Act specifies those types of property which shall be exempt from council rates.

The City of Adelaide has the highest proportion of rate-exempt property of any Council in South Australia.

Properties can be identified as exempt from council rates in certain circumstances:

- Crown Land – public properties used or held by the Crown for a public purpose
- University Land – properties occupied by a University
- Recreation Grounds – properties satisfying the criteria set out in the *Recreation Grounds Rates and Taxes Exemption Act 1981*
- Council Land – public properties occupied or held by the Council
- Emergency Services – properties satisfying the criteria set out in the *Fire and Emergency Services Act 2005*
- Another Act – properties specifically exempted from council rates by virtue of another Act (either Commonwealth or State).

Council is mindful that wherever properties become exempt from paying council rates, or where a rebate is applied, those rates foregone must be contributed by the rest of the community.

The principles of equity dictate that Council remains diligent in only awarding exemptions where they are warranted.

It is Council's practice to adopt valuations for all exempt properties. Where exempt properties become rateable part of the way through the financial year, rates will be calculated and recovered.

Components of Rates

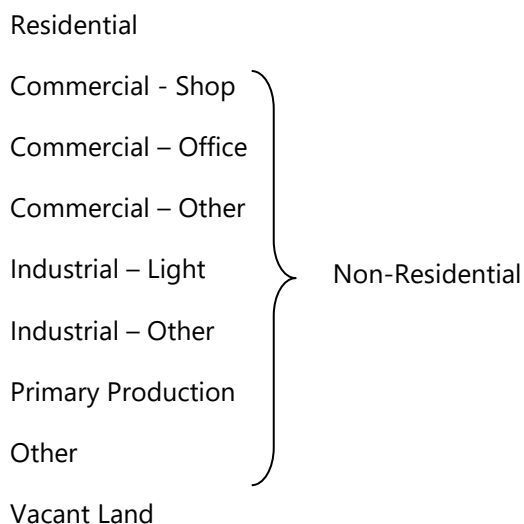
Differential Rating

The largest component of rates levied is calculated by reference to the value of property. Property values reflect, among other things, the relative availability of and access to Council services and relative capacity to pay.

The Act allows Council to 'differentiate' rates based on the use of the land, locality of the land, the use and locality of the land or on some other basis determined by Council. The Council has determined that differential rates will be applied to all rateable properties based on their predominant land use.

In formulating the rating structure, Council should consider issues of consistency and comparability across council areas in the imposition of rates on various sectors of the business and wider community.

Definitions of the use of the land are prescribed by regulation and are categorised as:



Council's current rating structure has been formulated so that there is effectively one rate in the dollar for all property falling within the defined land use classes residential, non-residential, and vacant land.

Vacant Land

A differential vacant land rate on all vacant land holdings will be declared to:

- Provide a disincentive to withholding land from development
- Discourage land banking

- Recognise the cost of surrounding infrastructure and services.

The differential rate on vacant land will be 200% of the declared residential rate (i.e. double).

The discretionary rebate powers available to Council under Section 166 of the Act will provide a rebate (rate relief) to the principal ratepayers of vacant land in certain circumstances.

There are a number of small parcels of vacant land on separate titles that form part of a rear garden, a side gate entrance or other small piece of adjacent land that may not be able to be developed in their own right. Where it is clear the land cannot be developed the rebate entitlements under Section 166 of the Act will be applied.

The effect of the rebate will be to reduce the differential rate to the applicable non-residential rate.

Property Developments

Where a Development Application (DA) has been approved for a residential or non-residential development, rating of the property during the construction phase (development site) will be applied based on the DA's approved residential or non-residential status.

For example

- A residential property that has been demolished and a new residential building is being constructed, the property will be rated as residential during the construction phase.
- A residential property, that has been demolished, and a commercial building is being constructed, the property will be rated as non-residential during the construction phase.

The above construction phase will apply to all property developments and not just those on vacant land.

Minimum Rate

Section 158 of the Act provides that councils may fix a minimum amount payable by way of rates (a minimum rate).

Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

Where a Council imposes a minimum rate, it must not apply to more than 35% of properties in the Council area.

Council imposes a minimum rate, as it considers it appropriate that all rateable properties make a base level contribution to the cost of:

- Creating and maintaining the physical infrastructure that supports each property;
- Administering council functions; and
- Delivering council services

The minimum rate been set at \$600.00.

Short-Term Accommodation (STA)

From 1 July 2024, residential properties meeting councils' criteria for short-term-accommodation will be considered as having a predominant commercial land use.

The council adopted criteria for being classified as short-term-accommodation is a property must be available:

- for more than 90 days in the preceding financial year, and
- on a non-hosted basis.

A property meeting the criteria will be assigned a property classification of COM-Other attracting the non-residential rate in the dollar.

As a non-residential property a Rundle Mall Separate Rate may be applied if the property is located within the Rundle Mall Levy area.

A property owner may submit an objection to Land Use within 60 days of receiving their first quarter rate notice. The objection application must include evidence supporting the property does not meet councils short-term-accommodation criteria.

Separate Rates

Under Section 154 of the Act, a Council may declare a separate rate on rateable land within a part of the area of the council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the land, or the occupiers of the land, within that part of the area, or to visitors to that part of the area.

Council has determined that the use and level of the separate rate provisions of the Act will be limited to the use of a separate rate for:

- Recovery of the funding requirements of the Green Adelaide Board
- Marketing and managing the Rundle Mall Levy Area.

Regional Landscape Levy Separate Rate

On 1 July 2020, the *Landscape South Australia Act 2019* came into effect replacing the former *Natural Resources Management Act 2004*. Natural Resource Management (NRM) levies have been replaced with regional landscape levies.

In the Adelaide region, the landscape levy will fund the work of the Green Adelaide Board (previously the Hills and Fleurieu Board) in leading the city towards a greener, more sustainable and climate resilient future through urban greening, water management and biodiverse urban habitat projects.

The regional landscape levy is paid by all ratepayers and is collected on behalf of the Green Adelaide Board by the Department of Environment and Water who will invoice Council quarterly for the respective share of the levy.

All Council contributions will be set out in the Green Adelaide Landscape Board business plans, with the Board having responsibility for notifying councils of their respective share each year.

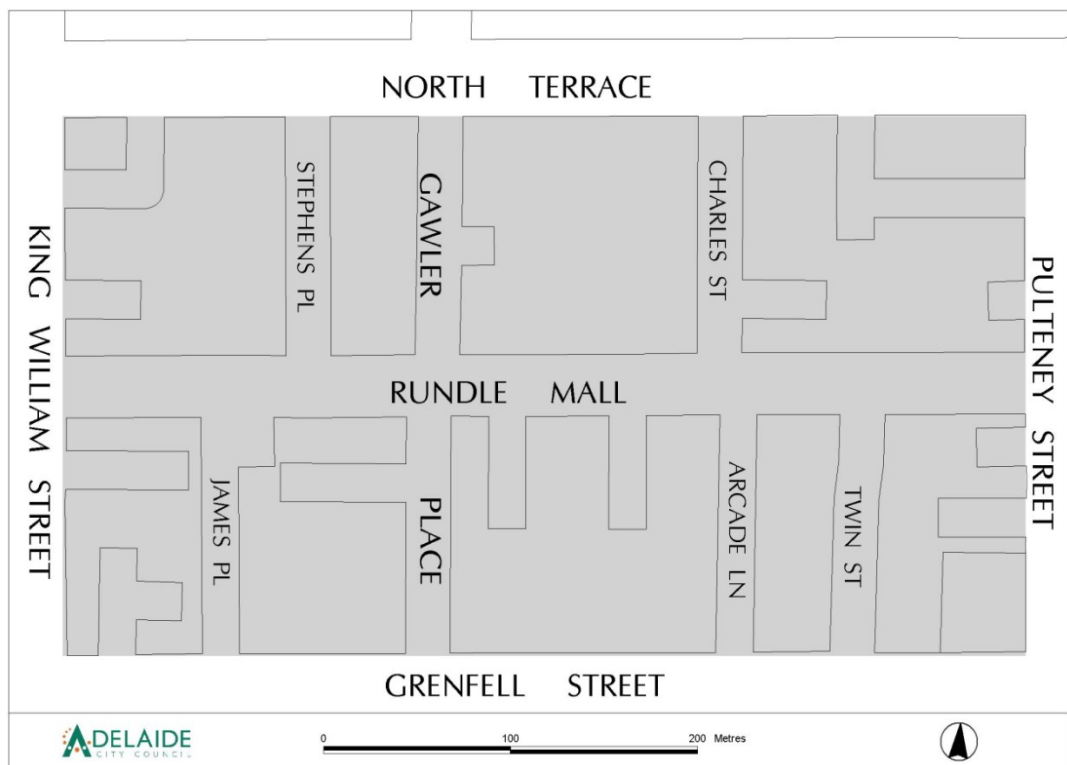
The contribution is recovered from ratepayers through a separate rate known as the regional landscape levy. The levy applies to all rateable land in the Council area and is fixed and calculated to raise exactly the same amount as the Council's share to be contributed.

Rundle Mall Differential Separate Rate

The Rundle Mall Differential Separate Rate is contributed by non-residential ratepayers within the defined Rundle Mall 'Levy Area' and is crucial to the success of the precinct and its increasing appeal to customers, visitors, tourists, shoppers, workers, city residents and students.

Customers and visitors demand high standards of activity and presentation in today's competitive marketplace. Organised activity and programs attract customers and directly benefit all staff and businesses located in the Rundle Mall 'Levy Area'. The long-term delivery of marketing and management for the Rundle Mall 'Levy Area' requires sustainable funding and staff resources to attract more visitors and to satisfy their needs.

The map below identifies the Rundle Mall Levy Area.



Rate Rebates

The Act provides for ratepayers to apply for a mandatory and/or discretionary rebate on council rates as follows:

Mandatory Rebates (Section 159 to 165)

A rebate of rates will be granted to ratepayers who satisfy the eligibility criteria for a mandatory rebate under Sections 159 to Section 165 of the Act.

A 100% rebate must be applied to land used for:

- Health services
- Religious purposes
- Public cemeteries
- The Royal Zoological Society.

A 75% rebate must be applied to land used for:

- Community services
- Educational purposes.

Where a "community services organisation" is eligible for the mandatory rebate, and Council has declared a distinct residential rate, then the residential rate must be applied to the land to which the rebate applies in accordance with Section 161(2) of the Act.

Where applications do not meet the eligibility criteria for a mandatory rebate, an applicant may apply for a rebate of rates under the discretionary rebate criteria.

Discretionary Rebates (Section 166)

An application for a discretionary rebate is reviewed on a case-by-case basis in accordance with Council's *Rate Rebate Policy*.

Applications for a rebate must be made in writing, explaining the need for financial assistance and include sufficient information and documentary evidence to support the request.

All assessment criteria will be applied fairly and equitably to each application on merit. All applications for a rebate are reviewed by a senior member of finance before being recommended for approval by Council.

Review of Rebates

Under Section 159(7) of the Act, if the grounds on which a rebate has been granted cease to exist, the person or body must inform Council and the entitlement to the rebate will cease.

However, internally, a review of all mandatory and discretionary rebates will be performed on a regular basis (at least biennially) to ensure that rebates continue to remain valid. This may require the relevant person or body to lodge another application form with relevant information and supporting evidence to confirm the continuation of eligibility.

Special Discretionary Rebate (Section 166(1)(l))

Council has determined that a rebate will be applied to all properties to cap any annual increase in the general rates payable at 10%, subject to specific criteria.

Application of this rebate recognises that in some instances, property owners have no control over increases in property valuations. Where a valuation increase is as a result of market forces, the rates levied as a result of that valuation increase should be capped at a level that minimises the impact to a reasonable level.

The rebate will not apply where the increase in rates payable is the result of an increase in valuation that recognises a capital improvement on the property (regardless of when the development was undertaken) or where there has been a change in land use, ownership or licence to occupy during the previous financial year, or the result of an increase in general rates payable through the introduction of a Minimum Rate.

A capital improvement includes any addition, alteration, or new development on the property.

As per the Act, a rebate may be granted for a period exceeding one year, but not exceeding three years. After three years the rebate will be removed and the rates payable will reset to levels that would ordinarily apply in the absence of the rebate.

Council applies the rebate automatically to all properties that are eligible.

Postponement of Rates

Under certain circumstances, ratepayers will be able to postpone the payment of their rates. The postponed amount is subject to a monthly interest charge, with the accrued interest forming debt payable on the disposal or sale of the property. The debt may be paid at an earlier time at the ratepayer's discretion.

Seniors' Postponements

In accordance with Section 182A of the Act, eligible Seniors Card holders can apply to postpone any part or all of their annual council rates in excess of \$500 on a long-term basis. The deferred amount is subject to a monthly interest charge, with the accrued interest forming debt payable on the disposal or sale of the property.

Postponement is similar to a reverse mortgage by relying on the equity in the property. A ratepayer who has a Seniors Card may apply for a postponement on the property they own if it is their principal place of residence and if no other person, other than their spouse has an interest as owner of the property and there is sufficient equity available.

All applications for postponement of rates must be in writing on the prescribed application form and with supporting documentation, to be considered.

Where an application for postponement under Section 182A is granted, a presumption of on-going annual postponement will be assumed.

Discretionary Postponements

Where an application from a ratepayer demonstrates that payment of rates in accordance with this policy would cause hardship, the Council may postpone the payment of rates in whole or in part for such a period as Council deems appropriate.

Postponement enables ratepayers to defer payment of rates until such time as the property is sold or their circumstances change.

The amount postponed can be up to 100% of the rates payable and applications will be assessed on a case by case basis and must satisfy the application criteria. Discretionary

postponements are only intended to provide temporary, flexible support to those experiencing hardship.

Financial Hardship

Applications for remission of rates based on financial hardship will be considered by Council on merit and on a case by case basis. An applicant who satisfies the eligibility criteria for hardship does not automatically become eligible for a remission of rates. If appropriate, and wherever possible, consideration will be given to flexible payment options such as weekly, fortnightly, or monthly contributions.

Ratepayers who are experiencing financial difficulties and are unable to make their rate payment by the last date are encouraged to contact Council's accounts receivable team at the earliest opportunity to discuss a revised instalment payment plan.

All discussions relating to payment difficulties are treated in the strictest confidence.

Rate Concessions - Pensioner

Ratepayers who hold a Pensioner Concession card and satisfy the eligibility criteria to receive a State Government funded Cost of Living Concession may upon application to council receive a rate rebate of \$100 for the financial year.

Objections

Ratepayers who wish to dispute the valuation or land use of their property may lodge an objection within sixty days after the date of service of the Notice of Valuation (Valuation and Rate Notice). The objection must be made to the council in writing setting out a full and detailed statement of the grounds on which the objection is based.

The Council may accept an objection lodged outside of the 60-day timeframe in limited circumstances. The following will be considered by the council valuers in deciding to accept a late objection:

- The likelihood that the objection will result in a material difference
- Time elapsed since the end of the 60-day timeframe
- If the objection lodged constitutes a valid reason for objection, and is not frivolous or vexatious.

Upon receipt of an objection, the Council's valuer may inspect the property and reconsider the valuation and/or land use. The ratepayer will then be notified of the valuer's determination. Should the ratepayer be dissatisfied with this decision they may request council to refer the valuation to the Valuer-General for further review by an independent valuer.

If an objector, or the council, is dissatisfied with the valuation after the further review, the objector or the council may, in accordance with the appropriate rules of court, appeal against the valuation to the South Australian Civil and Administrative Tribunal (SACAT).

It is important to note that the lodgement of an objection to the valuation does not change the last date for payment of quarterly instalments of council rates.

Payment of Rates

Rates are payable by quarterly instalments due on 1 September, 1 December, 1 March, and 1 June of each year.

The total outstanding balance may be paid in full at any time.

Payment Methods

Council has determined that rates may be paid by the following methods (as detailed on the back of the rate notice):

Non-electronic payment options:

- Australia Post outlets or by phone
- In person at Council offices, 25 Pirie Street, Adelaide
- By mail to City of Adelaide, GPO Box 2252, Adelaide, 5001

Pay on-line:

- Australian Post BillPay
- BPay/BPay View
- Credit cards (Mastercard & Visa) through Council's online payments system
- Debit Card
- Electronic Funds Transfer (EFT) (non-residential on request only)

Other

- Direct Debit – monthly, quarterly, and annual deductions

Late payment of rates

Council has determined that penalties for late payments will be imposed in accordance with the provisions of Section 181(8) of the Act.

Fines and interest for late payment are levied in accordance with the provisions of Section 181(8) and Section 181(17) of the Act.

If an instalment of rates is not paid on or before the date on which it falls due:

- the instalment will be regarded as being in arrears
- a fine of 2% of the amount of the instalment is payable
- on the expiration of each full month from that date, interest of the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine and including interest from any previous month) accrues.

Council may take legal action to recover any overdue amounts, fines, and interest.

If an amount payable by way of rates in respect of land has been in arrears for three or more years, Council may sell the land in accordance with Section 184 of the Act.

Contacting Council's Rates Administration Team

If you believe that Council has failed to properly apply this policy, you should contact the Council's Rates Administration team to discuss the matter.

For further information, queries, or to lodge an application for rate postponement, remission, etc. please contact the Council's Rates Administration team on:

Phone: 8203 7203

E-mail: Rates@cityofadelaide.com.au

Post: GPO BOX 2252 ADELAIDE SA 5001

In person at: 25 Pirie Street, Adelaide, SA

OTHER USEFUL DOCUMENTS

Related documents

- Rate Rebate Policy
- Separate Rate Policy

Relevant legislation

Local Government Act 1999 (SA)

GLOSSARY

Throughout this document, the below terms have been used and are defined as:

AAV – annual assessed value, the value of the rental potential of the property.

Act – refers to the *Local Government Act 1999 (SA)*.

CADR – cash advance debenture rate for that financial year.

Council - refers to the elected Council body.

Differential rate – is a rate that may be applied to a category of land that is different to the rate applied to other land categories.

Exemption – to free from an obligation or liability to which others are subject to.

General Rate – rate that applies to rateable land.

Minimum Rate – the minimum amount of general rates levied for a rateable property

Prescribed percentage (P) – is calculated as $P = \frac{\text{CADR} + 3\%}{12}$

Rebate – an amount paid by way of reduction, return or refund on what has already been paid or contributed.

Remission – the cancellation of a debt, charge, or penalty.

Separate Rate – an amount levied on ratepayers in addition to general rates used to fund specific activities.

ADMINISTRATIVE As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed as per legislative requirements or when there is no such provision a risk assessment approach is taken to guide the review timeframe.

This Policy document will be reviewed every year unless legislative or operational change occurs beforehand. The next review is required in 2026.

Review history:

Trim Reference	Authorising Body	Date/ Decision ID	Description of Edits
ACC2025/53501	Council	June 2025	Inclusion of a minimum rate and development sites being rated based on a development application's approved use.
	Council	June 2024	Introduce an increased rate for Short Stay Accommodation and re-introduce the Pensioner rebate
ACC2024/13873	Council	June 2023	No Changes
ACC2022/94292	Council	June 2022	No Changes
ACC2021/90051	Council	June 2021	Introduce an increased rate for long-term vacant land and remove the Pensioner and Self-funded Retiree rebate
ACC2020/193025	Council	August 2020	No Changes
ACC2019/136963	Council	June 2019	No Changes
ACC2015/116842	Council	June 2018	No Changes
ACC2015/116842	Council	June 2017	No Changes

Contact:

For further information contact the Finance & Procurement Program

City of Adelaide
 25 Pirie ST, Adelaide, SA
 GPO Box 2252 ADELAIDE SA 5001
 +61 8 8203 7203
customer@cityofadelaide.com.au

Rating Policy (2025) Table of Key Changes and Comments

No	Page	Item	Change/Comment
1		Global updates	Grammatical and language changes updated throughout the document to support full review
2	1	Statement	A small change to the wording of paragraph 3 to remove 'goods and' and add 'of providing these services'.
3	1	Principles of Taxation	A small change to the wording of paragraph 1 to remove 'goods and'.
4	2	Valuation Methodology	Removal of the site value valuation methodology as an option for council in line with legislation reform, and minor wording change to reflect only two options are available to adopt.
5	2	Valuation Methodology	A change in wording to reflect CoA's property valuers are now external contractors.
6	4	Vacant Land	Reordering of the Policy to include under Components of Rates
7	4	Vacant Land	Remove the definition of long-term vacant land
8	4	Vacant Land	Reflect the differential rate will be 200% i.e. double
9	4	Vacant Land	Rate property developments in line with the nature of the development application, being residential or non-residential
10	5	Minimum Rate	Introduction of a Minimum Rate
11	8	Discretionary Rebates (Section 166)	Correction to Rate Rebate policy and the approval of rebates recommended for approval by Council
12	8	Special Discretionary Rebate (Section 166(1)(l))	Reordering of the section and the inclusion of the rebate will not apply for the introduction of the Minimum Rate

13	10	Objections	Update to the court for objecting to the South Australian Civil and Administrative Tribunal (SACAT)
14	12	Glossary	Minimum Rate definition added

Treasury Policy, Future Fund & Investment Policy Review

Strategic Alignment - Our Corporation

Public

Tuesday, 17 June 2025

City Finance and Governance Committee

Program Contact:

Nicole Van Berkel, Acting Associate Director, Finance & Procurement

Approving Officer:

Anthony Spartalis, Chief Operating Officer

EXECUTIVE SUMMARY

The purpose of this report is to seek Council adoption of the updated Treasury Policy and updated Future Fund & Investment Policy (renamed Future Fund Reserve Policy).

This report was presented to the City Finance and Governance Committee on 18 March 2025, which recommended that Audit and Risk Committee feedback be sought on the updated Treasury Policy and updated Future Fund & Investment Policy prior to Council adoption. Feedback from Audit and Risk Committee was sought at the meeting held on 11 April 2025. The recommendations contained in this report were supported by the Audit and Risk Committee, and no further changes to either policy were requested.

Treasury Policy

The Treasury Policy (the Policy) ensures that Treasury activities are undertaken in accordance with legislative responsibilities under the *Local Government Act 1999* (SA) (the Act). Council adopted the current Policy in January 2022, and a scheduled review has been conducted. The current Policy is shown here [Link 1](#).

The review (including consideration of sections 123 and 134 of the Act) indicated no substantive amendments were needed beyond clarity edits. However, a more comprehensive revision is planned in the next 12 months. The proposed Treasury Policy with tracked changes is shown in [Link 2](#). The proposed revised Treasury Policy is shown in **Attachment A**.

Future Fund and Investment Policy

The Future Fund & Investment Policy (the FFI Policy) outlines the purpose of Council's Future Fund, the type of investments Council will undertake, and guides evaluation of investments. Council adopted the current Policy in January 2022, and a scheduled review has been conducted. The current Policy is shown here [Link 3](#).

The review recommends no substantive amendments but has clarified and simplified wording of the current policy and proposes changing the policy name to **Future Fund Reserve Policy** to better reflect its scope and nature.

The proposed Future Fund Reserve Policy with tracked changes is shown in [Link 4](#). The proposed revised Future Fund Reserve Policy is shown in **Attachment B**. A table of the key changes and comments for both Policies is included in **Attachment C**.

RECOMMENDATION

The following recommendation will be presented to Council on 24 June 2025 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL

1. Notes that the updated Treasury Policy as contained in Attachment A and Future Fund Reserve Policy as contained in Attachment B that were presented to the Audit and Risk Committee meeting held on 11 April 2025 for feedback.
2. Adopts the updated Treasury Policy as contained in Attachment A to Item 7.4 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.

3. Adopts the updated Future Fund Reserve Policy as contained in Attachment B to Item 7.4 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.
 4. Notes the table summarising changes made to the Treasury Policy and Future Fund Reserve Policy (formerly “Future Fund & Investment Policy”) as contained in Attachment C to Item 7.4 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.
 5. Authorises the Chief Executive Officer (or delegate) to make minor, typographical, syntactical and technical updates to the Treasury Policy as contained in Attachment A, and the Future Fund Reserve Policy (formerly “Future Fund & Investment Policy”) as contained in Attachment B to Item 7.4 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025 to finalise the document.
-

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 Treasury Policy. The review recommends no substantive amendments, but has clarified and simplified wording of the current policy, and proposes changing the policy name to Future Fund Reserve Policy to better reflect its scope.
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Section 132A of the <i>Local Government Act 1999</i> (SA) (the Act) requires Council to have appropriate policies, practices and procedures implemented and maintained in order- 1. to ensure compliance with any statutory requirements; and 2. to achieve and maintain standards of good public administration Section 123 of the Act authorises the entry into borrowings up to the amount specified in the annual business plan and budget. Section 134 of the Act defines the requirements around council borrowings and related financial arrangements.
Opportunities	Not as a result of this report
24/25 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
24/25 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. This report was presented to the City Finance and Governance Committee on 18 March 2025, which recommended that Audit and Risk Committee feedback be sought on the updated Treasury Policy and updated Future Fund & Investment Policy prior to Council adoption. Feedback from the Audit and Risk Committee was sought at the meeting held on 11 April 2025, at which thorough discussion on the two policies occurred.
2. The recommendations contained within this report were supported by the Audit and Risk Committee (ARC), and no further changes to either policy were requested. ARC requested that it be provided advice at a future ARC meeting, in relation to the time value for money implications of the current Future Fund Reserve Policy.

Treasury Policy

3. The Treasury Policy (the Policy) is scheduled to be reviewed every two years. The most recent review of the Treasury Policy was in 2022.
4. The Policy defines and regulates Council's borrowing and related financial arrangements, and how this is to be conducted, guided by section 123 and section 134 of the *Local Government Act 1999* (SA) (the Act).
5. The recent review (including consideration of relevant sections of the Act) indicated no substantive amendments were needed at this time beyond clarity edits. However, a more comprehensive revision will be completed in the next 12 months to consider reviewing and refining the following elements in the context of current and forecast economic, financial and budgetary circumstances:
 - 5.1. guidelines for managing the council's financial assets, liabilities, and cash flow to ensure optimal liquidity, minimise risk, and maximise financial returns;
 - 5.2. strategies for cash and debt management, borrowing, and investments (including criteria for selecting financial instruments and counterparties);
 - 5.3. roles and responsibilities of staff involved in treasury activity; and
 - 5.4. risk management procedures to mitigate interest rate, credit, and liquidity risks;
 - 5.5. compliance with legal and regulatory requirements;
 - 5.6. monitoring, reporting, and review processes to ensure transparency and accountability in treasury operations.
6. The updated Policy with tracked changes can be viewed at [Link 2](#).
7. The Policy will now be scheduled for review every four years in line with the term of Council.

Future Fund Reserve Policy (formerly Future Fund & Investment Policy)

8. The Future Fund & Investment Policy (the FFI Policy) is scheduled to be reviewed every two years. The most recent review of the Policy was in 2022.
9. The FFI Policy defines the operation of the Future Fund Reserve, types of investments Council may undertake in order to drive development of revenue streams, and guide evaluation of these investments.
10. The review recommends no substantive amendments but has clarified and simplified wording of the current policy, including the recognition of the Future Fund Reserve as an equity reserve, and proposes changing the policy name to Future Fund Reserve Policy to better reflect its scope.
11. The updated Future Fund Reserve Policy with tracked changes can be viewed at [Link 4](#), and without tracked changes at **Attachment B**.
12. The Policy will now be scheduled for review every four years in line with the term of Council.

Summary of changes made to the two policies

13. Changes made to the Treasury Policy and the Future Fund Reserve Policy are summarised in a table of key changes and comments (**Attachment C**).

DATA AND SUPPORTING INFORMATION

Link 1 - [Treasury Policy \(January 2022\)](#)

Link 2 – [Treasury Policy – Tracked changes](#)

Link 3 - [Future Fund and Investment Policy \(January 2022\)](#)

Link 4 – [Future Fund Reserve Policy \(formerly “Future Fund & Investment Policy”\) - Tracked changes](#)

ATTACHMENTS

Attachment A –Treasury Policy – Revised no tracked changes

Attachment B – Future Fund Reserve Policy – Revised no tracked changes

Attachment C – Summary table of changes

- END OF REPORT -

TREASURY POLICY

*June 2025**legislative*

PURPOSE

The objective of the Treasury Policy is to ensure that Treasury activities are in accordance with its legislative responsibilities under the *Local Government Act 1999* (SA) and common law responsibilities and to ensure the long-term financial sustainability of Council. Treasury activities will therefore be managed to ensure the clear, prudent, cost-effective and comprehensive management of Council's financial risks while reflecting the needs of stakeholders.

Operational risk, arising from the management of financial risk, is implicitly addressed through this Policy and includes appropriate segregation of duties, maintenance of accurate records, reconciliation of key accounts, and monitoring of financial risk management activities by senior management and Council.

The key financial risks this policy seek to address are:

- Liquidity Risk
- Borrowing Risk
- Cash Investment Risk
- Interest Rate Risk
- Foreign Currency Risk
- Credit Risk.

STATEMENT

To achieve the purpose, financial risks are managed centrally to ensure alignment with Council's Strategic objectives. This enables Council to optimise access to debt capital and ensure that Treasury operates within a controlled environment.

In assessing and addressing risk the following must be considered:

- Council's 'risk appetite'
- 'User pays' and inter-generational equity principles
- The ability to service debt
- Speculative transactions are not permitted

Application of this document

This document is approved by Council and no part of the document may be amended without Council approval.

The approved document includes the body of the document and any explanatory documents.

The policy is to be reviewed and approved by Council on a biennial basis.

The policy is applicable to the whole organisation including any wholly owned subsidiaries.

Type of Borrowings

Council's net borrowing requirements will be reviewed annually as part of the Business Plan and Budget development and update of the Long-Term Financial Plan.

Borrowings may be structured as a mixture of short and long-term, fixed and floating interest rates. Borrowings for revenue-generating investments should match the business case assumptions.

For administrative efficiency, surplus cash or short-term borrowings may be utilised during the construction phase of major projects, consistent with a holistic approach to cash management.

The level of overall borrowing that Council can sustain will consider the following:

- strategic planning for the future of the Council, covering short, medium and long-term spending and investment requirements
- current and estimated future revenues and the ability to increase the revenue stream through rates growth, user charges, additional grant funds or business activities
- that borrowings can be a critical component of the funding mix to enable Council to respond to immediate, unforeseen pressures, and to leverage future opportunities, including matching external grant funding for revenue generating assets, strategic infrastructure works, and non-revenue generating projects
- that the use of borrowings to fund capital expenditure can be effective in linking the payment for an asset to the successive ratepayer base who will benefit over the life of that asset. This user pays matching concept is known as inter-generational equity
- current and future funding needs for both operating and capital expenditures
- the 'risk appetite' of Council, as defined by Council's prudential limits
- that the achievement of a low level of debt or even debt free status should not be primary goals in and of themselves, rather that long-term financial strategies should aim for a financial structure where annual operational expenditure and asset renewals are met from annual funding sources such as rates, fees and charges or operating grants.

Prudential Limit

The maximum level of debt is prescribed by Council by way of prudential limits. While Council does not place a physical monetary limit on the level of borrowings, an upper limit is determined through its financial indicators. When borrowing, Council will consider these financial indicators.

Council will **not** borrow funds when such borrowing would result in any of the following financial ratios being exceeded:

Interest Expense Ratio:	Maximum: 10% of general rates revenue
Leverage Test Ratio:	Maximum: 1.5 years of general rates revenue
Asset Test Ratio:	Maximum: 50% of saleable assets

These ratios are to be included in the Business Plan and Budget document adopted by Council.

Repayment of Borrowings

The term of borrowings should match the need for funds. Short-term borrowings (less than one year) may be used to manage seasonal cash flow fluctuations.

Longer-term borrowings are to be managed holistically and should be paid down in line with Council's Long-term Financial Plan.

As a guide, the debt term for each type of borrowing should be as follows:

- Council's capital requirements assume repayment of principle and interest over 20 years, including major infrastructure projects and land banking,
- Commercial Investment will assume repayment of principle and interest as defined in the business case.

Liquidity Risk Management

Council's bank account balance is to be kept at a level no greater than is required to meet immediate working capital requirements. Any surplus funds are to be applied to reduce debt or invested to generate interest income.

Council's net borrowing requirements will be reviewed annually as part of the Business Plan and Budget development and update of the Long-Term Financial Plan and following the quarterly re-forecasting of Budgets.

Council will hold, as a minimum, enough borrowing facilities to meet projected net debt levels for the next twelve months.

Total long-term borrowing facilities should be within the prudential limits calculated at the time facilities are sought.

Borrowing Risk Management

To manage the risk associated with Borrowings:

- Council approval is required for all new loans, as per Section 44 (3)(c) of the *Local Government Act 1999* (SA)
- Council's budget will limit borrowings and other forms of financial accommodation for a financial year up to an amount specified in the budget, as per Section 123 (7a) of the *Local Government Act 1999* (SA)
- Loans are to be provided by institutions with long term Standard & Poor's (or equivalent) credit ratings of 'A' (Authorised Borrowing Institutions) or better
- All new loans are to be tendered to at least three Authorised Borrowing Institutions.

Cash Investment Risk Management

Funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings, will be invested.

Cash investments must not be speculative in nature.

Without further approval from Council, cash investments are limited to 'approved investments', including:

- Deposits with the Local Government Finance Authority
- Bank accepted / endorsed bank bills
- Bank negotiable Certificate of Deposits
- Authorised Deposit Taking Institutions interest bearing deposits
- State / Commonwealth Government Bonds.

Of the cash Investments above, the investment spread must meet the following limits:

- Up to 100% of investments with A-1 rated (Standard & Poor's, or equivalent) organisations
- Up to 25% of investments with A-2 rated (Standard & Poor's, or equivalent) organisations for periods of 90 days or less, and
- No more than \$20,000,000 invested with any individual rated organisation.

Subject to compliance with legislation, Treasury Policy objectives and parameters; and a competitive return, the City of Adelaide will preference investment securities and financial institutions which do not invest in the fossil fuel industry.

Interest Rate Risk Management

- Borrowings will be held and managed on a holistic basis
- Borrowings may be structured as a mix of short and long-term loans with fixed and floating interest rates
- Investments and borrowings will be actively managed to minimise net interest costs
- Investments and borrowings should have a variety of maturity dates in order to spread exposure to interest rate movements and manage cash flow requirements.

Foreign Currency Risk Management

Potential sources of Council's foreign currency exposure include:

- Purchases of goods and services in a foreign currency
- Purchases of capital equipment priced in foreign currency, or subject to price change due to relative movements in exchange rates.

Foreign currency hedges (in the form of forward exchange contracts) may be used to mitigate the risks of significant adverse currency movements but must not be speculative in nature.

Foreign exchange options and other derivative instruments will not be used.

The Procurement function should notify Treasury as soon as any potential foreign currency exposures are identified. Foreign currency exposures in excess of AUD 100,000 must be hedged.

Hedges will be taken out with institutions holding a minimum Short-Term rating of A-2 or better, (Standard & Poor's or equivalent). Treasury must obtain quotes from at least two unrelated financial institutions, to ensure best value is achieved.

Credit Risk Management

Credit risk may arise from financial institutions with whom Council has borrowings or cash deposits, customers and members of the public who have a financial liability to Council, or suppliers contracted to deliver a service or project.

To mitigate avoidable credit risks:

- Borrowings will only be held with financial institutions with long-term Standard & Poor's (or equivalent) credit ratings of A or better
- Cash deposits will only be held with financial institutions with short-term Standard & Poor's (or equivalent) credit ratings of A-2 or better
- Where required by Procurement Policy, key suppliers will be subject to independent credit assessment prior to awarding new contracts
- Payments to suppliers in advance of delivery are subject to approval by Council's Procurement Manager.
- Councils debt collection guidelines ensure effective interventions to reduce events of credit to customers.

Authorised Arrangements

The Treasury function should actively seek to minimise the number of different bank accounts operated by Council or its business entities. Opening and closure of bank accounts may only proceed with written authorisation from the Chief Executive Officer.

All new borrowing arrangements will be approved by Council, as required by Section 44 (3)(c) of the *Local Government Act 1999 (SA)*. The power to borrow money cannot be delegated from the Council itself.

Council approval of borrowing requirements for the upcoming year is included in the Business Plan and Budget adoption. Details of the effects of the new borrowings on the applicable borrowing ratios are to be provided with the budget documentation, including the trend of these ratios in the Long-Term Financial Plan.

Where the required borrowing has increased following a Council approved quarterly re-forecast, this will constitute Council approval for the additional borrowings.

Reporting Requirements

Monthly a Borrowings & Cash Investments Summary will be provided to the Executive Leadership outlining the following:

- for each borrowing and cash investment - the balance of funds, its interest rate and maturity date, and changes in the balance since the previous report
- a summary of interest income and expenditure variance from budget for the month and year to date

- Prudential limit ratios monitored weekly and reported at the end of each month
- a summary of foreign currency exposures, hedges in place at reporting date, and details of any new or executed hedges for the month and year to date.

Quarterly a report on borrowing and cash investment performance will be included as part of the quarterly budget review to Council. The report will highlight:

- for each borrowing and cash investment - the balance of funds, its interest rate and maturity date, and changes in the balance since the previous report
- the proportion of fixed interest rate and variable interest rate borrowings at the end of the reporting period
- a summary of interest income and expenditure variance from budget for the quarter and year to date
- Prudential limit ratios monitored daily and reported at the end of each quarter
- a summary of foreign currency exposures, hedges in place at reporting date, and details of any new or executed hedges for the quarter and year to date.

Prudential limit ratios are included in the Business Plan and Budget document adopted by Council.

Any breaches of the Prudential limits will be reported with remediation actions to CEO immediately and reported as part of the quarterly report on borrowing and cash investment performance.

OTHER USEFUL DOCUMENTS

related documents

- Future Fund Reserve Policy
- Debt Collection Guidelines
- Procurement Policy

relevant legislation

- *Local Government Act 1999 (SA)*
- *Local Government (Financial Management) Regulations 2011*
- *Banking Act 1959 (Cwlth)*

GLOSSARY

Throughout this document, the below terms have been used and are defined as:

Asset Test Ratio: The percentage of total borrowings to Council's saleable property assets. Calculated as:

Total Borrowings/Total Saleable Property Assets

('Saleable Property Assets' = Total Real Property Assets LESS Landmark Public Buildings, Park Lands and Buildings on Park Lands)

Authorised Deposit Taking Institutions: financial institutions in Australia which are supervised by the Australian Prudential Regulation Authority (APRA) and authorised under the Banking Act 1959 (Cwlth) to accept deposits from the public.

Borrowing Risk: That Council is unable to secure borrowed funds when required.

Cash Investment Risk: Cash investment funds are not preserved resulting in Council suffering financial loss from investment activities.

Credit Risk: The risk of financial loss occurring from a counterparty in a transaction with Council being unable or unwilling to meet its obligations.

Foreign Currency Risk: The risk of financial loss due to variation in rates of exchange used to convert foreign currency transactions.

Interest Expense Ratio: Measures the affordability of Councils debt and articulates the proportion of Councils general rate income that is being used to service debt. Calculated as: *Interest Expense/General Rates Revenue*

Interest Rate Risk: The risk of financial loss from adverse movements in interest rates applicable to borrowings and/or cash investments.

Inter-Generational Equity: When assessing investment & borrowing decisions, the consideration given for the "generation of rate payers" who will derive the substantive benefits versus those who will ultimately pay (through Council rates and user charges).

Leverage Test Ratio: Provides a consistent basis to measure capacity to repay borrowings relative to general rates revenue. Calculated as: *Total Borrowings/General Rates Revenue*

Liquidity Risk: That Council have a lack of available funds to meet short-term financial commitments.

Standard & Poor's rating: A Standard & Poor's issued credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program. Credit ratings issued can be either long-term or short-term.

Speculative Investment: An investment that carries a high level of risk of loss or is deemed hazardous to the Council.

Long-term Obligation Ratings

AAA

An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

AA

An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

A

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

Short-term Obligation Ratings

A-1

A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this

category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

A-2

A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

ADMINISTRATIVE

As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed for currency at least annually as part of the review of delegations.

This Policy document will be reviewed every **4** years in line with the term of council unless legislative or operational change occurs beforehand. The next review is required in **2029**.

Review history:

Trim Reference	Authorising Body	Date/ Decision ID	Description of Edits
ACC2025/TBD	Council	24 June 2025	Minor updates
ACC2022/2800	Council	27/01/22 / 21513	Removal of Future Fund from this policy and minor edits.
ACC2020/173755	Council	10/11/20	Inclusion of Future Fund
ACC2020/89630	Council	23/6/20	Minor updates
ACC2018/163534	Council	11/12/18	Minor updates
ACC2014/30423	Council	22/10/13	Minor updates

Contact:

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FUTURE FUND RESERVE POLICY

*June 2025**non-legislative*

PURPOSE

To provide:

- clarity on the purpose of Council's Future Fund. In particular, the source of contributions to Council's Future Fund Reserve for reinvestment;
- clarity on the type of investments Council will undertake in order to drive development of revenue streams in addition to rates income;
- guidance for evaluation of investments to be considered by Council and ensure all investments are consistently measured for their financial return to Council.

STATEMENT

Purpose of the Fund

The Future Fund Reserve is intended to quarantine monies received from the net proceeds from the sale of assets. It is to ensure that proceeds are not directed towards operating costs of the Council but are rather re-invested into income generating investments that drive additional revenues/returns to the Council.

Nature of the Fund

Financial reserves are an allocation of money set aside for specific future purposes.

These funds need not have a separate bank account but will be separately and clearly identified in the balance sheet as an equity reserve.

As a policy principle, sale proceeds will be used to reduce overall Council borrowings and interest expenses, meaning expenditure from the reserve fund may trigger necessary additional borrowing.

If Council is in a positive cash position with no debt the funds will be held in an interest-bearing account in accordance with the Treasury Policy.

In accordance with accounting standards, the fund is not permitted to disclose a negative balance.

Contribution to the Fund

Council will regularly review the performance of its assets and will dispose of identified under-performing assets in accordance with the Acquisition and Disposal of Land and Assets Policy. Net proceeds from the sale of Council assets, (for example property sales) will be transferred and quarantined to the Future Fund Reserve.

The City of Adelaide acknowledges the Kaurna people as the Traditional Owners of the Country where the city of Adelaide is situated, and pays its respect to Elders past, present and emerging.

Accessing the Fund for Investment

The Future Fund Reserve will be used to fund strategic investments which will generate income for the Council into the future.

All requests to utilise funds from the Future Fund Reserve will require a business case which clearly demonstrates the expected financial return to Council. This financial return will be assessed using clear evaluation criteria (detailed in the assessment of performing investments section of this policy).

Future Fund Reserve funds may be matched by external parties or by other funding mechanisms from Council provided the total investment expenditure meets the definition of investments. The Future Fund Reserve may partially fund an investment.

Use of the Future Fund Reserve does not override Council obligations under its Prudential Management Policy. All investment expenditure should fulfill these obligations.

Investments

Investments can be both tangible and intangible assets which generate income for the future. The income returns must be clearly defined and assessed using consistent financial evaluation criteria.

The Future Fund will **not** be used to:

- fund operational expenditure
- fund asset renewal expenditure
- fund community investment that Council would otherwise perform

Investment considerations can include but are not limited to business operations, commercial assets and other physical assets that generate an income return to Council. Investments will not include those focused on capital appreciation only, as investments must return an income to Council.

Assessment of Performing Investments

In addition to the requirements of Part 4 of the *Local Government Act 1999* (SA), Council will use financial evaluation criteria which include consideration of strategic alignment, risk and financial sensitivity and scenario analysis, utilising tools such as Net Present Value (NPV), Benefit-Cost Ratio (BCR), and Internal Rate of Return (IRR).

The evaluation will be performed by Finance and Procurement, and Strategic Property and Commercial Programs, who may seek external advice on a case-by-case basis.

Preferred solutions will be presented to Executive to provide approval or direction, and Council approval sought where relevant.

Several factors need to be considered when deciding if an investment is performing. Performance will be determined by the appropriate discount rate used for financial evaluation. This will ensure that the rate of return deemed as performing is relevant to

the particular type of investment. In addition an investment must consider the following criteria:

Strategic Alignment:

- Delivery of one or more of the strategic plan priorities
- Support for development of the City

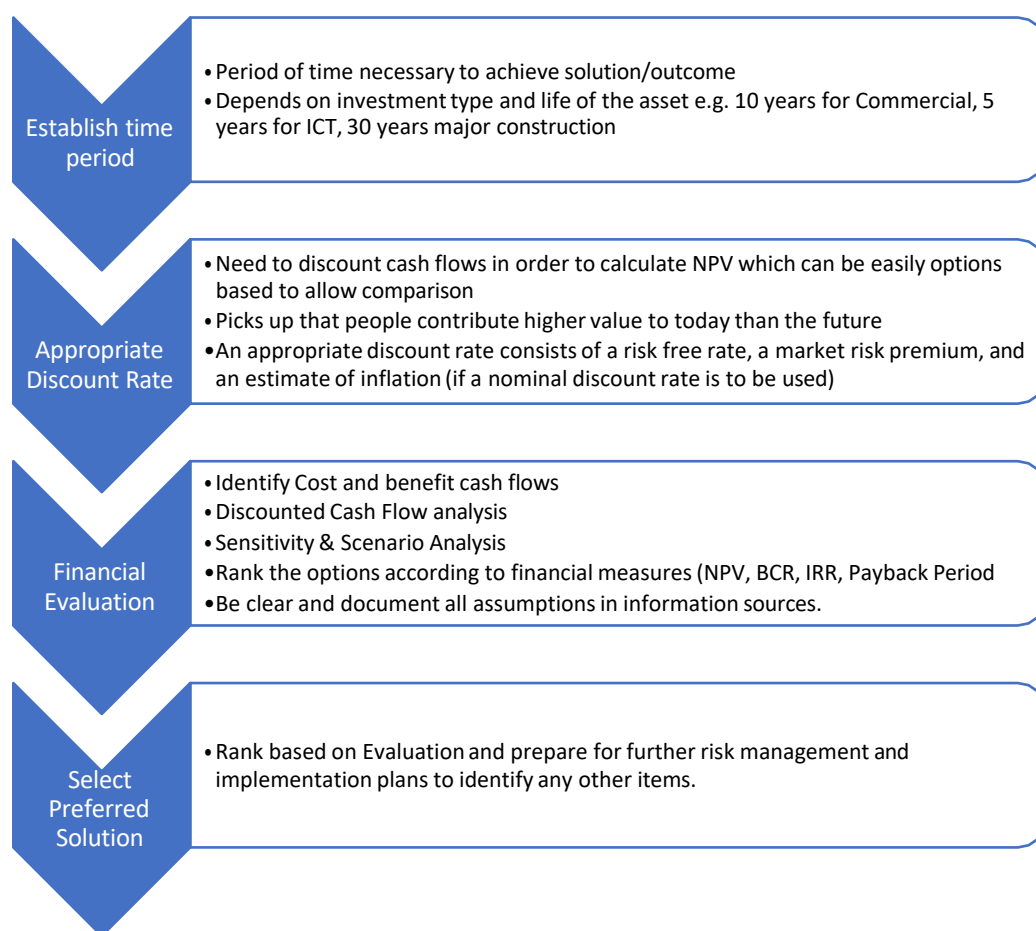
Timing:

- Time necessary for return to be generated or to achieve outcome
- Time required to hold the investment
- Period for which the investment is likely to be required

Risk assessment:

- Assessment against the Strategic Risk Register
- Stakeholder impact assessment
- Prudential review requirements

Financial Evaluation Criteria:



Ongoing Maintenance of the Fund

Given the purpose of the Fund is to quarantine monies, it is not intended to disburse income returns to the Fund to maintain it. The only source of income will be from asset sales and the only disbursements from the Fund will be for expenditure on income generating investments. The Future Fund will exist only to the extent that proceeds continue to be received from relevant asset sales (sale of under-performing assets).

Application of this document

Council will undertake to ensure:-

- Net proceeds from the disposal of underperforming assets are quarantined in the Future Fund.
- Access to the fund is granted for investments that generate future incomes to Council
- Consistent evaluation of investments to inform decisions of Council
- Returns from investments are maintained at an approved threshold.

Reporting Requirements

Due to the nature of the Future Fund, reporting on borrowings impacts will be provided in Council's Long Term Financial Plan annually. A Quarterly Future Fund report will be included with the quarterly budget review to Council. Any performance reporting on investments acquired will be provided separately to Council as a part of commercial operations updates.

OTHER USEFUL DOCUMENTS

Related documents

- Acquisition and Disposal of Land and Assets Policy
- Treasury Policy
- Prudential Management Policy

Relevant legislation

- *Local Government Act 1999* (SA)

GLOSSARY

Throughout this document, the below terms have been used and are defined as:

Investment: asset or item acquired with the goal of generating income

Under-Performing: when the performance of an investment fails to meet financial criteria as described in the evaluation criteria

NPV: Net Present Value (difference between the present value of cash inflows and the present value of cash outflows over a period of time).

BCR: Benefit Cost Ratio (the relationship between the relative costs and benefits of a proposed project/ initiative).

IRR: Internal Rate of Return (a measure of annual income from an investment expressed as a proportion of the original investment).

ADMINISTRATIVE As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed as per legislative requirements or when there is no such provision a risk assessment approach is taken to guide the review timeframe.

This Policy document will be reviewed every **4** years in line with the term of council unless legislative or operational change occurs beforehand. The next review is required in **2029**.

Review history:

Trim Reference	Authorising Body	Date/ Decision ID	Description of Edits
ACC2025/TBD	Council	24 June March 2025	The review recommended no substantive amendments but has clarified and simplified wording of the current policy, and proposes changing the policy name to <i>Future Fund Reserve Policy</i> to better reflect its scope.
ACC2022/2799	Council	27/01/2022/ 21513	New Policy

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Attachment C - Treasury Policy and Future Fund & Investment Policy (2025) Table of Key Changes and Comments

Treasury Policy

No	Page	Item	Change/Comment
1	3	Borrowing Risk Management	Inserted section 123 (7a) from November 2023 LG Act reform – reflect Council's budget will limit annual borrowing and other forms of financial accommodation
2	3	Cash investment Risk Management	Changed '&' symbol to 'and' for consistency
3	5	Credit Risk Management	Removed example as it is irrelevant
4	7	Relevant Legislation	Inserted ' <i>Banking Act 1959 (Cwlth)</i> '
5	7	Glossary	Inserted ' <i>Banking Act 1959 (Cwlth)</i> '
6	9	Administrative	Changed review of Policy document to be '...every 4 years in line with term of Council... and updated year to '...in 2029.'

Future Fund Reserve Policy (formerly Future Fund & Investment Policy)

No	Page	Item	Change/Comment
1		Global updates	<ul style="list-style-type: none"> Changed the title of the policy to 'Future Fund Reserve Policy' and all references of the policy to 'Future Fund Reserve' Grammatical and language changes updated throughout the document to support full review and greater clarity
2	1	Nature of fund	Replace word 'asset' with 'equity reserve' to clarify the recognition of the Future Fund Reserve
3	1	Contribution to the fund	Replace word 'non-performing' to 'under-performing' asset
4	2	Assessment of performing Investment	Moved acronym 'SA' from the front to the after the Act year
5	2	Assessment of performing Investment	Expanded the acronym for NPV, BCR and IRR to Net Present Value (NPV), Benefit-Cost Ratio (BCR), and Internal Rate of Return (IRR)
6	2	Assessment of performing investment	Extend the program to include 'procurement' as part of evaluation of performance group
7	5	Glossary	Inserted definitions for NVP, BCR and IRR
8	7	Administrative	Changed review of Policy document to be '...every 4 years in line with term of Council... and updated year to '...in 2029.'
9	7	Review history	Update table to document current review

Rate Rebate Policy Review

Strategic Alignment - Our Corporation

Public

Tuesday, 17 June 2025

City Finance and Governance
Committee

Program Contact:

Natalie Johnston, Associate
Director Finance & Procurement

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

The purpose of this report is to seek Council adoption of an updated Rate Rebate Policy and approval of the Discretionary Rate Rebates for 2025/26.

The Rate Rebate Policy (the Policy) provides guidance to the community for the grounds on which a person, body, or person representing a body, may be entitled to receive a rebate of rates and the matters that Council will consider when assessing an application.

Council adopted the current Policy in June 2022. The current Policy is shown in [Link 1](#).

This report proposes the following changes to the Policy:

- Authorise the Chief Operating Officer to grant Mandatory Rebates, per the eligibility criteria defined in the Act.
- Council to grant Discretionary Rate Rebates, per the eligibility criteria defined in the Act and Policy, to be approved by Council on an annual basis.
- Timeframes associated with application of Rebates - namely that rebate applications are accepted up until 31 March of the current financial year, to take effect from the start of the following financial year.
- Review timeframes for eligibility of existing Rate Rebates
- Other minor amendments to wording and dates

The proposed Rate Rebate Policy is shown in **Attachment A**, and a version with changes tracked is shown in [Link 14](#).

In addition, this report asks Council to note the Mandatory Rate Rebates that will be applied in accordance with Sections 161 to 165 of the *Local Government Act 1999 SA* (the Act), and to approve the Discretionary Rate Rebates to be applied in accordance with Section 166 of the Act for 2025/26, as outlined in the draft 2025/26 Business Plan and Budget.

In 2025/26 1,031 properties are expected to receive Mandatory Rate Rebates (total \$6.411m), and 6,694 are expected to receive Discretionary rate Rebates (total \$3.062m).

RECOMMENDATION

The following recommendation will be presented to Council on 24 June 2025 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL
THAT COUNCIL

1. Notes the table summarising changes made to the Rate Rebate Policy as contained in Attachment B to Item 7.5 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.
2. Adopts the updated Rate Rebate Policy as per Attachment A to Item 7.5 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.

3. Authorises the Chief Executive Officer (or delegate) to make minor, typographical, syntactical and technical updates to the Rate Rebate Policy as contained in Attachment A to Item 7.5 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025 to finalise this document.
 4. Notes the Mandatory Rate Rebates approved for the 2025/26 financial year under the current 2024/25 Rate Rebate Policy.
 5. Authorises the Chief Operating Officer to approve any new applications for Mandatory Rate Rebates commencing from the 2025/26 financial year.
 6. Approves the discontinuation of the Vacant Land Rate Rebate, effective from the 2025/26 financial year.
 7. Approves the removal of the 25% Discretionary Rate Rebate from properties, where it was provided as a top up to a 75% Mandatory rebate to provide a total rebate of 100%.
 8. Notes that Administration will write to impacted ratepayers following the recommendation of the City Finance and Governance Committee meeting held on 17 June 2025 notifying them of the intention to remove the relevant Discretionary Rebates.
 9. Notes the automatic application of the Discretionary Rates capping rebate of 10% for 2025/26.
 10. Approves the existing Discretionary Rate Rebates (as at 6 June 2025) for the 2025/26 financial year.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Council's ability to raise rates, provide rebates and a respectful debt collection process are all aligned to enable the delivery of its services to the community and delivery of its Strategic Plan.
Policy	This report proposes both minor and major amendments to the Rate Rebate Policy.
Consultation	Community consultation for the proposed introduction of a minimum rate was conducted from 9am Tuesday 6 May 2025 and concluded at midnight on Tuesday 27 May 2025.
Resource	The Rate Rebate Policy identifies how Council will provide rebates on rates revenue. This is administered in-house through the Rates and Receivable Team.
Risk / Legal / Legislative	Chapter 10, sections 151-170 of the <i>Local Government Act 1999</i> (SA) (the Act) provide the requirements for Council to raise rates, and consider items such as rateability, basis of rating, valuations of land, provision of rebates and mechanisms for collection. Section 132A of the Act requires Council to have appropriate policies, practices and procedures implemented and maintained in order to: 1. ensure compliance with any statutory requirements; and 2. achieve and maintain standards of good public administration
Opportunities	Rebates are one mechanism that Council has at its disposal to provide support and equitable outcomes in regards to the way it rates the community, particularly in instances where the ratepayer provides valuable community and related services.
24/25 Budget Allocation	Not as a result of this report
Proposed 25/26 Budget Allocation	This report summarises the amount of rebates incorporated into the 2025/26 Budget with Mandatory Rebates of approximately \$6.411m based on 2024/25 Discretionary Rebates of approximately \$3.062m.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
24/25 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

Rate Rebate Policy

1. The Rate Rebate Policy is scheduled for review every two years. The most recent review of the Policy was undertaken in 2022 as shown in [Link 1](#).
2. The Policy will now be reviewed every four years in line with the term of Council.
3. The Rate Rebate Policy assists in determining community eligibility for Rate Rebates in accordance with the requirements of the *Local Government Act 1999* (SA) (the Act).
4. The Act requires:
 - 4.1. Council to grant a Mandatory Rate Rebate upon the applicant satisfying the requirements under Sections 159 to Section 165 of the Act.
 - 4.2. Applications for Discretionary Rate Rebates lodged under Section 166 of the Act will be considered under Council's Rate Rebate Policy.
5. This report proposes the following changes to the Policy:
 - 5.1. Authorise the Chief Operating Officer to grant Mandatory Rate Rebates, per the eligibility criteria defined in the Act.
 - 5.2. Council to grant Discretionary Rate Rebates, per the eligibility criteria defined in the Act and Policy, to be approved by Council on an annual basis.
 - 5.3. Application of Rebates timeframes – namely that rebate applications are accepted up until 31 March of the current financial year, to take effect from the start of the following financial year.
 - 5.4. Review timeframes for eligibility of existing Rate Rebates.
 - 5.5. Other minor amendments to wording and dates
6. The proposed Rate Rebate Policy is shown in **Attachment A**, and a version with changes tracked is shown in [Link 14](#).
7. A table of key changes and comments is attached in **Attachment B**.
8. Under the rebate provisions of Sections 159 to 166 of the Act, there are three key categories of rebates available:
 - 8.1. mandatory 100% rebates
 - 8.2. mandatory 75% rebates (with a discretionary option to increase rebates up to 100%)
 - 8.3. discretionary rebates.
9. The following sections of the Report detail the criteria of the Act for which a rebate can be granted, as well as the application of the Policy for the granting of the rebates.

Mandatory Rebates

10. Rebates provided for under Sections 160 to 165 of the Act are considered mandatory. Where the criteria for a mandatory rebate is met, Council is obligated to grant the rebate of rates.
11. In accordance with the Act, 100% mandatory rebates apply to properties subject to the following specific land uses:
 - 11.1. Health Services – Section 160
 - 11.2. Religious Purposes – Section 162
 - 11.3. Public Cemeteries – Section 163
 - 11.4. Royal Zoological Society of SA – Section 164.
12. A 75% mandatory rebate applies to rates on the following land uses:
 - 12.1. Community Services – Section 161, subject to specific criteria being met
 - 12.2. Educational Purposes – Section 165, subject to specific criteria being.
13. On an annual basis, Council applies the land use code assigned to each property as proposed by the Valuer General. The land use code is used as a general guide to assess eligibility.

14. Council also requires the property owners/ occupiers to complete a rebate application form to assess eligibility for a rebate.
15. The following table provides an analysis of Mandatory Rebates rebates (excluding the Landscape Levy component) provided during the 2024/25 financial year by rate rebate category. Rate rebates will be finalised following declaration of the rates.

Mandatory Rebates	Number of Properties (2024/25)	Value of Rebates (2024/25)	Number of Properties (2025/26)	Value of Rebates (2025/26)
100% Health Services	10	-\$1,514,518	10	-\$1,610,369
100% Religious Purposes	92	-\$1,213,872	90	-\$1,237,945
100% Zoological Society	2	-\$441,221	2	-\$469,630
75% Community Services	776	-\$1,591,033	797	-\$1,696,039
75% Educational Purposes	133	-\$1,355,751	132	-\$1,397,245
Total	1,013	-\$6,116,395	1,031	-\$6,411,228

16. The following provides details of the proposed mandatory rebates for 2025/26. Individual properties receiving a rebate have been identified in the files linked below according to the relevant section of the Act.

Mandatory Rebates 100%: Health Services

17. Section 160 of the Act provides that the rates on land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the *South Australian Health Commission Act 1976* will be rebated at 100%.
18. [Link 2](#) lists those ratepayers that meet the eligibility criteria for a mandatory rebate of rates under this section.

Mandatory Rebates 100%: Religious Purposes

19. Section 162 of the Act provides that the rates on land containing a church or other building used for public worship (and any grounds), or land used solely for religious purposes, will be rebated at 100%.
20. [Link 3](#) lists those ratepayers that meet the eligibility criteria for a mandatory rebate of rates under this section.

21. Mandatory Rebates 100%: Zoological Society

22. Section 164 of the Act provides that the rates on land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated will be rebated at 100 per cent.
23. [Link 4](#) lists those ratepayers that meet the eligibility criteria for a mandatory rebate of rates under this section.

Mandatory Rebates 75%: Community Services

24. Section 161 of the Act provides that the rates on land being predominately used for service delivery or administration (or both) by a community service organisation will be rebated at 75% (or, at the discretion of the council, at a higher rate).
25. [Link 5](#) lists those ratepayers that meet the eligibility criteria for a mandatory rebate of rates under this section.

26. Mandatory Rebates 75%: Educational Purposes

27. Section 165 of the Act provides that the rates on land being used for the following purposes will be rebated at 75% (or, at the discretion of the council, at a higher rate):

27.1. Occupied by a government school under a lease or licence and being used for educational purposes; or

27.2. Occupied by a non-government school registered under Part 5 of the *Education Act 1972* and being used for education purposes; or

27.3. The rates on land being used by a university or university college to provide accommodation and other forms of support for students on a not-for-profit basis.

28. [Link 6](#) lists those ratepayers that meet the eligibility criteria for a mandatory rebate of rates under this section.

Discretionary Rebates

29. Section 166 of the Act allows Council to grant rebates for a range of purposes and activities, and the obligation on Council is to treat similar applications equitably, and to consider any social, political or environmental implications of granting or denying rebates. Each application is to be assessed in accordance with Section 166 of the Act and Council's Rate Rebate Policy.
30. To ensure applications are reviewed and approved equitably, each application is reviewed against Section 166 of *the Act* to determine eligibility. Where eligibility is confirmed a discretionary rebate matrix is used to objectively calculate the percentage of rebate to be applied based on a set number of property attributes.
31. Under the Act, a rebate provided for those ratepayers in 2024/25 can be automatically issued with the same rebate for 2025/26, subject to Council approval of the rebate for 2025/26.
32. The following table provides an analysis of discretionary rebates (excluding the Landscape Levy component) provided during the 2024/25 financial year by Rate Rebate category, for which Council approval is sought for the continuation of the rebate for 2025/26. The rebates are based on current modelling and are subject to the approvals sought in this report and the declaration of rates.

Discretionary Rebates	Number of Properties 2024/25	Value of Rebates 2024/25	Number of Properties 2025/26	Value of Rebates 2025/26
Pensioner	0	\$0.00	53	-\$5,300
100% Discretionary	5	-\$19,016	5	-\$20,358
75% Discretionary	24	-\$105,667	31	-\$270,715
40% Discretionary	1	-\$5,035	1	-\$5,259
25% Discretionary	225	-\$264,999	216	-\$255,931
10% Discretionary	3	-\$2,599	3	-\$2,731
5 Year Rate Free	95	-\$272,216	45	-\$144,390
10% Rate Cap	9,406	-\$3,284,039	6,340	-\$2,357,440
Vacant Land	22	-\$197,904	13	-131,132
Total	9,781	-\$4,151,477	6,694	-\$3,062,124

Pensioner Rebate

33. The Pensioner Rebate applies to ratepayers that have been identified as eligible for a discretionary rebate of rates under Section 166(1)(o) of the Act, where the rebate is contemplated under Section 182(1)(b) on the basis that:
- 33.1. A council is satisfied on the application of a ratepayer that payment of rates in accordance with this Act would cause hardship, the council may remit the rates in whole or part.

Discretionary Rebates 100%

34. [Link 7](#) lists those ratepayers that have been identified as eligible for a discretionary rebate of rates under Section 166(1)(m)(ii) of the Act, on the basis that:
- 34.1. Council considers it to be appropriate to provide relief in order to avoid what would otherwise constitute a liability that is unfair or unreasonable.
35. Due to the Central Market Development, a rebate of 100% has been approved for the District Court's Sallyport, overriding the 75% maximum rebate policy position, on a temporary basis as the retail shops cannot be leased through no fault of the owners, because of necessary Sallyport relocation.

Discretionary Rebates 75%

36. [Link 8](#) lists those ratepayers that have been identified as eligible for a discretionary rebate of rates under Section 166(1)(d), (g), (i), (j) of *the Act*.
37. The appropriate subsections of Section 166(1) are:
- 37.1. (d) where the land is being used for educational purposes; or

- 37.2. (g) where the land is being used to provide facilities or services for children or young persons; or
- 37.3. (i) where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Cwlth) or a day therapy centre; or
- 37.4. (j) where the land is being used by an organisation which, in the opinion of the council, provide a benefit or service to the local community.

Discretionary Rebates 40%

- 38. [Link 9](#) lists the ratepayer that has been identified as eligible for a discretionary rebate of rates under Section 166(1)(c), (g) and (j) of the Act.
- 39. The appropriate subsections of Section 166(1) are:
 - 39.1. (c) Where the rebate is conducive to the preservation of buildings or places of historic significance; or
 - 39.2. (g) where the land is being used to provide facilities or services for children or young persons; or
 - 39.3. (j) where the land is being used by an organisation which, in the opinion of the council, provide a benefit or service to the local community.

Discretionary Rebates 25%

- 40. [Link 10](#) lists those ratepayers that have been identified as eligible for a discretionary rebate of rates under Section 166(1).
- 41. Prior to the 2021/22 financial year, Council's Discretionary Rate Rebate Policy provided that where a mandatory Community rebate has been granted under one of the following sections, an additional 25% Discretionary rebate per Section 166(1)(f),(g),(h),(i) and (j) of the Act *may* be granted under Administration's delegation to bring the total rebate to 100%:
 - 41.1. emergency accommodation;
 - 41.2. food or clothing for disadvantaged persons (i.e., persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability);
 - 41.3. supported accommodation (i.e., residential care facilities in receipt of Commonwealth funding;
 - 41.4. or accommodation for persons with mental health, intellectual, physical or other difficulties who require support in order to live an independent life);
 - 41.5. essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
 - 41.6. legal services for disadvantaged persons;
 - 41.7. drug or alcohol rehabilitation services; or
 - 41.8. the conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses.
- 42. The appropriate subsections of Section 166(1) under which the discretionary rebate was approved are:
 - 42.1. where land is being used for a hospital or health centre (f)
 - 42.2. where the land is being used to provide facilities or services for children or young persons (g)
 - 42.3. where the land is being used to provide accommodation for the aged or disabled (h)
 - 42.4. where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Cwlth) or a day therapy centre (i)
 - 42.5. where the land is being used by an organisation which, in the opinion of the council, provides a benefit or service to the local community (j).
- 43. The policy's overriding principle is that all ratepayers should contribute an amount to basic service provision (unless mandated by legislation) except in circumstances of financial hardship impacting on service delivery.
- 44. This report recommends Council approve the removal of the 216 instances of the Discretionary 25% rebate applied in addition to the 75% Community Services Rebate, as:
 - 44.1. the 25% rebate has not historically been applied consistently or equitably (that is, other similar community services may not receive the rebate).
 - 44.2. financial hardship may not apply in these cases (objections received can be reviewed subsequently).

Discretionary Rebates 10%:

45. [Link 11](#) lists those ratepayers that have been identified as eligible for a discretionary rebate of rates under this section 166(1)(d), (g) and (j).
46. The appropriate subsections of Section 166(1) under which the discretionary rebate was approved are:
 - 46.1. where the land is being used for education al purposes (d)
 - 46.2. where the land is being used to provide facilities or services for children or young persons (g)
 - 46.3. where the land is being used by an organisation which, in the opinion of the council, provides a benefit or service to the local community (j).

Discretionary Rebates 100%: 5-Year Rate Free (apartment purchase off-the-plan)

47. To support growth in the City, this discretionary rebate was introduced as per Section 166(1)(a) of the Act and applies to owner/occupier purchasers of a residential off-the-plan apartment who signed a contract between 1 July 2017 and June 30 2019.
48. The application of this rebate is applied under section 166(1)(a) of the Act:
 - 48.1. Where the rebate is desirable for the purposes of securing the proper development of the area (or a part of the area).
49. The rebate is applied once property settlement has occurred, and a rebate application is received and approved.
50. This discretionary rebate applies to ratepayers that have been identified as eligible for a discretionary rebate of rates under this section. Around 40 such rebates are still in place.

Discretionary Rebates 10%: Rate Capping

51. To protect ratepayers against rapid changes in valuation, Council applies a discretionary rate-capping rebate where rates have increased by greater than 10% from the previous year.
52. The rebate is applied under Section 166(1)(l)(ii) of the Act:
 - 52.1. where the rebate is considered by the council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to change to the basis on which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations.
53. Valuation increases resulting from property improvement or new development, where there has been a change of ownership, or resulting from the application of a minimum rate, are excluded from this provision.
54. Valuing all properties in 2023/24 for the first time since the last full valuation in 2019 resulted in a large number of valuation increases above 10%, and consequently more than 13,000 recipients of this Rate Rebate.
55. For 2025/26, the number of recipients will be approximately 6,340 based on current modelling. In line with the Rating Policy, Council applies the rebate automatically to all eligible properties.

Discontinuation of Discretionary Rebates: Vacant Land

56. At its meeting held on 8 June 2021, following community consultation of its Rating Policy, Council adopted a differential rate in the dollar for property meeting the land-use definition of vacant land.
57. The differential vacant land rate was put in place to:
 - 57.1. Provide a disincentive to withholding land from development
 - 57.2. Discourage land banking
 - 57.3. Recognise the cost of surrounding infrastructure and services.
58. Acknowledging the expected timeframes associated with development of land, a discretionary rebate was approved on 29 June 2021 to rebate the (higher) vacant land rate down to the (lower) non-residential rate for property that had been vacant land for less than 5 years, or in the current ownership for less than 5 years.
59. Council requested on 13 May 2025 that *“the Administration prepare a report for a Special Meeting of the City Finance and Governance Committee to be held on 3 June 2025 on the impacts of withdrawing the discretionary rebate from June 30, 2025”*. The Recommendation in the current report to remove the rebate is based on the impacts outlined above, and effectively reverts to Council’s 8 June 2021 intention to disincentivise withholding land from development and discourage land banking.

60. The rebate is applied under Section 166(1)(l)(i) of the Act:
- 60.1. where the rebate is considered by the council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to a redistribution of rates burden within the community arising from a change to the basis or structure of the council's rates.
61. A number of small parcels of vacant land currently exist on separate titles, which for example form part of a rear garden, a side gate entrance or other small piece of adjacent land that may not be able to be developed in their own right. Where it is clear the land cannot be developed the rebate entitlements under Section 166 of the Act are currently applied to them.
62. When development of a property commences, the land use changes from Vacant Land to Other for non-residential developments and to Residential for residential developments. This triggers a change in the rate in the dollar from the increased vacant land rate to the lower non-residential rate where the property is assessed as a development site for the next financial year.
63. In response to a decision of Council at the 13 May 2025 Council Meeting, a report on Discretionary Rate Rebates on Vacant Land was submitted to a Special Meeting of the City, Finance and Governance Committee on 3 June 2025.
64. The report outlined the impact of removing the Discretionary Rate Rebate for Vacant Land ([Link 12](#)).
65. Vacant land properties currently identified to receive the vacant land rebate for the 2025/26 year can be viewed at [Link 13](#).

New Applications

66. At the City of Adelaide, the administration currently has delegation to approve mandatory and discretionary rebates. Through the review of this Policy, it is intended that rebates are approved as follows:
- 66.1. Applications for Mandatory Rebates can be submitted to council at any time and will be considered for the current and future financial years.
- 66.2. Mandatory Rate Rebates are approved by the Chief Operating Officer following assessment against the eligibility criteria as outlined in the Act.
- 66.3. Applications for Discretionary Rebates must be submitted to council by 31 March of each year and will be considered for approval for next financial year
- 66.4. The level of the Rate Rebate to be applied to discretionary Rate Rebates is determined according to the Rate Rebate guideline with reference to an assessment tool which considers various weighted criteria.
- 66.5. Discretionary Rate Rebates, following the assessment of eligibility and level of rebate will be provided to Council on an annual basis for approval.
- 66.6. Applications for Discretionary Rebates will not be considered for the current financial year in which they have been received.
67. Applicants can lodge an objection under s270 of the Act if they are unsuccessful in being granted a Rate Rebate.

DATA AND SUPPORTING INFORMATION

- Link 1** – [Current Rate Rebate Policy \(2022\)](#)
- Link 2** – [Mandatory Rebates 100% - Health Services](#)
- Link 3** – [Mandatory Rebates 100% - Religious Purposes](#)
- Link 4** – [Mandatory Rebates 100% - Zoological Society](#)
- Link 5** – [Mandatory Rebates 75% - Community Services](#)
- Link 6** – [Mandatory Rebates 75% - Educational Purposes](#)
- Link 7** - [Discretionary Rebates 100%](#)
- Link 8** – [Discretionary Rebates 75%](#)
- Link 9** – [Discretionary Rebates 40%](#)
- Link 10** – [Discretionary Rebates 25%](#)
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Link 11 – [Discretionary Rebates 10%](#)

Link 12 - [Discretionary Rate Rebate for Vacant Land Council Report](#)

Link 13 - [Discretionary Rate Rebates for Vacant Land](#)

Link 14 – [Rate Rebate Policy Revised – Tracked changes](#)

ATTACHMENTS

Attachment A – Rate Rebate Policy (2025) – No tracked changes

Attachment B – Rate Rebate Policy - Table of key changes

- END OF REPORT -

RATE REBATE POLICY

*June 2025**Legislative*

PURPOSE

This Policy provides guidance to the community for the grounds on which a person, body, or person representing a body, may be entitled to receive a rebate of rates and the matters that the Council will consider when assessing an application.

STATEMENT

This policy has an overriding principle that except in circumstances of financial hardship impacting on service delivery, all ratepayers should contribute an amount to basic service provision unless mandated by legislation.

Scope

Sections 160 to 166 of the *Local Government Act 1999* (SA) (the Act) outline both mandatory rebates available from Council upon a ratepayer meeting the specified eligibility criteria in the Act, and discretionary rebates Council may apply at its absolute discretion.

Mandatory Rebates

Rebates provided for under Sections 160 to 165 of the Act are considered mandatory. Where the criteria for a mandatory rebate is met, Council is obligated to grant the rebate of rates.

Rates on the following land will be rebated at 100%

- Health Services - Section 160

Land being predominately used for the service delivery or administration by a hospital or health centre incorporated under the South Australian Health Commission Act 1976.

- Religious Purposes Section 162

Land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes.

- Public Cemeteries - Section 163

Land being used for the purposes of a public cemetery.

- Royal Zoological Society - Section 164

Land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated.

Rates on the following land will be rebated at 75%

- Community Services - Section 161

Land being predominantly used for service delivery or administration (or both) by a community service organisation.

A community services organisation is defined in *the Act* as a body that satisfies all of the below criteria:

- Is incorporated on a not-for-profit basis for the benefit of the public; and
- Provides community services without charge or for a charge that is below the cost to the body of providing the services; and
- Does not restrict its services to persons who are members of the body.

It is necessary for a community services organisation to satisfy all of the above criteria to be eligible for the mandatory 75% rebate. In addition, to satisfying the above criteria, a community services organisation must provide one or more of the following services as a predominate use of the land:

- Emergency accommodation
- Food or clothing for disadvantaged persons
- Supported Accommodation
- Essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities
- Legal services for disadvantaged persons
- Drug or alcohol rehabilitation services
- Conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses

- Educational Purposes – Section 165

Land occupied by a government school under a lease or licence and being used for educational purposes; or

Occupied by a non-government school registered under the *Education and Early Childhood Services (Registration and Standards) Act 2011* and being used for educational purposes.

Land being used by a university or university College to provide accommodation and other forms of support for students on a not-for-profit basis.

Discretionary Rate Rebates

Council may in its absolute discretion grant a rebate of rates or service charges in any of the following cases that fall within Section 166 of the Act.

- a) Where the rebate is desirable for the purpose of securing the property development of the area (or part of the area)
- b) Where the rebate is desirable for the purpose of assisting or supporting a business in its area

- c) Where the rebate will conduce to the preservation of buildings or places of historic significance
- d) Where the land is being used for educational purposes
- e) Where the land is being used for agricultural, horticultural or floricultural exhibitions
- f) where the land is being used for a hospital or health centre
- g) where the land is being used to provide facilities for services for children or young persons
- h) where the land is being used to provide accommodation for the aged or disabled
- i) where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the *Aged Care Act 1997* (Cwlth) or a day therapy centre
- j) where land is being used by an organisation which, in the opinion of the council, provides a benefit or service to the local community
- k) where the rebate relates to common property or land vested in a community corporation under the *Community Titles Act 1996* over which the public has a free and unrestricted right of access and enjoyment
- l) Where the rebate is considered by the council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by the ratepayer due to.
 - i. A redistribution of the rates burden within the community arising from a change to the basis of or structure of the council's rates; or
 - ii. A change to the basis on which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations
- m) Where the rebate is considered by the council to be appropriate to provide relief in order to avoid what would otherwise constitute.
 - i. a liability to pay a rate or charge that is inconsistent with the liabilities that were anticipated by the council in its annual business plan; or
 - ii. a liability that is unfair or unreasonable
- n) Where the rebate is to give effect to a review of a decision of the council under Chapter 13 Part 2
- o) Where the rebate is contemplated under another provision of this Act.

Special Discretionary Rebate (Section 166(1)(l))

Council has determined that a rebate will be applied to all properties to cap any annual increase in the general rates payable at 10%, subject to specific criteria.

Application of this rebate recognises that in some instances, property owners have no control over increases in property valuations. Where a valuation increase is as a result

of market forces, the rates levied as a result of that valuation increase should be capped at a level that minimises the impact to a reasonable level.

The rebate will not apply where the increase in rates payable is the result of an increase in valuation that recognises a capital improvement on the property (regardless of when the development was undertaken) or where there has been a change in land use, ownership or licence to occupy during the previous financial year, or the result of an increase in general rates payable through the introduction of a minimum rate.

A capital improvement includes any addition, alteration, or new development on the property.

As per the Act, a rebate may be granted for a period exceeding one year, but not exceeding three years. After three years the rebate will be removed and the rates payable will reset to levels that would ordinarily apply in the absence of the rebate.

Council applies the rebate automatically to all properties that are eligible.

Application for Rebates

A person, body, or person representing a body, seeking a rebate of rates, must do so in writing by completing the designated rebate application form, and providing any supporting information as reasonably requested by Council.

Application forms can be obtained on the City of Adelaide website at <http://www.cityofadelaide.com.au/forms> or at our Customer Service Centre at 25 Pirie Street, Adelaide.

- Applications for Mandatory rebates can be submitted to council at any time and will be considered for the current and future financial years.
- Applications for Discretionary rebates must be submitted to council by 31 March of each year and will be considered for approval for next financial year.
- Applications for Discretionary rebates will not be considered for the current financial year in which they have been received.

Granting of a Rebate

The Council may grant a rebate of rates up to an including 100% of rates or service charges, however based on the policy's overriding principle that all ratepayers should contribute an amount to basic service provision, the maximum discretionary rebate will be \$75%, except in circumstances of financial hardship impacting on service delivery, where mandated by legislation, or approved by resolution of Council.

Council will, in deciding whether to grant a rebate of rates or charges under Discretionary Rate Rebate section (d), (e), (f), (g), (h), (i) or (j) above, take into account—

- a) the nature and extent of council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in its area; and
- b) the community need that is being met by activities carried out on the land for which the rebate is sought; and
- c) the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons,

and may take into account other matters considered relevant by the council

A discretionary rebate may be granted on such conditions as the council thinks fit.

- a) A rebate of rates or charges under Section (a), (b) or (k) may be granted for a period exceeding one year, but not exceeding 10 years.
- b) A rebate of rates or charges under subsection (1)(l) may be granted for a period exceeding one year, but not exceeding three years.

Approvals

Applications for Mandatory rebates will be approved by the Chief Operating Officer.

Applications for Discretionary rate rebates will be approved for the coming financial year by council resolution.

When assessing applications for discretionary rate rebates, Council may take into account, but is not limited to, the following general considerations:

- Whether the applicant is a public sector or a private not-for-profit body or an income tax exempt fund.
- The specific section of the Act under which the application is made.
- The need for financial assistance in the form of a rebate.
- The extent to which activities provided support or relief to disadvantaged persons.
- The nature of activities carried out on the premises.
- The community need that is being met by the activities carried out and whether the activities are those that council would otherwise need to support.
- To what extent the applicant is providing a service within the Council area compared to those outside the area.
- Whether the applicant is in receipt of or is eligible for a community grant. Including, a review of past or present grants received.
- Any historical considerations, including why has the need for a rebate arisen at this particular time.
- To what extent the applicant is providing a service within the Council area compared to those outside the area.

Strategic Considerations

In addition to the above, Council may also take into account, but is not limited to, the below strategic considerations where they align to the City of Adelaide strategic direction.

- Potential to drive economic development in the city
- Number of sustainable long-term jobs created or retained
- Contribute to an increase in residential population in the city
- Will assist in achieving Council's strategic objectives?
- Is seen as a strategic inclusion to the city
- To assist and secure new development

Review of Existing Rate Rebates

Council will review approved rate rebates on a regular basis to reconfirm on going eligibility.

- Discretionary Rebates will be reviewed biennially, and
- Mandatory rebates will be reviewed at least once during a full council term.

Rebates will be removed from any rebate recipient identified as no longer being eligible or where council is unable to confirm ongoing eligibility.

OTHER USEFUL DOCUMENTS

Related documents

- Rating Policy
- Rate Rebate Operating Guideline

Relevant legislation

- *Local Government Act 1999* (SA)

GLOSSARY

Throughout this document, the below terms have been used and are defined as:

Assessment: The review of a situation in line with Council guidelines or eligibility criteria.

Body: A business or organisation that is an owner or occupier of a property.

Discretionary Rebates - A rebate which has been applied under the *Local Government Act 1999* (SA), Section 166. Rebates can be categorised as not-for-profit purposes or for strategic development outcomes.

Financial hardship: When a person or body is unable to meet their existing financial obligations for a period of time.

Mandatory Rebates - A rebate which has been applied under the *Local Government Act 1999*, Section 159-165.

Ratepayer: A person appearing in the assessment record as the owner or occupier of a rateable property.

Rating Policy: City of Adelaide Rating Policy

Rebate - The refund of a portion of rates paid or payable.

The Act: *Local Government Act 1999* (SA)

This Policy: City of Adelaide Rate Rebate Operating Guideline

ADMINISTRATIVE

As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed as per legislative requirements or when there is no such provision a risk assessment approach is taken to guide the review timeframe.

This Policy document will be reviewed every **4** years unless legislative or operational change occurs beforehand. The next review is required in **2029**.

Review history:

Trim Reference	Authorising Body	Date/ Decision ID	Description of Edits
	Council		Addition of information listing mandatory rate rebates and, the application and approval requirements for both mandatory and discretionary rate rebates.
ACC2022/11331	Council	9 August 2022	Transfer to new template and removal of operational elements to be included in Rate Rebate Guideline.
ACC2015/116845	Council	1 July 2015	Revised
ACC2007/134663	Council	28 April 2008	Revised

Contact:

For further information contact the Finance & Procurement Program

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Rate Rebate Policy (2025) Table of Key Changes and Comments

No	Page	Item	Change/Comment
1		Global updates	Grammatical and language changes updated throughout the document to support full review
1	1-2	Mandatory Rebates	Inclusion of the mandatory rate rebate categories and eligibility criteria.
2	2-3	Discretionary Rebates	Inclusion of discretionary rate rebate eligibility criteria.
3	4	Special Discretionary Rebate (Section 166(1)(l))	Inclusion of details regarding the application of the 10% rate capping rebate.
4	4	Application for Rebates	Introduction of a timeframe to submit applications for consideration for the future financial year.
5	4	Granting of a Rebate	Addition outlining the timeframe under the Act for which a rebate can be approved.
6	5	Approvals	Inclusion of authority to approve mandatory and discretionary rebates.
7	6	Review of Existing Rate Rebates	Introduction of review cycle to reconfirm existing rebates mandatory and discretionary rebates.
8	6	Review history	Updating of report review history table to reflect new changes.

2025/26 Business Plan & Budget - Final for Approval

Strategic Alignment - Our Corporation

Public

Tuesday, 17 June 2026

City Finance and Governance Committee

Program Contact:

Rebecca Hayes, Associate
Director Governance & Strategy

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

This report seeks the Committee's recommendation for Council to adopt the 2025/26 Business Plan and Budget (BP&B) in accordance with the provisions of the *Local Government Act 1999* (SA) (the Act). A report for adoption of valuations and declaration of rates, and adoption of the BP&B, will be presented to Council for adoption at its meeting on 23 June 2025.

2025/26 Business Plan and Budget

The 2025/26 BP&B has been developed within the context of the City of Adelaide being South Australia's Capital City Council and a city in nationally heritage-listed Park Lands that welcomes over 390,000 visitors daily, supports over 12,500 local businesses and is home to 29,118 residents. It is the third BP&B for this term of Council and is set to continue to deliver on Council's Strategic Plan 2024-2028, Economic Development Strategy, Integrated Climate Strategy and other endorsed strategies.

The key focus of Council in developing the 2025/26 BP&B is budget repair and expenditure of over \$295 million to support city growth, investment, vibrancy and city-wide improvements, while protecting our Park Lands and greening our city. A \$114.298 million capital program ensures Council can deliver well maintained streets, parks and other vital assets for the community.

The 2025/26 BP&B reflects Council's recognition of the need to repair its budget position so it can make necessary investments in public infrastructure and deliver the services our community deserves now and in the future. Council has adopted financial principles and reviewed approaches to Council's core revenue bases which include rates, and fees and charges.

Total borrowings are projected to be \$50.074 million at the end of the financial year.

The budget delivers a surplus operating position of \$8.541 million.

RECOMMENDATION

The following recommendation will be presented to Council on 24 June 2025 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL
THAT COUNCIL

1. In accordance with Section 123 of the Act and Regulation 6 of the *Local Government (Financial Management) Regulations 2011* (the Financial Management Regulations), and
2. Having considered in accordance with Section 123(6) of the Act:
 - a. all submissions made to the Council during the public consultation period; and
 - b. the following new or revised information in the possession of the Council that is relevant to the material contained in the Draft Business Plan,

adopts the 2025/26 Business Plan set out in Attachment B to Item 7.6 on the Agenda for the meeting of the City Finance and Governance Committee held 17 June 2025 noting that there are no significant

changes to the 2025/26 Business Plan following internal review and public consultation throughout May 2025.

3. In accordance with Section 123 of the Act and Regulation 7 of the Financial Management Regulations, adopts the 2025/26 Budget set out in Attachment A to Item 7.6 on the Agenda for the meeting of the City Finance and Governance Committee held 17 June 2025 which the Council has considered in conjunction with and determined to be consistent with the Council's Business Plan.
 4. Approves the 2025/26 Budget delivering an operating surplus of \$8.541 million.
 5. Approves the 2025/26 Budget with projected borrowings of \$50.074 million at the end of 2025/26.
 6. Approves the 2025/26 Budget delivering a capital program of \$114.298 million of which \$67.937 million in renewal works will deliver an Asset Renewal Funding Ratio of 93.5%.
 7. Approves the 2025/26 Business Plan & Budget for Council's Subsidiary Adelaide Central Market Authority provided as Attachment B to Item 7.6 on the Agenda for the meeting of the City Finance and Governance Committee held 17 June 2025.
 8. Notes the 2025/26 Business Plan & Budget for Council's Subsidiary Adelaide Economic Development Agency provided as Attachment C to Item 7.6 on the Agenda for the meeting of the City Finance and Governance Committee held 17 June 2025. The final approved version will be provided for approval at the meeting of Council on 24 June 2025, following AEDA Board approval of their Business Plan and Budget on 18 June 2025.
 9. Approves the 2025/26 Business Plan & Budget for Council's Subsidiary Kadaltilla / Adelaide Park Lands Authority provided as Attachment D to Item 7.6 on the Agenda for the meeting of the City Finance and Governance Committee held 17 June 2025.
 10. Notes the 2025/26 Business Plan and Budget includes a capital allocation of \$0.320 million and \$0.175 million operating contribution for Brown Hill Keswick Creek Stormwater Board (Regional Subsidiary).
 11. Authorises the Chief Executive Officer to make any necessary changes to the 2025/26 Business Plan & Budget document arising from this meeting, together with any editorial amendments and finalisation of the document's formatting and graphic design.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Focus on budget repair and ensure responsible financial management through the principle of intergenerational equity while delivering quality services.
Policy	The approved public consultation was undertaken in accordance with Council's Public Consultation Policy.
Consultation	Community consultation on the Draft 2025/26 BP&B commenced at 9.00am on Tuesday 6 May 2025 and concluded on midnight Tuesday 27 May 2025. Council received a report containing the results of the consultation at its meeting on 10 June 2025.
Resource	The 2025/26 BP&B identifies how Council's resources will be allocated in meeting the 2025/26 deliverables and objectives of the Strategic Plan and other related plans and strategies.
Risk / Legal / Legislative	Council's 2025/26 BP&B is developed in accordance with section 123 of <i>the Local Government Act 1999</i> (SA), and sections 6 and 7 of <i>the Local Government (Financial Management) Regulations 2011</i> .
Opportunities	The BP&B process is a key way in which Council shares information and seeks the views and feedback of the community to inform its decision making, supporting transparent and accountable governance.
24/25 Budget Allocation	Not as a result of this report
Proposed 25/26 Budget Allocation	The 2025/26 BPB provides the budget for the 2025/26 financial year.
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 *Local Government Act 1999* (SA) (the Act) requires that an annual Business Plan and Budget (BP&B) must be drafted by Council, consulted on with the community and adopted annually by Council after 31 May for the ensuing financial year, and, except in a case involving extraordinary administrative difficulty, before 15 August for the financial year.
2. The 2025/26 BP&B has been developed within the context of the City of Adelaide being South Australia's Capital City Council and a city in nationally heritage-listed Park Lands that welcomes over 390,000 visitors daily, supports over 12,500 local businesses and that is home to 29,181 residents.
3. The 2025/26 BP&B is the third BP&B for this Council and the second BP&B that delivers on the City of Adelaide Strategic Plan 2024-2028, which was adopted by Council in December 2023, with the vision of "Our Adelaide. Bold. Aspirational. Innovative."
4. Once adopted, the Administration will commence delivery and implementation of the BP&B and will report progress and achievements to Council on a quarterly basis. This is an important transparency and accountability measure to ensure the community and Council have assurance on the outcomes for the community and that services continue to be delivered to expected standards.

Developing the 2025/26 BP&B

5. Council Members have given thorough and robust consideration to the Draft 2025/26 BP&B through a series of engagements, including briefings, workshops and reports.
6. The 2025/26 BP&B was built on agreed financial principles and prioritises the delivery of our services and infrastructure upgrades accordingly. The financial principles which underpin the 2025/26 BP&B are summarised below:
 - 6.1. Continue to deliver a minimum of the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI).
 - 6.2. Fees and charges reflect the cost of services provided.
 - 6.3. Maintain an operating surplus.
 - 6.4. Capitalise on external funding, fast-tracking projects that attract such funding, recognising the potential need for increased borrowings in order to respond to external funding opportunities.
 - 6.5. Capital renewal expenditure will be based on Asset Management Plans (AMP).
 - 6.6. Changes to services, assets or maintenance requiring an increase in operating costs are to be funded from the adjustment of priorities, rate revenue or other revenue increases and/or through savings.
 - 6.7. Adjust rate revenue after consideration of all other budget components and use growth in rate revenue to partly fund servicing new rateable properties and to service new borrowings.
 - 6.8. Borrowings will be used to fund new and upgrade projects and not used to fund operations, expenses or renewal projects.
 - 6.9. Short-term borrowings will be used to fund the Asset Renewal Repair Fund (ARFR) to ensure the increased spending required through the AMPs can be spread over a longer period to meet community expectation and their capacity to pay is managed over time through sustainable rate increases.

Priorities for 2025/26

7. The 2025/26 BP&B focuses on delivering the City of Adelaide Strategic Plan 2024-2028 by prioritising the following Key Actions:
 - 7.1. Support increased residential growth and housing affordability through partnerships and advocacy.
 - 7.2. Celebrate and elevate our community culture and the profiles of multicultural communities and create welcoming programs and services.
 - 7.3. Make public electric vehicle (EV) charging available for all users, including micro-mobility, catalysing the uptake of EVs in Adelaide and improving Council and community performance on transport emissions.
 - 7.4. Work with partners to create innovative ways to create or convert underutilised areas to green space.

- 7.5. 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.
- 7.6. Provide services and information that contribute towards a high productivity economy.
- 7.7. 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.
- 7.8. Encourage repurposing, adaptive reuse and improvement of buildings and facilities.
- 7.9. Create, maintain and integrate plans and policies that reflect and guide decision making and support our city and our community to thrive.
- 7.10. Attract and retain people with skills and behaviours which align to our organisational objectives and values.

Repairing Council's Budget Position

- 8. To drive the delivery of the Strategic Plan 2024-2028 and our diverse range of strategies, there is a continued focus on budget repair after continued financial pressures that have impacted our ability to review assets, upgrade infrastructure and provide core community services.
- 9. For the 2025/26 BP&B, Council intends to address this through:
 - 9.1. A focus on delivery of the Strategic Plan 2024-2028 with key projects and infrastructure upgrades.
 - 9.2. Delivery of core council services.
 - 9.3. Delivery of a financially sustainable budget with an equitable approach to income generation, in line with our Long Term Financial Plan.
 - 9.4. Delivery of an operating position to meet the ongoing cost requirements of our Asset Management Plans, working towards a target of 100% asset renewals.
 - 9.5. A moderate rate increase based on CPI that supports businesses during this period of economic instability.
 - 9.6. Prioritising our operational budget, grants and sponsorships and where there are opportunities to partner with other levels of Government to seek co-funding.
- 10. In addition, Council has reviewed its fees and charges, and in this budget will undertake changes to the approach to administering some fees, while increasing other fees consistent with increased costs to deliver services and meet inflationary increases.

Council's Budget Position

- 11. Consistent with these principles of responsible financial management, the 2025/26 BP&B delivers an operating surplus position of \$8.541 million from our core operating budget, as follows:
 - 11.1. Total operating income of \$248.969 million
 - 11.2. Total operating expenditure (including depreciation) of \$240.428 million
- 12. A proposed capital program of \$114.298 million is outlined within the plan, inclusive of a \$67.937 million asset renewal program (up from \$56.296 million in the 2024/25 financial year), to deliver on many of the priorities set by Council.
- 13. A suite of key financial sustainability indicators (KFIs) is used to measure Council's financial performance, to guide decision making on major projects and to secure its continued financial sustainability. Three nationally recognised financial sustainability indicators have been adopted in principle by local government in Australia and are utilised by City of Adelaide, being:
 - 13.1. The Operating Surplus Ratio between 0% and 20% (2025/26 budget 3.4%)
 - 13.2. The Net Financial Liabilities Ratio less than 80% (2025/26 budget 35%)
 - 13.3. The Asset Renewal Funding Ratio between 90% and 110% (2025/26 93.5%)
- 14. All KFIs in the 2025/26 Business Plan and Budget are within the approved targets.
- 15. Borrowings are projected to increase at \$50.074 million for 2025/26 as a result of the capital program delivery. This remains within prudential limits (the suite of ratios Council uses to assess prudential borrowings) being:
 - 15.1. Asset Test Ratio below 50% (2025/26 budget 15.9%)

- 15.2. Interest Expense Ratio below 10% (2025/26 budget 1.5%)
- 15.3. Leverage Test Ratio below 1.5 years (2025/26 budget 0.33 years)

Opportunities and Risks

- 16. The 2025/26 BP&B presents a compelling investment program to deliver for our city and community. Appropriate consideration has been given to a range of risks to delivery. Although not an exhaustive list, such risks include:
 - 16.1. Challenging procurement market
 - 16.2. Challenging recruitment market
 - 16.3. Challenging materials and contractor availability
 - 16.4. Capacity of existing resources to address an infrastructure focus

Subsidiary Budget

- 17. Council owns and operates three subsidiaries as a part of its operations. They are included in the business plan and budget as follows:
 - 17.1. Adelaide Central Market Authority (ACMA) has prepared a budget with an overall operating deficit of \$1.576 million (inclusive of Strategic Projects of \$0.939 million). The deficit comprises a business as usual operating deficit of \$0.637m, in addition to investment of \$0.939m in activities preparing for the market expansion. Further detail on the activities and detailed budget can be found in ACMA's 2025/26 Business Plan and Budget (**Attachment B**).
 - 17.2. Adelaide Economic Development Agency (AEDA) has prepared a budget to deliver a range of programs designed to stimulate the city's economic growth. The budgeted income of \$4.518 million generated from Rundle Mall will be utilised specifically to support and promote the Rundle Mall Precinct. The remaining services delivered by AEDA are funded through the City of Adelaide through an appropriation of funds. AEDA has prepared a budget with an overall operating expenditure of \$13.659 million (inclusive of Strategic Projects of \$0.525 million). Further detail on the activities and detailed budget can be found in AEDA's 2025/26 Business Plan and Budget (**Attachment C**).
 - 17.3. The final AEDA 2025/26 Business Plan and Budget will be presented to the AEDA Board for approval on 18 June 2025.
 - 17.4. Kadaltilla / Adelaide Park Lands Authority has prepared a break-even budget, largely funded through an external grant. Further detail on the activities and detailed budget can be found in Kadaltilla's 2025/26 Business Plan and Budget (**Attachment D**).
 - 17.5. In addition to the owned and operated subsidiaries, contributions to the Brown Hill Keswick Creek Stormwater Board include minor operational \$0.175 million and capital \$0.320 million budgets.

Public Consultation

- 18. At its meeting on 29 April 2025, Council approved the Draft 2025/26 BP&B for the purpose of public consultation, which commenced 6 May 2025 and concluded 27 May 2025.
- 19. The public consultation activities undertaken exceeded statutory requirements and offered a range of engagement methods for our community to consider Council's 2025/26 Draft BP&B and provide feedback.
- 20. During the consultation period, Council received:
 - 20.1. 110 Our Adelaide survey responses received online or via hard copy
 - 20.2. 99 written submissions via emails or letters
 - 20.3. One verbal submission
 - 20.4. Five representations to Council at its public hearing on 27 May 2025
 - 20.5. Approximately 95 attendees at the four in-person sessions at the Adelaide Central Markets, Meander Market – North Adelaide, Rundle Mall and the City Library.
- 21. Key themes of the submissions and responses related to:
 - 21.1. Rates (including proposed introduction of a minimum rate)
 - 21.2. Transport and parking
 - 21.3. Fees and charges (including parklet, outdoor dining and event road closures)

- 21.4. Budget (including sponsorship to the Australia Day Council of South Australia)
 - 21.5. Projects
 - 21.6. Park Lands
 - 21.7. Subsidiaries
 - 21.8. Priorities
 - 21.9. Greening and environment
 - 21.10. Economy and businesses
22. Further detail is available within the report considered by Council at its meeting on 10 June 2025 [\[Link 1\]](#).
-

DATA AND SUPPORTING INFORMATION

Link 1: [Council Report - 2025/26 Business Plan & Budget - Receipt of Consultation Submissions](#)

ATTACHMENTS

Attachment A - 2025/26 Business Plan & Budget

Attachment B - 2025/26 ACMA Business Plan & Budget

Attachment C - 2025/26 AEDA Business Plan & Budget

Attachment D - 2025/26 Kadaltilla / Adelaide Park Lands Authority Business Plan & Budget

- END OF REPORT -

2025/26 Business Plan & Budget



**Our Adelaide.
Bold.
Aspirational.
Innovative.**



Our Adelaide. Bold. Aspirational. Innovative.

The 2025/26 Business Plan and Budget is the key annual operational and financial planning document for the City of Adelaide. It describes the priorities, programs, services and projects that we plan to deliver, our sources of revenue, financial levers, long term sustainability and how we propose to allocate our budget in the coming year.

In 2025/26 Council will continue to support the delivery of its Strategic Plan 2024-2028. Our diverse range of strategies will continue to focus on repairing our budget after continued financial pressures that have impacted our ability to renew assets, upgrade infrastructure and provide core community services. Council will continue to support for our subsidiaries Kadaltilla / Adelaide Park Lands Authority, Adelaide Central Market Authority and the Adelaide Economic Development Agency.

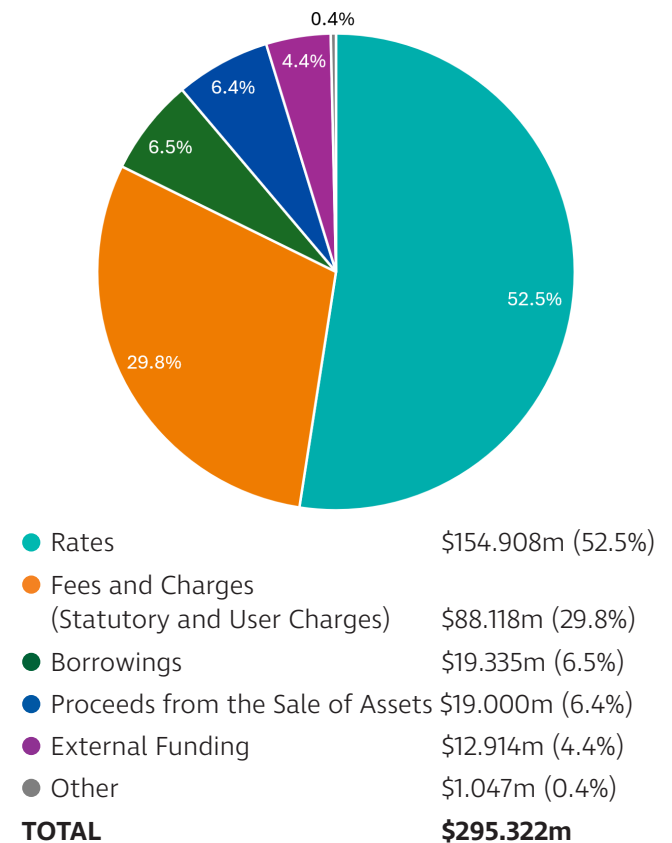
This Business Plan and Budget sets out the Council's priorities, services, programs, projects and budget for 2025/26.

This plan delivers on Year 2 of the Strategic Plan 2024-2028 and Council has provided a list of priorities, highlights and measures for the year ahead (Our Strategies and Plans).

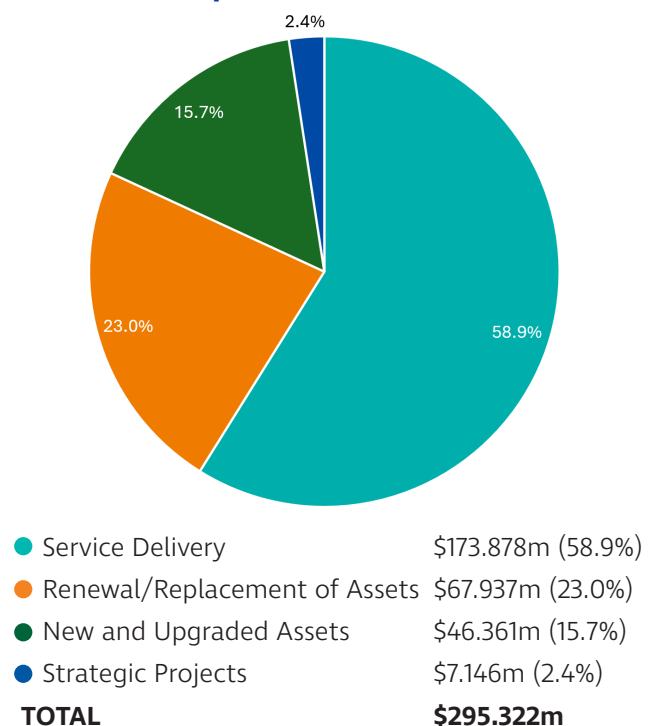
Council proposes to do this through:

- A focus on delivery of the Strategic Plan 2024-2028 with key projects and infrastructure upgrades
- Delivery of core council services
- Delivery of a financially sustainable budget with an equitable approach to income generation, in line with our Long Term Financial Plan
- Delivery of an operating position to meet the ongoing cost requirements of our Asset Management Plans, working towards a target of 100% asset renewals
- A moderate rate increase based on CPI that supports businesses during this period of economic instability
- Prioritising our operational budget, grants and sponsorships and where there are opportunities to partner with other levels of Government to seek co-funding.

Where our funds come from:



How funds are spent:



Investing over \$46m into Capital new and upgrade projects

including converting the previous Adelaide Aquatic Centre site into a community playing field, upgrading James Place, progressing the Central Market Arcade redevelopment and continuing greening through the city.

Undertaking over \$67m in asset renewal

for the \$2 billion plus owned Council assets (roads, footpaths, parks, buildings etc).

Continuing our commitment to upgrading Park Lands Buildings

ensuring that sporting clubs and our community have the facilities they need now and for future generations, with works commencing at the sporting clubs at Golden Wattle Park / Mirnu Wirra (Park 21 West) and Mary Lee Park / Tulya Wardli (Park 27B), and further concept designs.

Implementing the Mainstreet Revitalisation Program

with construction works progressing in Gouger Street, Hindley Street, Hutt Street and Melbourne Street, and finalising the design of O'Connell Street.

Stimulating growth in the city's economy

through the implementation of the Economic Development Strategy and the Adelaide Economic Development Agency's Strategic Plan.

Improving active transport and safety

with a pedestrian crossing being installed at Franklin Street, traffic signal upgrades on Morphett Street and cycling path improvements along Peacock Road and the Adelaide Park Lands Trail.

Focusing on maintaining our open space and Park Lands

with an investment of \$25.554m on maintenance of open space and the Adelaide Park Lands.

Funding through responsible principles of financial sustainability

reflecting a general rates revenue increase of 5.6%.



Our City.

12,500+

local businesses

15.6sqkm

total land area

169,940

local jobs

29,118

city residents

47%

aged 18 to 34

20%

aged 60 and over

\$24billion

contribution to State Economy (18%)

\$4.18billion

local spend (Feb '24 - Feb '25)

4,937

lone person households (41%)

2.4million

local and overseas tourists

50%

rentals (of all private households)

390,000+

people visit the city daily

Sources:

Australian Bureau of Statistics, Census of Population and Housing 2021. Compiled and presented by .id (informed decisions); National Institute of Economic and Industry Research (NIEIR) 2024. Compiled and presented in economy.id by .id (informed decisions); Spendmapp by Geografia; Tourism Research Australia, unpublished data; City of Adelaide data



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

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

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

The City of Adelaide boasts a bustling business landscape, accommodating over 12,500 enterprises and fostering approximately 169,940 local jobs, contributing nearly 18% to the state's economic prosperity. Leading industries include financial and insurance services, professional and scientific sectors, health, education and public administration and safety, reflecting the city's economic vitality and diversity.

The city accommodates approximately 29,000 residents and over 390,000 daily visitors. Adelaide's allure extends globally, attracting over two million visitors annually. The city's vibrant atmosphere is unmistakable, nurturing inclusivity and connectivity within its diverse population, which includes individuals of all ages, from the young to the young-at-heart. Adelaide's appeal extends far and wide, inviting everyone to be a part of its rich tapestry of experience.

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



Kaurna Kardla
Cultural Burn

Kaurna Acknowledgement

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

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

Kumarta yaitya miyurna iyangka yalaka ngadlu tampinthe.

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

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

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

Lord Mayor introduction



Upgrading Park Lands sports facilities, planting more trees across city streets and revitalising our main streets will be the focus of this Council's third Budget.

The 2025/26 Business Plan & Budget continues this Council's strong track record of repairing not just our bottom line but major infrastructure across the city.

This Budget proposes spending more than \$114 million on city infrastructure, including building new bikeways and walking trails through the Park Lands and a pedestrian crossing on Franklin Street.

Our bold plan to revitalise Gouger, Hindley, Hutt and Melbourne streets is a key pillar of this Budget, with more than \$5 million earmarked for detailed design and construction to turn our plans into a reality.

Making sure our city is climate resilient is a key consideration in this Budget with our \$3.9 million commitment to greening CBD streets.

Up to 200 trees will be planted over the next year across streets to increase shade, bring down temperatures and make our city more pedestrian friendly.

Community sport is a key attribute of our Adelaide Park Lands with more than 207 hectares of dedicated playing space.

This Council has committed 1.5 per cent of its rates revenue to upgrading community buildings in the Park Lands.

This Budget proposes spending more than \$8 million to redevelop two rundown buildings in Golden Wattle Park/Mirnu Wirra (Park 21 West) and Mary Lee Park (Park 27B) used by footballers and cricketers; as well as drawing up concept designs for another Park Land building, to be determined during the year.

When it comes to housing, this Budget also proposes extending our successful Adaptive Reuse City Housing Initiative (ARCHI) program to larger empty buildings.

The latest Essential Services Commission of SA (ESCOSA) report confirmed this Council is on the right path after many years of waived fees and frozen rates.

While our finances remain fragile, this is a disciplined Budget that continues to make significant investments in improving the City of Adelaide.

Dr Jane Lomax-Smith

Lord Mayor City of Adelaide



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This Business Plan and Budget sets out the Council's priorities, services, programs, projects and budget for 2025/26.

This plan delivers on Year 2 of the Strategic Plan 2024-2028 and Council has provided a list of priorities, highlights and measures for the year ahead (Our Strategy and Plan).

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

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

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

Frequently used terms within this document:

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

Note: the Operating View and Activity View is the same budget information of programs, shown in two different views.

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

FTE: Full Time Equivalent (1.0) employee.

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

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

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

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

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

Our Strategy and Plan

Strategic Drivers

How We Plan

Business Plan Priorities

Our Community

Our Environment

Our Economy

Our Places

Our Corporation

Performance

Grants and Partnerships



Strategic Drivers

The environment that Council is operating in to deliver for our community and city continues to evolve and is influenced by trends and challenges at a state, national and global level. We need to balance the City's growth with our changing community demographics as we expand the range of essential services delivered based on our community's expectations, whilst remaining financially responsible.

This means we are required to make the best of our available resources, diversify our revenue streams and plan for the changing expectations of our communities in an increasingly challenging environment.

State and Federal Government

Both the State and Federal Governments continue to influence the way Council operates, from grant funded projects and partnerships, to setting policy positions around immigration, transport, legislation, planning and development. The recently endorsed State Government Transport and Urban Greening Strategies, A Place to Create Cultural Policy, Greater Adelaide Regional Plan and State-led projects such as the New Women's and Children's Hospital, Adelaide Aquatic Centre and the proposed redevelopment of the North Adelaide Golf Course, present opportunities and challenges for our Council. The upcoming State election presents an opportunity to further advocate for our City and community.

Financial sustainability

The impacts of inflation on the cost to deliver services, combined with lower grant revenue and delivering COVID-19-influenced budgets has resulted in Council continuing to prioritise financial sustainability for current and future generations. This has been reflected by the Essential Services Commission of South Australia (ESCOSA) Review finding that the City of Adelaide is mostly sustainable. Council's response to these findings is found on page 101 of this document.

Infrastructure and resourcing

Our organisation has not been immune to local and global pressures on the physical and human resources required to deliver projects and asset renewals. During the COVID-19 pandemic, our Asset Renewal Funding Ratio fell below 90% . Council has committed record breaking investment to ensure that our assets and capital projects are appropriately funded and renewed and has returned to the ARFR to above 90% with a commitment to take it to 100% within eight years.

Climate adaptation and resilience

Council has a vision for a resilient, protected and sustainable city. From electrification and adaptive reuse of buildings, transport and movement, transitioning of our vehicle fleet through to the Adelaide Park Lands and biodiversity, Council is working towards building climate resilience, transitioning to a decarbonised city, and protecting natural ecosystems. As a world-class city, there is ample opportunity in accelerating the transition to a low carbon, green and electrified city.

Demographic changes

With a target to increase the City's population to 50,000 residents by 2036, Council will enable this growth while maintaining our residents' quality of life by ensuring services and infrastructure support a larger population. Most of the population growth for the city is likely to come from overseas migration, which is forecast to peak between 2027 and 2031 to add another 2,000-plus residents to the city.

Domestic and global economic conditions

There is ongoing uncertainty in global trade and economic conditions with recent Federal Government Budget papers reflecting a potential flattening of western countries' gross domestic output. While Australia continues to be well placed for a 'soft-landing' from the economic pressures of the past two years, other western nations are expected to have minimal economic growth and will see an increase in trade barriers. This has the potential to impact investment and visitation but provides an opportunity to focus on supporting our local economy.

Locally, Adelaide continues to experience low commercial vacancy rates, 'return to offices' by workers, new commercial developments and with the South Australian Government's support, record breaking visitation trends due to an increase in investment in our world renown Fringe Festivals such as the AFL Gather Round and LIV Golf.

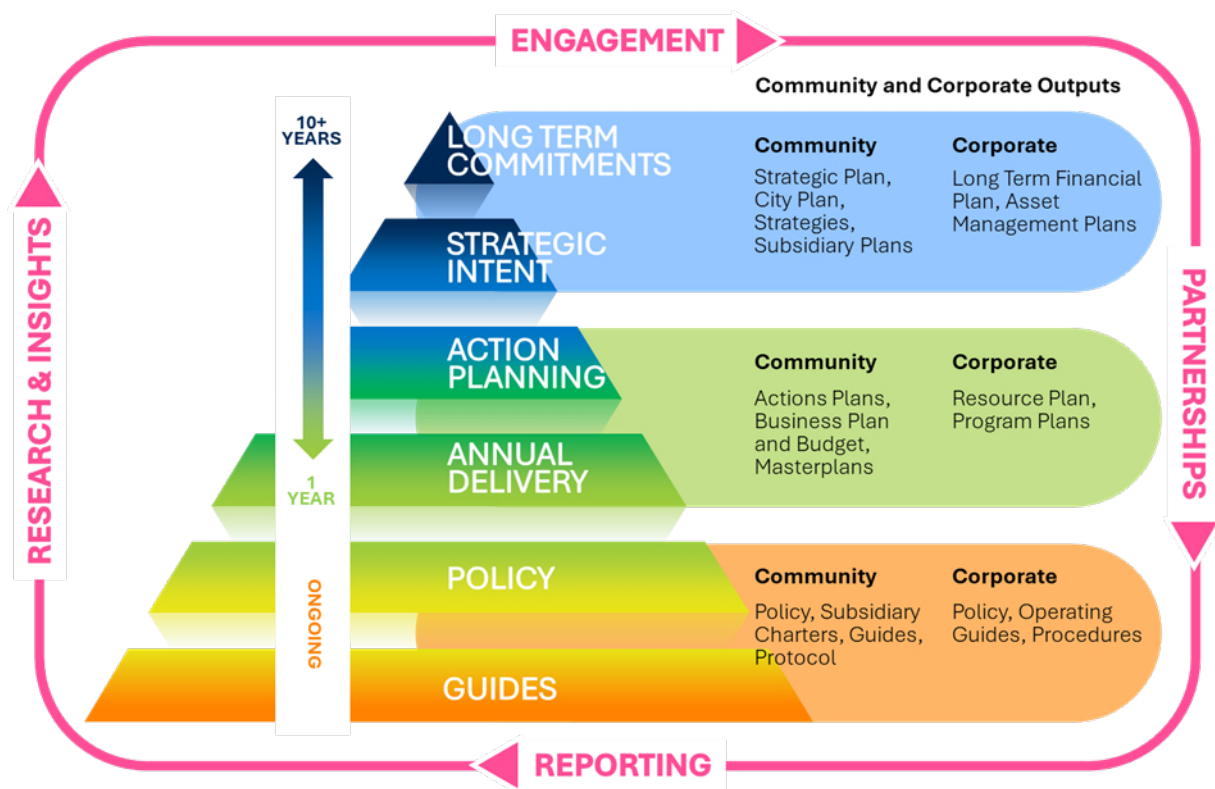
Nevertheless, there are ongoing challenges with retail spend in our City as a result of 'cost of living' pressures on our community over the past two years. This is further exacerbated as housing supply and affordability continues as one of the biggest challenges facing Australia, particularly in South Australia where median house prices continue to reach record levels. The increase in house values, while providing local government with extra income, is putting pressure on the liveability and vibrancy of our communities and neighbourhoods.

How We Plan

Strategic and corporate planning at the City of Adelaide articulates our vision for the future based on our community's expectations. It takes into account future operations, financial sustainability, resourcing, Council's views on issues and the 'grand challenges' we face.

Connecting this space is our research and insights, partnerships and advocacy, engagement with the community, and transparent reporting.

Council is committed to showing a clear line of sight and a holistic view of this work, as we connect program and service delivery with meeting community expectations and our vision for moving forward, as articulated below:



This approach provides a strong foundation that represents the interplay and cohesion between our vision and strategy, planning and delivery, policy, principles and guides.

Long Term Commitments

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

Long Term Financial Plan (Financial): Ten-year plan, revised annually to ensure a ten-year view is maintained. Planning for long term financial sustainability.

Asset Management Plans (Infrastructure): Suite of ten-year plans. Planning for the sustainable renewal and maintenance of assets.

Strategic Plan (Community): Long term with a four-year delivery focus. Planning for vision and aspirations. and

City Plan (Development): Ten-year spatial plan. Planning for future land uses and built form.

The Strategic Plan 2024-2028 presents a long-term vision of **Our Adelaide. Bold. Aspirational. Innovative.** To deliver on this vision, the Strategic Plan focusses our long-term efforts against the following Aspirations:



Our Community

Vibrant, connected and inclusive



Our Environment

Resilient, protected and sustainable



Our Economy

Growing, innovative and responsive



Our Places

Interesting, purposeful and safe



Our Corporation

High performing, customer-centric and bold

Each Aspiration outlines Council's commitment over four years through key actions and indicators of success. The Strategic Plan is supported by a Resource Plan that identifies the financial, infrastructure, information management and people resources required to deliver on our long-term and short-term objectives.

Strategic Intent

Supporting our long-term commitments are a range of topic specific documents, which articulate Council's strategic intent. These strategies and plans align to the Strategic Plan 2024-2028 and have been developed to respond to legislation, community expectations, 'grand challenges' and Council decisions.

Strategy/Plan	Alignment
Active City Strategy (2013 – 2023)	Our Community
Adelaide Central Market Strategy	Our Economy
Adelaide Economic Development Agency Strategic Plan 2024/25 – 2028/29	Our Economy
Adelaide Park Lands Management Strategy (2015-2025)	Our Environment
Asset Management Plans	Our Places
City Plan (2024 - 2036)	Our Places
Community Land Management Plans	Our Places
Cultural Strategy	Our Community
Customer Experience Strategy	Our Corporation
Disability Access and Inclusion Plan (2024 – 2028)	Our Community
Dog and Cat Management Plan (2019 – 2024)	Our Places
Economic Development Strategy (2024-2028)	Our Economy
Heritage Strategy (2021-2036)	Our Places
Homelessness Strategy – everyone's business	Our Community
Housing Strategy – investing in our housing future	Our Community
Integrated Climate Strategy (2030)	Our Environment
International Relations Strategy	Our Community
Long Term Financial Plan	Our Corporation
Reconciliation Action Plan	Our Community
Smart Move Transport and Movement Strategy (2012-2022)	Our Places
Spatial Vision	Our Places
Strategic Plan 2024-2028	Our Corporation
Wellbeing Plan (2020-2025)	Our Community

Annual Delivery

Council undertakes an annual plan and budget process, with a commitment to the community to deliver on the Strategic Plan and provide services and projects within our budget and resources to achieve:

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

Business Plan Priorities

To ensure the delivery of the Strategic Plan's long-term vision and the short-term actions and measures, it is essential to embed these into the everyday business of Council, which is achieved annually through the Business Plan and Budget. This process also allows Council to identify our Key Actions from our 2024–2028 Strategic Plan to prioritise for the year ahead.

Our planning approach and commitments alongside the identified financial principles ensure that we are able to plan, budget and report on the 2025/26 Business Plan and Budget in alignment with the Strategic Plan, community expectations and operational challenges and opportunities.

To support our planning, we are committed to:

- Demonstrating bold capital city leadership and robust governance with community at the heart of our decisions
- Building strategic relationships and partnerships to improve access to funding opportunities that support community outcomes and encourage investment and development
- Investing in meaningful and authentic community engagement to build trusting relationships
- Focusing on continuous improvement and efficiencies in the planning and delivery of services, programs and assets, based on community need and meeting Council's strategic intent
- Pursuing revenue opportunities and grants which reduce the reliance on rates and improve our procurement lifecycle
- Undertaking research and collecting data, to ensure we are continuously understanding the environment we are working in and to be able to inform decision making and planning outcomes
- Presenting our plan and budget through our organisational structure (articulated Program Overviews within this document).

A summary of our 2025/26 Business Plan, aligned to the Strategic Plan aspirations, is presented on the following pages.

Our Community

Vibrant, connected and inclusive

Outcomes:

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

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

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

Strategic Plan Key Actions to prioritise this year:

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



Projects that deliver on this aspiration:

- Bilingual Community Liaison Officer
- Social Planning Homelessness and Adelaide Zero Project – Partnership
- Future Libraries Business Case
- Implementation of the City of Adelaide Housing Strategy – vacancy assessment
- Positive Ageing Program – Pilot
- City Activation
- Rundle Mall Live Music Program
- Australia Day Partnership – Australia Day Council of South Australia Incorporated
- Flinders Street housing – Concept Planning
- Christmas Decorations – City-Wide, One Market and Rundle Mall
- Public Art Action Plan Deliverables
- Place of Courage

Measures within our Strategic Plan to deliver in 2025/26:

- Reduce the incidences of people sleeping rough or experiencing homelessness to functional zero by 2026 in line with Council's Homelessness Strategy
- Support 29 State Government housing outcomes per month in the City of Adelaide for people experiencing homelessness to 2026 in line with Council's Homelessness Strategy
- Review the Active City Strategy by 2025
- Review library and community centre service delivery model to better meet the evolving community's need by 2025
- Develop a Community Wellbeing Plan by 2026

Our Environment

Resilient, protected and sustainable

Outcomes:

Lead as a Low Carbon Emissions City.

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

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

Strategic Plan Key Actions to prioritise this year:

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



Projects that deliver on this aspiration:

- Annual Cultural Burn in the Adelaide Park Lands
- National Heritage Management Plan Implementation
- Master Plan for Helen Mayo Park
- Key Biodiversity Area Management Plan for G S Kingston Park / Wirrarninthi (Park 23)
- Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscapes
- Accelerated Greening Water Truck
- Aquatic Centre Community Playing Field- Denise Norton Park / Pardipardinyilla (Park 2)
- Brown Hill Keswick Creek (Financial Contribution)
- City Public Realm Greening Program
- London Road Depot Electrification (Stage 1)

Measures within our Strategic Plan to deliver in 2025/26:

- Develop a Sustainability Governance and Reporting Framework by 2025 and capture and share data and learnings
- All new dwellings built from 2025 are fully electric (no internal gas supply)

Our Economy

Growing, innovative and responsive

Outcomes:

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

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

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

Strategic Plan Key Actions to prioritise this year:

- Reinforce the position of Adelaide as the State's central business district and amplify Adelaide's reputation as a place to learn, work and start a business.
- Provide services and information that contribute towards a high productivity economy.



Projects that deliver on this aspiration:

- 88 O'Connell Project Delivery
- Adelaide Central Market Expansion Operational Readiness
- City Brand Development
- Tourism and Business Attraction
- Investment Attraction Program
- Partner Marketing – Winter Focus
- Federal Hall Trade Waste and Water Connections
- Central Market Arcade Redevelopment Options
- Central Market Arcade Redevelopment Major Project
- Market Expansion Capital Works – Ground Floor

Measures within our Strategic Plan to deliver in 2025/26:

- Increase in foot traffic in key and emerging precincts annually in line with the Council's Economic Development Strategy
- Deliver economic data and insights to our business community

Our Places

Interesting, purposeful and safe

Outcomes:

Community assets are adaptable and responsibly maintained.

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

Create safe, inclusive and healthy places for our community.

Strategic Plan Key Actions to prioritise this year:

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



Projects that deliver on this aspiration:

- Asset Condition Audit
- Resilient Flood Planning
- Adaptive Reuse City Housing Initiative (ARCHI)
- Planning and Design Code Amendment Program
- Implementation of the Disability, Access and Inclusion Plan 2024-2028
- Main Street Revitalisation
 - Gouger Street (Detailed Design & Construction)
 - Hindley Street (Construction)
 - Hutt Street (Detailed Design & Construction)
 - Melbourne Street (Detailed Design & Construction)
 - O'Connell Street (Detailed Design)
- Community Sports Building Redevelopment – Golden Wattle Park / Mirnu Wirra (Park 21 West)
- Community Sports Building Redevelopment – Mary Lee Park / Tulya Wardli (Park 27B)
- Community Sports Building Redevelopment – Concept Design
- Rundle Mall Sound System
- James Place Upgrade
- Additional Park Safe Vehicle
- Adelaide Park Lands Trail – Sir Donald Bradman Drive
- Belair-City Bikeway / Adelaide Park Lands Trail – Glen Osmond Road
- Traffic Signal Safety upgrade
 - Morphett Street and Franklin Street Intersection
 - Morphett Street and Grote Street Intersection
- Peacock Road Cycle Route
- School Safety Implementation Project
- West Pallant Street Improvements
- Franklin Street Pedestrian Crossing

Measures within our Strategic Plan to deliver in 2025/26:

- Commence the design of the Melbourne Street upgrade project by 2025/26
- Review the heritage overlays to ensure our heritage places are known and accommodated during development by 2025
- Increase the number of dwellings in our city from 14,660 (2021) to 17,780 by 2026 and 22,770 by 2031
- Deliver conservation management plans for heritage assets by 2025
- Review the Wellbeing (Public Health) Plan by 2026
- Review and implement by-laws which respond to community needs by 2025
- Commence the design of the Hindley Street, Gouger Street, O'Connell Street, Hutt Street upgrade projects
- Review the Dog and Cat Management Plan

Our Corporation

High performing, customer-centric and bold

Outcomes:

Effective Leadership and Governance

Exceptional Customer Experience

Financial Sustainability

People Engagement

Strategy, Value and Efficiency

Technology and Information

Strategic Plan Key Actions to prioritise this year:

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

Projects that deliver on this aspiration:

- City of Adelaide Website Redevelopment
- Parking Coordinator – On-Street Paid Parking Control Changes
- Aboriginal Trainee and Cadet Program
- Talent Attraction and Retention
- City Plan Digital Tool (City of Adelaide Digital Explore – CoADE)
- On-Street Parking Compliance Technology and Customer Analytics Reform
- Minor Works Building – Safety Upgrades
- Aboriginal Employment and Inclusion Coordinator
- Cyber Security Enhancement
- UPark Central Market – Market Square Car Park
 - Car Park Hardware
 - Parking Guidance System
- Review of Property Management

Measures within our Strategic Plan to deliver in 2025/26:

- Review Emergency Management Plans and response by 2025
- Deliver a City of Adelaide Graduate Program by 2025
- Implement a Public Transparency Policy
- Review the Rating System to ensure optimum outcomes
- Deliver and maintain a Workforce Strategy

Performance

The Strategic Plan 2024-2028 includes a range of indicators of success to ensure Council is on a path to deliver our long-term vision. These were built based on conversations with Council, our community and consideration of external influences and other Government Strategies and Plans. While many of these are for the life of the Strategic Plan or beyond, a number of measures are specific to 2025/26.

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

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

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



Grants and partnerships

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

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

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

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

Our partnerships include:

Capital City Committee:

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

Council of Capital City Lord Mayors (CCCLM):

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

Local Government Collaboration:

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

Strategic Partnerships:

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

External Funding 2025/26 (\$'000)			
Federal Grant Funding	Operating	Capital	Total
Financial Assistance – Roads to Recovery	409	-	409
Preparing Local Communities - Local Stream	100	-	100
Supplementary Local roads	133	-	133
State Government Funding	Operating	Capital	Total
Adaptive Reuse City Housing Initiative	303	-	303
Adelaide Park Lands Trail - Sir Donald Bradman Drive BPAC	-	1,200	1,200
Belair-City Bikeway / Adelaide Park Lands Trail - Glen Osmond Road	-	1,300	1,300
Community Sports Building Redevelopment – Mary Lee Park / Tulya Wardli (Park 27B)	-	1,368	1,368
DHS Community Neighbourhood Development	99	-	99
James Place Upgrade	-	500	500
Library Grant	218	-	218
Local Government Financial Assistance Grant	1,107	-	1,107
Master Plan for Helen Mayo Park	250	-	250
Melbourne Street Wombat Crossings	-	600	600
Mike Turtur Bikeway - Peacock Road Separated Bike Lanes	-	500	500
Park Lands Related Activity	2,058	-	2,058
School Immunisation Program	108	-	108
Vulnerable and Homeless People Project	46	-	46
Other	Operating	Capital	Total
Community Sports Building Redevelopment – Golden Wattle Park / Mirnu Wirra (Park 21 West)	-	2,550	2,550
Sponsorships and Donations	65	-	65
Total:	4,896	8,018	12,914

Our Programs and Projects

Our Organisation

2025/26 Budget

City Community Portfolio

City Infrastructure Portfolio

City Shaping Portfolio

Corporate Services Portfolio

Office of the Chief Executive

Office of the Lord Mayor

Capital Projects



Our Organisation

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

Corporate Services

Chief Operating Officer

Finance and Procurement

Governance and Strategy

Information Management

People

Adelaide Central Market Authority (ACMA)

Adelaide Economic Development Agency (AEDA)

Offices

Office of the Chief Executive Officer

Office of the Lord Mayor

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

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

Notes for this section:

Where shown in finances tables, the below applies:

- FTE – Full Time Equivalent (1.0) - staffing levels
- Inc. – Incomes
- Exp. – Expenditure
- Total(N) – Total (net)
- Materials and other – Materials, contracts and other expenses
- Sponsorship – Sponsorship, contributions and donations
- Depreciation – Depreciation, Amortisation and Impairment

2025/26 Budget

The table below provides a snapshot of the City of Adelaide's Budget for 2025/26 compared against the previous financial year, across our organisational structure and outlining the proposed Strategic (non-Capital) Projects for each Portfolio:

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Income	Expenditure	Income	Expenditure
City Community					
Director City Community		-	(334)	-	(680)
City Culture		6,199	(20,493)	5,283	(19,345)
Customer and Marketing		2	(6,812)	1	(6,895)
Regulatory Services		16,862	(10,367)	17,625	(10,613)
Strategic Projects		112	(762)	-	(895)
City Infrastructure					
Director City Infrastructure		-	(699)	-	(709)
Infrastructure		684	(48,850)	-	(53,287)
Strategic Property and Commercial		58,381	(32,478)	58,837	(34,046)
Strategic Projects		966	(3,132)	270	(2,528)
City Shaping					
Director City Shaping		-	(697)	-	(715)
City Operations		3,720	(45,325)	2,935	(47,084)
Park Lands, Policy and Sustainability		95	(7,346)	46	(7,710)
Kadaltilla / Adelaide Park Lands Authority		328	(328)	323	(323)
Strategic Projects		784	(2,359)	553	(1,994)
Corporate Services					
Chief Operating Officer		-	(1,014)	-	(974)
Finance and Procurement		138	(4,821)	142	(4,853)
Governance and Strategy		-	(6,065)	-	(5,925)
Information Management		31	(14,181)	38	(15,227)
People		88	(4,748)	-	(5,082)
Corporate Activities*		141,559	3,265	152,743	2,693
Adelaide Central Market Authority		5,430	(5,879)	5,645	(6,282)
Adelaide Economic Development Agency		4,637	(12,670)	4,528	(13,134)
Strategic Projects		83	(1,651)	-	(1,729)
Offices					
Office of the Chief Executive		-	(1,507)	-	(1,501)
Office of the Lord Mayor		-	(1,479)	-	(1,590)
Total		240,099	(230,732)	248,969	(240,428)
Operating Surplus/(Deficit)			9,367		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.

The Portfolio contains the City Culture, Customer and Marketing, and Regulatory Services Programs

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.

	\$'000	24/25 Q3 Budget			25/26 Budget				
		FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue		-	23,175		23,175	-	22,909	-	22,909
Employee Costs		196.9	-	(24,636)	(24,636)	196.9	-	(25,218)	(25,218)
Materials		-	-	(9,882)	(9,882)	-	-	(9,094)	(9,094)
Sponsorships		-	-	(1,004)	(1,004)	-	-	(909)	(909)
Depreciation		-	-	(2,951)	(2,951)	-	-	(2,936)	(2,936)
Finance Costs		-	-	(295)	(295)	-	-	(271)	(271)
TOTAL		196.9	23,175	(38,768)	(15,593)	196.9	22,909	(38,428)	(15,519)
Program Budget									
Office of the Director, City Community		3.0	-	(334)	(334)	3.0	-	(680)	(680)
City Culture		71.0	6,199	(20,493)	(14,294)	70.8	5,283	(19,345)	(14,062)
Customer and Marketing		40.1	2	(6,812)	(6,810)	40.1	1	(6,895)	(6,894)
Regulatory Services		82.0	16,862	(10,367)	6,495	81.0	17,625	(10,613)	7,012
Strategic Projects		1.8	112	(762)	(650)	2.0	-	(895)	(895)
TOTAL		196.9	23,175	(38,768)	(15,593)	196.9	22,909	(38,428)	(15,519)
	\$'000	24/25 Q3 Budget			25/26 Budget				
		Inc.	Exp.		Inc.	Exp.			
Capital Projects									
New and Upgrade						5	(4,352)	3,918	(14,386)
Renewal						274	(728)	-	(196)
TOTAL						279	(5,080)	3,918	(14,582)

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

Functions supported:

- Adelaide Town Hall
- BMX and Skate Parks
- City Activation
- Community Centres
- Community Development
- Positive Ageing Program
- Community Wellbeing
- Arts and Culture
- International and Sister City Relationships
- Libraries
- Major Event Facilitation
- Place Making
- Public Art and Monuments
- Sports and Recreation Initiatives
- Volunteers

Outputs for the year ahead

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

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget				25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View									
Revenue		-	6,199	-	6,199	-	5,283	-	5,283
Employee Costs		70.0	-	(9,655)	(9,655)	70.8	-	(9,488)	(9,488)
Materials		-	-	(7,081)	(7,081)	-	-	(6,141)	(6,141)
Sponsorships		-	-	(511)	(511)	-	-	(509)	(509)
Depreciation		-	-	(2,951)	(2,951)	-	-	(2,936)	(2,936)
Finance Costs		-	-	(295)	(295)	-	-	(271)	(271)
TOTAL		70.0	6,199	(20,493)	(14,294)	70.8	5,283	(19,345)	(14,062)
Activity view									
Associate Director (office)		2.0	-	(397)	(397)	2.0	-	(381)	(381)
Adelaide Town Hall		5.0	3,130	(3,265)	(135)	5.0	2,813	(3,136)	(323)
Aquatic Centre		-	194	(756)	(562)	0.0	-	-	-
City Experience		15.1	770	(4,440)	(3,670)	15.1	820	(4,236)	(3,416)
City Lifestyle		10.8	1,543	(3,716)	(2,173)	10.8	1,257	(3,570)	(2,313)
Creative City		11.6	33	(2,438)	(2,405)	12.4	137	(2,419)	(2,282)
Libraries		25.5	542	(5,481)	(4,952)	25.5	256	(5,603)	(5,347)
TOTAL		70.0	6,199	(20,493)	(14,294)	70.8	5,283	(19,345)	(14,062)

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

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Aboriginal Protocol Grant		-	(41)	-	(41)
Adelaide's New Years Eve		-	(700)	65	(585)
Annual Delivery of Kurna Initiatives		13	(81)	-	(27)
ANZAC Day Service - March & Related Activities		-	(55)	-	(57)
Arts and Cultural Grants		-	(262)	-	(39)
Business Activation and Support		20	(20)	-	-
Christmas Festival Action Plan		-	(529)	-	(532)
City Activation - West End Precinct		-	(45)	-	(53)
City Activation – East End Unleashed		40	(279)	41	(291)
City Activation - Gouger Street Precinct		-	(50)	-	(53)
City Activation - Hutt Street Precinct		-	(74)	-	(81)
City Activation - North Adelaide Precinct		-	(97)	-	(109)
City Activation - Precinct Support		-	(118)	-	(121)
Community Capacity Development		-	(3)	-	(3)
Community Impact Grants		-	(372)	-	(550)
DHS Community Neighbourhood Development Funding - Minor Works		-	-	99	(99)
Homelessness Social and Affordable Housing		-	(301)	-	(310)
International Relations (Sister Cities)		-	(15)	-	(98)
Live Music Industry and Venues Support		35	(93)	-	(59)
UNESCO Adelaide City of Music Ltd Partnership		-	(54)	-	(54)
Winter Weekends		-	(108)	-	-
TOTAL		108	(3,297)	205	(3,162)

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

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Annual Cultural Burn in the Park Lands		-	-	-	(25)
Australia Day Partnership - Australia Day Council of South Australia Incorporated		-	-	-	(100)
Bilingual Community Liaison Officer		-	-	-	(93)
City Activation		-	(502)	-	(300)
Future Libraries Business Case		-	-	-	(75)
Positive Ageing Program – Pilot		-	-	-	(50)
DHS Community Neighbourhood Development Funding		99	(99)	-	-
Social Work in Libraries		13	(13)	-	-
TOTAL		112	(614)	-	(643)

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		5	(4,352)	3,918	(14,319)
Renewal		274	(711)	-	(196)
TOTAL		279	(5,063)	3,918	(14,515)

Note: Some of the new and upgrade budget for 2025/26 has been retimed from 2024/25, and is incorporated in the 2025/26 income and expenditure.

Customer and Marketing

Strategic Plan link:
Our Corporation

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

Functions supported:

- Customer Service
- Customer Advocacy
- Customer Process Review and Development
- Customer Sentiment Measurement
- Content Production
- Graphic Design
- Media and Public Relations
- Social Media Management
- Website Management
- Digital Experience and Journey
- Videography
- Strategic Communications
- Communications campaign implementation

Outputs for the year ahead

- Implementation of strategic communication approach that informs and educates our community on our progress against key Strategic Outcomes from our Business Plan and Budget, and Strategic Plan
- Support the organisation in the production and development of engaging marketing and advertising approaches that strengthens CoA's reputation, informs our community on key CoA initiatives and celebrates our achievements
- Development of content series that showcases our passionate staff and demonstrating the value we deliver to the community through our core services
- Supporting our commercial businesses through strategic marketing plans to drive revenue growth opportunities
- Support the development and delivery of data driven customer experience programs including a revised channel strategy, comprehensive customer surveying, consolidation of customer services processes and by effectively closing the communications loop with customers
- Support the improvement of customer experience for residents, businesses and city users by embedding the Customer Experience Strategy and measuring success through an expanded Voice of Customer Program
- Provide brilliant customer experiences through first point of contact resolution of Council enquiries and information through a variety of channels and in accordance with relevant legislative/regulatory requirements and council objectives.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget					25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
Operating View										
Revenue	-		2	-	2	-	1	-	1	
Employee Costs	40.1		-	(4,832)	(4,832)	40.1	-	(4,974)	(4,974)	
Materials	-		-	(1,980)	(1,980)	-	-	(1,921)	(1,921)	
Sponsorships	-		-	-	-	-	-	-	-	
Depreciation	-		-	-	-	-	-	-	-	
Finance Costs	-		-	-	-	-	-	-	-	
TOTAL	40.1		2	(6,812)	(6,810)	40.1	1	(6,895)	(6,894)	
Activity view										
Associate Director (office)	1.0		-	(215)	(215)	1.0	-	(222)	(222)	
Customer Experience	28.1		2	(4,398)	(4,396)	28.1	1	(4,411)	(4,410)	
Marketing & Communications	11.0		-	(2,219)	(2,219)	11.0	-	(2,262)	(2,262)	
TOTAL	40.1		2	(6,812)	(6,810)	40.1	1	(6,895)	(6,894)	

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
N/A	-	-	-	-	-
TOTAL	-	-	-	-	-

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Strategic Projects					
City of Adelaide Website Redevelopment		-	-	-	(100)
TOTAL		-	-	-	(100)

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	-	-	-
Renewal		-	(17)	-	-
TOTAL		-	(17)	-	-

Regulatory Services

Strategic Plan link:
Our Places, Our Environment

Facilitates safer places for all to enjoy, provides easy access for those who visit and move around our City, and makes the experience of doing business with the City of Adelaide a pleasure.

Functions supported:

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

Outputs for the year ahead

- Facilitate high-quality built form outcomes through the assessment of Development Applications, engagement with SCAP and the Local Design Review pilot program
- Provide safer spaces through delivering Council's legislative obligations regarding public health, building compliance, permit management, related legislation and by-laws
- Enable access to on-street parking through monitoring compliance and encouraging kerbside turnover
- Enhance Council's use of data and intelligence in making evidence-based decisions to improve regulatory service delivery.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget				25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View									
Revenue	-		16,862	-	16,862	-	17,625	-	17,625
Employee Costs	81.0		-	(9,560)	(9,560)	81.0	-	(9,861)	(9,861)
Materials	-		-	(807)	(807)	-	-	(752)	(752)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	-	-	-	-	-	-
Finance Costs	-		-	-	-	-	-	-	-
TOTAL	82.0		16,862	(10,367)	6,495	81.0	17,625	(10,613)	7,012
Activity view									
Associate Director (office)	3.0		-	(476)	(476)	3.0	-	(490)	(490)
City Development	22.9		3,631	(2,993)	638	22.9	3,852	(3,097)	755
City Safety	13.0		521	(1,884)	(1,363)	13.0	538	(1,902)	(1,364)
On-Street Parking Compliance	42.1		12,710	(5,014)	7,696	42.1	13,235	(5,124)	8,111
TOTAL	81.0		16,862	(10,367)	6,495	81.0	17,625	(10,613)	7,012

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
N/A		-	-	-	-
TOTAL		-	-	-	-

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

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
On-Street Parking Compliance Technology and Customer Analytics Reform		-	(148)	-	(152)
TOTAL		-	(148)	-	(152)

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
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.

The Portfolio contains the Infrastructure, and Strategic Property and Commercial Programs

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.

	24/25 Q3 Budget					25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
Operating Budget										
Revenue		-	60,031		60,031	-	59,107	-	59,107	
Employee Costs		118.2		(12,143)	(12,143)	119.2	-	(12,709)	(12,709)	
Materials		-		(20,368)	(20,368)	-	-	(19,826)	(19,826)	
Sponsorships		-		(162)	(162)	-	-	(175)	(175)	
Depreciation		-		(50,046)	(50,046)	-	-	(57,420)	(57,420)	
Finance Costs		-		(2,440)	(2,440)	-	-	(440)	(440)	
TOTAL		118.2	60,031	(85,159)	(25,128)	119.2	59,107	(90,570)	(31,463)	
Program Budget										
Office of the Director, City Services		3.0	-	(699)	(699)	3.0	-	(709)	(709)	
Infrastructure		69.3	684	(48,850)	(48,166)	69.3	-	(53,287)	(53,287)	
Strategic Property and Commercial		44.9	58,381	(32,478)	25,903	44.9	58,837	(34,046)	24,791	
Strategic Projects		1.0	966	(3,132)	(2,166)	2.0	270	(2,528)	(2,258)	
TOTAL		118.2	60,031	(85,159)	(25,128)	119.2	59,107	(90,570)	(31,463)	

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		6,245	(41,657)	4,100	(14,737)
Renewal		684	(43,352)		(58,324)
TOTAL		6,929	(85,009)	4,100	(73,061)

Infrastructure

Strategic Plan link:
Our Environment, Our Places

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

Functions supported:

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

Outputs for the year ahead

- Develop and manage Asset Management Plans for Council's Infrastructure Assets, including reviews, revaluations, maintenance advice and condition audits
- Provide the community with the agreed levels of service, through the management and delivery of efficient and effective Infrastructure Assets at the lowest whole of life costs
- Provide excellent community outcomes through whole of project delivery of asset renewal, and new and upgrade projects
- Facilitate safe and efficient people movement through the development and implementation of key strategy and policy, designed public realm and strategic partnerships
- Support private development through the provision of advisory and coordination services.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget					25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
Operating View										
Revenue	-		684	-	684	-	-	-	-	
Employee Costs	69.3		-	(3,941)	(3,941)	69.3	-	(3,990)	(3,990)	
Materials	-		-	(5,563)	(5,563)	-	-	(5,358)	(5,358)	
Sponsorships	-		-	(162)	(162)	-	-	(175)	(175)	
Depreciation	-		-	(39,184)	(39,184)	-	-	(43,764)	(43,764)	
Finance Costs	-		-	-	-	-	-	-	-	
TOTAL	69.3		684	(48,850)	(48,166)	69.3	-	(53,287)	(53,287)	
Activity view										
Associate Director (office)	1.9		-	(674)	(674)	1.9	-	(679)	(679)	
Infrastructure Planning and Delivery	45.6		684	(47,512)	(46,828)	45.6	-	(51,894)	(51,894)	
Technical Services	21.8		-	(664)	(664)	21.8		(714)	(714)	
TOTAL	69.3		684	(48,850)	(48,166)	69.3	-	(53,287)	(53,287)	

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Free City Connector		-	(1,301)	-	(1,364)
TOTAL		-	(1,301)	-	(1,364)

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

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Asset Condition Audit		-	(539)	-	(1,200)
Resilient Flood Planning		966	(1,723)	100	(1,100)
Adelaide Park Lands Strategic Water Resources Study		-	(80)	-	-
Bridge Maintenance Program		-	(200)	-	-
CLC & Eagle Chambers – Accommodation Planning			(25)		
City Speed Limit Review		-	(27)	-	-
Heritage Strategy 2021-2036		-	(41)	-	-
North Adelaide Golf Course Water Feasibility Study		-	(26)	-	-
SA Power Networks (SAPN) Luminaire Upgrades		-	(14)	-	-
School Safety Review		-	(12)	-	-
Transport Strategy		-	(295)	-	-
TOTAL		966	(2,982)	100	(2,300)

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		6,245	(17,690)	4,100	(12,697)
Renewal		684	(42,927)	-	(58,324)
TOTAL		6,929	(60,617)	4,100	(71,021)

Note: Some of the new and upgrade budget for 2025/26 has been retimed from 2024/25, and is incorporated in the 2025/26 income and expenditure.

Strategic Property and Commercial

Strategic Plan link:

Our Environment, Our Places,
Our Economy

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

Functions supported:

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

Outputs for the year ahead

- Effectively manage Commercial Operations (Paid Parking and Golf) to grow visitation and net contribution
- Maintain ticketless, frictionless parking solutions across all UPark locations to deliver an improved customer experience
- Implement a best practice, ticketless, cashless on-street parking solution
- 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
- Progress master planning of the Flinders Street land acquisition for future housing
- Effectively manage CoA property leasing portfolio.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget					25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
Operating View										
Revenue	-		58,381	-	58,381	-	58,837	-	58,837	
Employee Costs	44.9		-	(7,380)	(7,380)	44.9	-	(7,753)	(7,753)	
Materials	-		-	(11,796)	(11,796)	-	-	(12,196)	(12,196)	
Sponsorships	-		-	-	-	-	-	-	-	
Depreciation	-		-	(10,862)	(10,862)	-	-	(13,657)	(13,657)	
Finance Costs	-		-	(2,440)	(2440)	-	-	(440)	(440)	
TOTAL	44.9		58,831	(32,478)	25,903	44.9	58,837	(34,046)	24,791	
Activity view										
Associate Director (of-fice)	1.8		-	(410)	(410)	1.8	-	(443)	(443)	
Commercial	4.0		295	(923)	(628)	4.0	300	(770)	(470)	
Parking	17.8		46,351	(15,306)	31,045	17.8	46,152	(14,999)	31,153	
North Adelaide Golf Course	13.1		4,977	(5,097)	(120)	13.1	5,455	(5,524)	(69)	
Strategic Property Devel- opment	4.0		-	(771)	(771)	4.0	-	(840)	(840)	
Strategic Property Man- agement	4.2		6,758	(9,971)	(3,213)	4.2	6,930	(11,470)	(4,540)	
TOTAL	44.9		58,381	(32,478)	25,903	44.9	58,837	(34,046)	24,791	

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
N/A	-	-	-	-	-
TOTAL	-	-	-	-	-

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

	24/25 Q3 Budget		25/26 Budget	
\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects				
88 O'Connell Project Delivery	-	(80)	-	(50)
Parking Coordinator – On-Street Paid Parking Control Changes	-	-	170	(128)
Review of Property Management	-	-	-	(50)
218 - 232 Flinders Street Master Plan Investigations	-	(70)	-	-
TOTAL	-	(150)	170	(228)

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	(23,967)	-	(2,040)
Renewal		-	(425)	-	-
TOTAL		-	(24,392)	-	(2,040)



Exercise 5

Pull Ups

Grasp bar and pull your body up so that your neck reaches the level of the bar. Slowly descend and repeat.



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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.

The Portfolio contains the City Operations, and Park Lands, Policy and Sustainability Programs

The Portfolio includes the Council subsidiary Kadaltilla / Adelaide Park Lands Authority (embedded within Park Lands, Policy and Sustainability)

Key Focus areas

- Adelaide Park Lands greening, management and improvements
- Implementing the City Plan
- Implementing the Integrated Climate Strategy
- Implementing the Reconciliation Action Plan, including Kurna heritage and voice and cultural mapping of the Park Lands
- 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).

	24/25 Q3 Budget					25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
Operating Budget										
Revenue	-		4,927		4,927	-	3,857	-	3,857	
Employee Costs	269.8		-	(30,742)	(30,742)	273.2	-	(32,438)	(32,438)	
Materials	-		-	(21,368)	(21,368)	-	-	(21,358)	(21,358)	
Sponsorships	-		-	(2,213)	(2,213)	-	-	(1,902)	(1,902)	
Depreciation	-		-	(1,732)	(1,732)	-	-	(2,128)	(2,128)	
Finance Costs	-		-	-	-	-	-	-	-	
TOTAL	269.8		4,927	(56,055)	(51,128)	273.2	3,857	(57,826)	(53,969)	

Program Budget								
Office of the Director, City Shaping	3.0	-	(697)	(697)	3.0	-	(715)	(715)
Park Lands, Policy and Sustainability	35.6	95	(7,346)	(7,251)	35.6	46	(7,710)	(7,664)
City Operations	227.9	3,720	(45,325)	(41,605)	230.3	2,935	(47,084)	(44,149)
Kadaltilla	1.3	328	(328)	-	1.3	323	(323)	-
Strategic Projects	2.0	784	(2,359)	(1,575)	3.0	553	(1,994)	(1,441)
TOTAL	269.8	4,927	(56,055)	(51,128)	273.2	3,857	(57,826)	(53,969)

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		10	(4,149)	-	(4,282)
Renewal		-	(1,492)	-	(1,559)
TOTAL		10	(5,641)	-	(5,841)

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

Functions supported:

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

Outputs for the year ahead

- Plan and deliver work for all Council's assets i.e. infrastructure, buildings, urban elements, horticulture, arboriculture, cleansing, waste and fleet through planned programs and responsive work
- Deliver on the Strategic Outcome of an increase in canopy cover through an accelerated greening program
- Deliver safer spaces and places in accordance with Council's legislative obligations regarding cleansing, waste collection and processing, building compliance, tree risk management and community lighting
- Deliver the review of plant and fleet resulting in the development of an Asset Management Plan to inform next step development towards Integrated Climate Strategy targets
- Deliver innovative trials across the city to improve customer experience in the City of Adelaide
- Deliver out of hours service to respond to emerging issues within the City of Adelaide
- Delivery of Minor Capital Works to support Councils capital works program
- Deliver on capturing data regarding the future operational impacts of projects handed over to City Operations. Ensuring informed decision-making, resource planning, and long-term sustainability of assets.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget				25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View									
Revenue	-		3,720	-	3,720	-	2,935	-	2,935
Employee Costs	227.9		-	(24,759)	(24,759)	230.3	-	(25,828)	(25,828)
Materials	-		-	(18,834)	(18,834)	-	-	(19,128)	(19,128)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	(1,732)	(1,732)	-	-	(2,128)	(2,128)
Finance Costs	-		-	-	-	-	-	-	-
TOTAL	227.9		3,720	(45,325)	(41,605)	230.3	2,935	(47,084)	(44,149)
Activity view									
Associate Director (of-fice)	16.8		12	(3,037)	(3,025)	16.8	18	(3,312)	(3,294)
Mgr., City Maintenance	1.0		-	(200)	(200)	1.0	-	(202)	(202)
Mgr., City Presentation	1.0		-	(190)	(190)	1.0	-	(213)	(213)
Cleansing	48.5		7	(7,309)	(7,302)	48.0	10	(7,517)	(7,507)
Facilities	5.0		-	(3,204)	(3,204)	5.0	-	(3,408)	(3,408)
Horticulture	84.7		3,328	(16,022)	(12,694)	87.1	2,596	(16,409)	(13,813)
Infrastruct. Maintenance	33.0		-	(5,852)	(5,852)	33.0	-	(6,151)	(6,151)
Trades	25.0		353	(5,843)	(5,490)	24.0	261	(5,714)	(5,453)
Waste	2.5		20	(3,116)	(3,096)	3.0	50	(3,491)	(3,441)
Workshops	10.4		-	(552)	(552)	11.4	-	(667)	(667)
TOTAL	227.9		3,720	(45,325)	(41,605)	230.3	2,935	(47,084)	(44,149)

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Safer City Program	-		(95)	-	(95)
TOTAL	-		(95)	-	(95)

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

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Feasibility Studies - Waste and Recycling Collection		-	(100)	-	-
TOTAL		-	(100)	-	-

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade	-	-	-	(150)	
Renewal	-	(1,492)	-	(1,559)	
TOTAL	-	(1,492)	-	(1,709)	

Park Lands, Policy and Sustainability

Strategic Plan link:

Our Community , Our Places,
Our Environment, Our Economy

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

Functions supported:

- Adelaide Park Lands Strategy and Planning
- Economic Development Policy
- Heritage Management and Promotion
- Housing and Homelessness Strategy
- Kadaltilla / Adelaide Park Lands Authority
- City Planning Policy
- Reconciliation
- Social Policy
- Disability Access and Inclusion
- Sustainability and Climate Action

Outputs for the year ahead

- Deliver meaningful climate action, circular economy and sustainability programs and embed environment, social and economic strategic policy objectives into City of Adelaide policy and processes
- Use the City Plan to inform the future urban form of Adelaide and advocacy to the State Government, including a rolling program of Council-led amendments to the State Government's Planning and Design Code
- Deliver heritage action and programs relating to local, state, national and world heritage
- Deliver reconciliation initiatives and maintain meaningful relationships with Kaurna people and other Aboriginal and Torres Strait Islander people
- Deliver Council policies and approaches for climate, homelessness, housing, disability access and inclusion and economic development
- Deliver the Adelaide Park Lands Management Strategy on behalf of Kadaltilla and maintain Community Land Management Plans for the Adelaide Park Lands.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget				25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View									
Revenue	-		95	-	95	-	46	-	46
Employee Costs	35.6		-	(4,879)	(4,879)	35.6	-	(5,387)	(5,387)
Materials	-		-	(1007)	(1007)	-	-	(886)	(886)
Sponsorships	-		-	(1,460)	(1,460)	-	-	(1,437)	(1,437)
Depreciation	-		-	-	-	-	-	-	-
Finance Costs	-		-	-	-	-	-	-	-
TOTAL	35.6		95	(7,346)	(7,251)	35.6	46	(7,710)	(7,664)
Activity view									
Associate Director (of-fice)	3.0		-	(434)	(434)	3.0	-	(501)	(501)
City Planning and Herit-age	17.2		45	(4,004)	(3,959)	17.2	46	(4,185)	(4,139)
Low Carbon and Circular Economy	7.8		35	(1,757)	(1,722)	7.8	-	(1,735)	(1,735)
Park Lands, Policy and Sustainability	7.6		15	(1,151)	(1,136)	7.6	-	(1,289)	(1,289)
TOTAL	35.6		95	(7,346)	(7,251)	35.6	46	(7,710)	(7,664)

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

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Integrated Climate Strategy - SIS		-	(226)	-	(233)
City of Adelaide Prize		-	(30)	-	-
Integrated Climate Strategy - Carbon Neutral		-	(436)	-	(484)
Integrated Climate Strategy - Sustainability		15	(106)	-	(124)
Economic Policy		-	(42)	-	-
Heritage Incentive Scheme		-	(1,163)	-	(1,163)
Heritage Promotion Program		-	(181)	-	(187)
History Festival		-	(32)	-	(33)
Homelessness - Social and Affordable Housing		-	(160)	-	(165)
Homeless and Vulnerable People Project		44	(44)	46	(46)
NAIDOC Week Celebrations		-	(54)	-	(54)
Noise Management Program Incentive Scheme		-	(46)	-	(48)
Safer City Program		-	(197)	-	(254)
TOTAL		59	(2,717)	46	(2,791)

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

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Adaptive Re-use Housing Initiative Program (ARCHI)		500	(500)	303	(606)
City Plan Digital Tool (City of Adelaide Digital Explore - CoADE)		-	-	-	(140)
Implementation of the City of Adelaide Housing Strategy – Vacancy assessment		-	-	-	(200)
Implementation of the Disability Access and Inclusion Plan 2024-2028		-	(235)	-	(130)
Master Plan for Helen Mayo Park		-	-	250	(250)
National Heritage Management Plan Implementation		-	(100)	-	(100)
Planning and Design Code Amendment Program		-	(165)	-	(100)
Key Biodiversity Area Management Plan for G S Kingston Park / Wirrarninthe (Park 23)		-	(75)	-	(75)
Social Planning Homelessness and Adelaide Zero Project - Partnership		-	(208)	-	(215)
Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscape		-	-	-	(178)
Reconciliation Action Plan 2024-2027 Implementation		-	(100)	-	-
Local Heritage Assessments – 20th Century Buildings		-	(50)	-	-
Homelessness Strategy Implementation		-	(40)	-	-
Historic Area Statement – Code Amendment		-	(112)	-	-
Economic Development Strategy Implementation		-	(106)	-	-
Botanic Creek Rehabilitation		34	(72)	-	-
Heritage Incentive Scheme – State Heritage Buildings		250	(250)	-	-
Evaluation of Park Lands Dry Areas Regulation		-	(115)	-	-
World Heritage Bid for the Park Lands		-	(130)	-	-
TOTAL		784	(2,258)	553	(1,994)

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		10	(4,149)	-	(4,132)
Renewal		-	-	-	-
TOTAL		10	(4,149)	-	(4,132)

Note: Some of the new and upgrade budget for 2025/26 has been retimed from 2024/25, and is incorporated in the 2025/26 income and expenditure.

Kadaltilla / Adelaide Park Lands Authority

Strategic Plan link:
Our Environment

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

Functions supported:

- Advocacy, advice and policy governance
- Adelaide Park Lands Management Strategy
- Stakeholder and intergovernmental relations
- Brand and Marketing



Outputs for the year ahead

- Promote the cultural values of the Park Lands including Kurna culture, heritage, and wellbeing
- Maintain and improve climate resilience and the landscape values of the Park Lands
- Treat the Park Lands holistically with an adaptive future focused approach
- Function as the peak advisory body for policy, development, heritage, and management of the Park Lands based on sound data and evidence.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget				25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View									
Revenue		-	328	-	328	-	323		323
Employee Costs		1.3	-	(175)	(175)	1.3		(180)	(180)
Materials		-	-	(138)	(138)	-		(143)	(143)
Sponsorships		-	-	(15)	(15)	-	-	-	-
Depreciation		-	-	-	-	-	-	-	-
Finance Costs		-	-	-	-	-	-	-	-
TOTAL		1.3	328	(328)	-	1.3	323	(323)	-
Activity view									
Kadaltilla		1.3	328	(328)	-	1.3	323	(323)	-
TOTAL		1.3	328	(328)	-	1.3	323	(323)	-

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
N/A		-	-	-	-
TOTAL		-	-	-	-

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Strategic Projects					
N/A		-	-	-	-
TOTAL		-	-	-	-

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
TOTAL		-	-	-	-



Corporate Services

(including subsidiaries)

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

The Portfolio contains the Finance and Procurement, Governance and Strategy, Information Management, and People Programs.

Additionally the Portfolio includes Council subsidiaries Adelaide Central Market Authority (ACMA), and Adelaide Economic Development Agency (AEDA)

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

	24/25 Q3 Budget					25/26 Budget			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue	-		151,966		151,966	-	163,096	-	163,096
Employee Costs	165.8			(9,550)	(9,550)	166.5	-	(18,574)	(18,574)
Materials	-			(33,199)	(33,199)	-	-	(26,565)	(26,565)
Sponsorships	-			(3,764)	(3,764)	-	-	(3,346)	(3,346)
Depreciation	-			(1,244)	(1,244)	-	-	(2,022)	(2,022)
Finance Costs	-			(7)	(7)	-	-	(6)	(6)
TOTAL	165.8		151,966	(47,764)	104,202	166.5	163,096	(50,513)	112,583
Program Budget									
Office of the COO	5.0		-	(1,014)	(1,014)	5.0	-	(974)	(974)
Finance and Procurement	28.8		138	(4,821)	(4,683)	28.8	142	(4,853)	(4,711)
Governance and Strategy	23.3		-	(6,065)	(6,065)	23.3	-	(5,925)	(5,925)
Information Management	35.0		31	(14,181)	(14,150)	35.0	38	(15,227)	(15,189)
People^	28.8		88	(4,748)	(4,660)	28.8	-	(5,082)	(5,082)
Corporate Activities*	3.0		141,559	3,265	144,824	3.0	152,743	2,693	155,436
ACMA	9.8		5,430	(5,879)	(449)	9.8	5,645	(6,282)	(637)
AEDA	31.6		4,637	(12,670)	(8,033)	31.6	4,528	(13,134)	(8,606)
Strategic Projects	0.5		83	(1,651)	(1,568)	1.2	-	(1,729)	(1,729)
TOTAL	165.8		151,966	(47,764)	104,202	166.5	163,096	(50,513)	112,583

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

^ includes 10.0 FTE Graduates allocated in business units across the Administration

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		3,954	(1,591)	-	(4,979)
Renewal		-	(5,058)	-	(1,960)
TOTAL		3,954	(6,649)	-	(6,939)

Finance and Procurement

Strategic Plan link:
Our Corporation

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

Functions supported:

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

Outputs for the year ahead

- Deliver on the 2025/26 Business Plan and Budget
- Refine modelling for the 2025/26 update of the Long Term Financial Plan
- Implement findings of the 2025 rating review
- Undertake Phase 1 of the debtors and receipting system review
- Comprehensive review of Treasury Policy
- Comprehensive review of Future Fund Reserve Policy.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget				25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View									
Revenue	-		138	-	138	-	142	-	142
Employee Costs	28.8		-	(4,087)	(4,087)	28.8	-	(4,090)	(4,090)
Materials	-		-	(734)	(734)	-	-	(763)	(763)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	-	-	-	-	-	-
Finance Costs	-		-	-	-	-	-	-	-
TOTAL	28.8		138	(4,821)	(4,683)	28.8	142	(4,853)	(4,711)
Activity view									
Associate Director (office)	1.0		-	(288)	(288)	1.0	-	(283)	(283)
Financial Planning and Reporting	13.0		-	(1,984)	(1,984)	13.0	-	(2,044)	(2,044)
Procurement and Contract Management	7.8		-	(1,063)	(1,063)	7.8	-	(1,103)	(1,103)
Rates and Receivables	7.0		138	(1,486)	(1,348)	7.0	142	(1,423)	(1,281)
TOTAL	28.8		138	(4,821)	(4,683)	28.8	142	(4,853)	(4,711)

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
N/A	-	-	-	-	-
TOTAL	-	-	-	-	-

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

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Banking Transition		33	-	-	-
TOTAL		33	-	-	-

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
TOTAL		-	-	-	-

Governance and Strategy

Strategic Plan link:
Our Corporation

Enabling robust, transparent and effective governance and risk management processes, and working collaboratively to create, maintain and integrate well researched strategies, policies, and plans which guide decision making and support our city and our community to thrive.

Functions supported:

- Business Planning and Reporting
- Community Engagement
- Compliance and Freedom of Information
- Council Governance and administration
- Corporate Governance
- Enterprise Risk
- Grants and Partnership Management
- Legal Services
- Policy Governance
- Project Delivery and Performance
- Research and Insights
- Security and Emergency Management
- Strategic and Service Planning

Outputs for the year ahead

- Provide a customer centric service to the organisation which delivers expert advice and guidance in relation to council governance, Kadaltilla / Adelaide Park Lands Authority, corporate governance, internal controls, insurance, internal audit, emergency management, enterprise and legal risk
- Design and implement initiatives which support an organisational approach to risk and opportunity
- Support the delivery of reporting outcomes to Committees, Council and Kadaltilla / Adelaide Park Lands Authority, and transparent decision making, through the availability of an accessible and reliable meeting and agenda management system
- Monitor and maintain operational management systems and processes to support the

organisation's compliance with legislative requirements

- Provision of effective, accurate and timely legal services
- Design and deliver a strategic internal audit plan which provides assurance on the effectiveness of governance, risk management and internal controls
- Monitor and maintain an appropriate suite of insurance and perform claims management
- Provide high-level administrative support and appropriate advice to ensure Council Members fulfill their roles and responsibilities

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget				25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View									
Revenue	-	-	-	-	-	-	-	-	-
Employee Costs	23.3	-	(3,031)	(3,031)	23.3	-	(3,010)	(3,010)	
Materials	-	-	(3,034)	(3,034)	-	-	(2,915)	(2,915)	
Sponsorships	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	
Finance Costs	-	-	-	-	-	-	-	-	
TOTAL	23.3	-	(6,065)	(6,065)	23.3	-	(5,925)	(5,925)	
Activity view									
Associate Director (of-fice)	1.0	-	(343)	(343)	1.0	-	(255)	(255)	
Corporate Governance	5.2	-	(3,183)	(3,183)	5.2	-	(3,074)	(3,074)	
Council Governance	5.1	-	(1,110)	(1,110)	5.1	-	(1,133)	(1,133)	
Legal Governance	-	-	-	-	-	-	-	-	
Project Management Office	5.0	-	(258)	(258)	5.0	-	(262)	(262)	
Strategy and Insights	7.0	-	(1,171)	(1,171)	7.0	-	(1,201)	(1,201)	
TOTAL	23.3	-	(6,065)	(6,065)	23.3	-	(5,925)	(5,925)	

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

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
N/A		-	-	-	-
TOTAL		-	-	-	-

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

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
ESCOSA review	-	(40)	-	-	-
Supplementary Election 2025	-	(73)	-	-	-
TOTAL	-	(113)	-	-	-

	24/25 Q3 Budget		25/26 Budget	
\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects				
New and Upgrade	-	-	-	-
Renewal	-	-	-	-
TOTAL	-	-	-	-

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

Functions supported:

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

Outputs for the year ahead

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

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget					25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
Operating View										
Revenue		-	31	-	31	-	38	-	38	
Employee Costs		35.0	-	(4,116)	(4,116)	35.0	-	(5,461)	(5,461)	
Materials		-	-	(8,946)	(8,946)	-	-	(8,535)	(8,535)	
Sponsorships		-	-	-	-	-	-	-	-	
Depreciation		-	-	(1,119)	(1,119)	-	-	(1,231)	(1,231)	
Finance Costs		-	-	-	-	-	-	-	-	
TOTAL		35.0	31	(14,181)	(14,150)	35.0	38	(15,227)	(15,189)	
Activity view										
Associate Director (of-fice)		10.0	8	(1,419)	(1411)	13.0	8	(2,055)	(2,047)	
Project Delivery		11.0	-	(2,603)	(2,603)	10.0	-	(2,576)	(2,576)	
Service Desk		6.0	23	(8,991)	(8,968)	5.0	30	(9,278)	(9,248)	
Technology, Infrastruc-ture and Platforms		8.0	-	(1,168)	(1,168)	7.0	-	(1,318)	(1,318)	
TOTAL		35.0	31	(14,181)	(14,150)	35.0	38	(15,227)	(15,189)	

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Business Systems Roadmap	-		(1,600)	-	(1,600)
TOTAL	-	-	(1,600)	-	(1,600)

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

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Cyber Security Enhancement		-	(85)	-	(110)
Contact Centre Software Replacement		-	(450)	-	-
TOTAL		-	(535)	-	(110)

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	(330)	-	-
Renewal		-	(4,978)	-	(1,660)
TOTAL		-	(5,308)	-	(1,660)

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

Functions supported:

- Human Resource Management
- Internal Communications and Connection
- Organisational Development
- Payroll
- Safety and Wellbeing

Outputs for the year ahead

- Provide a customer centric business partnering service which provides expert advice and guidance consistent with terms and conditions of employment and applicable work health and safety, payroll and industrial relations legislation
- Design and implement initiatives which support an organisational environment and culture which is engaged, diverse and inclusive
- Support the delivery of business outcomes and the making of data driven workforce decisions through the availability of accessible and user-friendly workforce management systems, processes, and data
- Design and implement strategic and operational workforce planning processes to support the development of employees and enable the identification of future workforce needs
- Design and implement attraction and retention strategies and initiatives that strengthen CoA's employer brand and position CoA as an employer of choice
- Design and implement safety and wellbeing systems, processes and initiatives which provide a holistic approach to workplace safety and wellbeing
- Support knowledge share and connections across the organisation through internal communication channels and initiatives.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget					25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
Operating View										
Revenue	-	88	-	88	-	-	-	-	-	
Employee Costs^	28.8	-	(3,491)	(3,491)	28.8	-	(3,846)	(3,846)		
Materials	-	-	(1,257)	(1,257)	-	-	(1,236)	(1,236)		
Sponsorships	-	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	-	
Finance Costs	-	-	-	-	-	-	-	-	-	
TOTAL	28.8	88	(4,748)	(4,660)	28.8	-	(5,082)	(5,082)		
Activity view										
Associate Director (of-fice)	3.0	-	(576)	(576)	3.0	-	(596)	(596)		
People Experience	15.8	60	(2,309)	(2,249)	15.8	-	(2,613)	(2,613)		
People Safety and Well-being	4.0	28	(796)	(768)	4.0	-	(774)	(774)		
People Services	6.0	-	(1,067)	(1,067)	6.0	-	(1,099)	(1,099)		
TOTAL	28.8	88	(4,748)	(4,660)	28.8	-	(5,082)	(5,082)		

^ includes 10.0 FTE Graduates allocated in business units across the Administration

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Graduate Employment Program	-	-	(841)	-	(1,122)
TOTAL	-	-	(841)	-	(1,122)

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

	24/25 Q3 Budget		25/26 Budget		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Aboriginal Employment and Inclusion Coordinator	-	-	-	-	(34)
Talent Attraction and Retention	-	-	-	-	(121)
TOTAL	-	-	-	-	(155)

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
TOTAL		-	-	-	-

Adelaide Central Market Authority (ACMA)

Strategic Plan link:

Our Economy

Oversees the strategy, management and operation of the Adelaide Central Market as a commercially sustainable, diverse and iconic fresh produce market.

Functions supported:

- Market Operations (incl. Security, Cleaning, waste)
- Commercial Leasing
- Property management
- Trader engagement and support
- Customer Service and Visitor Information
- Events and Activations
- Marketing, Social Media, Website Management
- Media and Public Relations
- ACMA Board governance and support
- Online Market Operations
- Market Precinct partnerships



Outputs for the year ahead

- Ensure customer experiences are at the heart of all decisions every day
- Enable and partner with our traders to support them in the delivery of an exceptional shopping experience
- Implement the retail leasing strategy and transition to One Market, including securing new tenancies
- Plan and deliver programs that address the current and emerging needs of our customers and traders
- Take a responsible and sustainable approach to our business in pursuing positive long-term financial results
- Contribute to the economic, social and cultural wellbeing of our precinct and community.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget				25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View									
Revenue	-		5,430	-	5,430	-	5,645	-	5,645
Employee Costs	9.8		-	(1,580)	(1,580)	9.8	-	(1,776)	(1,776)
Materials	-		-	(4,262)	(4,262)	-	-	(4,461)	(4,461)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	(36)	(36)	-	-	(42)	(42)
Finance Costs	-		-	(1)	(1)	-	-	(3)	(3)
TOTAL	9.8		5,430	(5,879)	(449)	9.8	5,645	(6,282)	(637)
Activity view									
ACMA Operations	6.8		5,344	(5,245)	99	6.8	5,558	(5,449)	109
Market Expansion	3.0		-	(399)	(399)	3.0	-	(600)	(600)
Online Market Platform	-		86	(235)	(149)	-	87	(233)	(146)
TOTAL	9.8		5,430	(5,879)	(449)	9.8	5,645	(6,282)	(637)

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
N/A		-	-	-	-
TOTAL		-	-	-	-

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

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
ACMA Traders Sustainability Program Stage 1		50	(50)		
Adelaide Central Market Expansion Operational Preparedness		-	(220)	-	(939)
TOTAL		50	(270)	-	(939)

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	-	-	(1,225)
Renewal		-	-	-	-
TOTAL		-	-	-	(1,225)

Adelaide Economic Development Agency (AEDA)

Strategic Plan link:

Our Economy

Accelerate economic growth in the CoA by attracting investment, supporting businesses to grow, funding festivals, growing the visitor economy, supporting residential growth, managing Rundle Mall and marketing the city as a destination and 'magnet city'.

Functions supported:

- Business Support and Investment
- Economic Data and Insights
- Event and Festival Sponsorship
- Marketing the City
- Precinct Group Funding
- Residential Growth
- Rundle Mall Management, Activations and Marketing
- Funding for strategic partnerships
- Visitor Economy
- Visitor Information Services



Outputs for the year ahead

- Rundle Mall management, marketing, attraction of new brands, activation and implementation of the Rundle Mall Events and Marketing Strategy
- Provision of sponsorship to event organisers and strategic partner organisations
- Events and data that stimulate thinking about the City's economy and investment into the economy
- Initiatives that increase the number of workers in the City by supporting businesses to grow or locate in the City
- Marketing campaigns that position the City as a place to work, invest and visit
- Provision of Visitor Information Services, including the opening of a new Visitor Experience Centre
- Increasing tourism products to grow the visitor economy.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget				25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View									
Revenue	-		4,637		4,637	-	4,528	-	4,528
Employee Costs	31.6		-	(4,656)	(4,656)	31.6	-	(4,769)	(4,769)
Materials	-		-	(4,656)	(4,656)	-	-	(4,967)	(4,967)
Sponsorships	-		-	(3,264)	(3,264)	-	-	(3,346)	(3,346)
Depreciation	-		-	(88)	(88)	-	-	(48)	(48)
Finance Costs	-		-	(6)	(6)	-	-	(4)	(4)
TOTAL	31.6		4,637	(12,670)	(8,033)	31.6	4,528	(13,134)	(8,606)
Activity view									
General Manager AEDA (office)	2.0		-	(587)	(0,587)	2.0	-	(546)	(546)
Business and Investment	7.0		100	(2,718)	(2,618)	7.0	-	(2,787)	(2,787)
Marketing	8.0		-	(1,918)	(1,918)	8.0	-	(2,144)	(2,144)
Rundle Mall Management	9.6		4,518	(4,490)	28	9.6	4,518	(4,518)	-
Visitor Economy	5.0		19	(2,957)	(2,938)	5.0	10	(3,139)	(3,129)
TOTAL	31.6		4,637	(12,670)	(8,033)	31.6	4,528	(13,134)	(8,606)

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Adelaide Fashion Week	-		(310)	-	(489)
Business Growth - Business Support	-		(172)	-	(232)
Data and insights	-		(359)	-	(412)
AEDA Summit	100		(100)		
Event and Festival Sponsorship	-		(1,932)	-	(1,990)
General Marketing	-		(408)	-	(420)
Main streets Development Grants / Precinct Activation	-		(184)	-	(190)
Strategic Partnerships	-		(1,108)	-	(1,142)
Visitor Growth – Tourism Projects	-		(180)	-	(198)
TOTAL	100		(4,753)	-	(5,073)

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

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Rundle Mall Live Music Program		-	(100)	-	(100)
Tourism and Business attraction		-	(133)	-	(150)
Partner Marketing – Winter Focus		-	-	-	(75)
City Brand Development		-	-	-	(100)
Investment Attraction Program		-	-	-	(100)
Commercial Events Funding Program		-	(500)	-	-
TOTAL		-	(733)	-	(525)

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		3,954	(1,261)	-	(3,754)
Renewal		-	(80)	-	(300)
TOTAL		3,954	(1,341)	-	(4,054)

Office of the Chief Executive Officer

Office of the Lord Mayor

Strategic Plan link:

Our Community, Our Environment,
Our Economy, Our Places, Our Corporation

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

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

Functions supported by these offices:

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

Outputs for the year ahead

- Participate and advocate to Federal, State and Local Governments
- Manage stakeholder relationships that support City, Community and Civic development
- Facilitate strong connections through Civic Events, Forums, Local, National and International partnerships
- Ensure that the organisation is providing transparent and professional advice and delivering statutory requirements
- Provide high-level administrative support and appropriate advice to ensure the Lord Mayor, Council Members and Executive fulfill their roles and responsibilities.

The following table provides a view of this Program's budget by both operations and activity:

	24/25 Q3 Budget				25/26 Budget				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating View									
Revenue	-	-	-	-	-	-	-	-	-
Employee Costs	10.3	-	(1,808)	(1,808)	10.3	-	(1,853)	(1,853)	
Materials	-	-	(1,128)	(1,128)	-	-	(1,238)	(1,238)	
Sponsorships	-	-	(50)	(50)	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	
Finance Costs	-	-	-	-	-	-	-	-	
TOTAL	10.3	-	(2,986)	(2,986)	10.3	-	(3,091)	(3,091)	
Activity view									
Office of the Chief Executive	4.0	-	(1,507)	(1,507)	4.0	-	(1,501)	(1,501)	
Civic Events, Partnerships, and Other Events	-	-	(321)	(321)	-	-	(398)	(398)	
Lord Mayor's Office Administration	6.3	-	(1,158)	(1,158)	6.3	-	(1,192)	(1,192)	
TOTAL	10.3	-	(2,986)	(2,986)	10.3	-	(3,091)	(3,091)	

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
N/A	-	-	-	-	-
TOTAL	-	-	-	-	-

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

	\$'000	24/25 Q3 Budget		25/26 Budget	
		Inc.	Exp.	Inc.	Exp.
Strategic Projects					
N/A		-	-	-	-
TOTAL		-	-	-	-

		24/25 Q3 Budget		25/26 Budget	
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
TOTAL		-	-	-	-

Capital Projects

Council owns and is responsible for the management, operations and maintenance of a diverse asset portfolio that provides services and facilities for city users.

To ensure existing assets are maintained, renewed and upgraded, and that we identify appropriate opportunities for new assets, capital projects are assessed and prioritised with asset sustainability and the organisation's capacity to deliver in mind. Whilst capital projects can be funded by borrowings, we consider asset depreciation, cost of the life of an asset and responsible borrowing capacity.

	\$'000	24/25 Q3 Budget	25/26 Budget
New and Upgrade		56,613	46,361
Renewal		56,296	67,937
TOTAL		112,909	114,298

A detailed breakdown of our Capital Works Program is provided on the following pages.

We categorise our capital projects expenditure to provide a better understanding of what is being delivered as:

NEW AND UPGRADE

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

These projects are identified through Council's Strategies and Plans and defined as:

- complex in nature
- installation of new infrastructure
- upgrades to existing infrastructure

Note: Some projects have been retimed from 2024/25 and will continue to be delivered into 2025/26

RENEWAL

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

These projects are grouped against multiple categories and are directly aligned to maintenance service levels contained within Council's Asset Management Plans.

New and Upgrade

Past FY(s) Budget Expenditure on projects including, New and Upgrade, and Renewal components that occurred in previous financial years up to 2025/26.
Actual spend for financial years prior to 2024/25 and budgeted allocation for 2024/25.

New and Upgrade 2025/26 New and Upgrade budget component.

Renewal 2025/26 Renewal budget component. These are also included in the Renewal table on the following page.

WoP Budget Whole of Project cost (New and Upgrade, and Renewal), which is the anticipated budget required to deliver the entire project, regardless of financial year project delivered in.

	\$'000	Past FY(s) Budget	2025/26 Budget New and Upgrade	Renewal	WoP Budget
City Community					
City Culture					
Aquatic Centre Community Playing Field – Denise Norton Park / Pardipardinyilla (Park 2)		3,589	5,658	-	9,247
Christmas Decorations – City Wide		-	200	-	200
Community Sports Building Redevelopment – Golden Wattle Park / Mirnu Wirra (Park 21 West)*>		235	4,178	680	5,773
Community Sports Building Redevelopment – Mary Lee Park / Tulya Wardli (Park 27B)*>		831	3,493	200	5,124
Community Sports Building Redevelopment – Concept Design		-	100	-	6,000
Public Art Action Plan Deliverables		-	450	-	450
Minor Works Building – Security Upgrades		-	50	-	450
Place of Courage *>		10	190	-	200
Regulatory Services					
Additional Park Safe Vehicle^		-	67	-	67
City Infrastructure					
Infrastructure					
Adelaide Park Lands Trail – Sir Donald Bradman Drive**		50	1,200	-	1,250
Belair-City Bikeway/Adelaide Park Lands Trail – Glen Osmond Road**		50	1,300	-	1,350
Brown Hill Keswick Creek (Financial Contribution)		2,266	320	-	5,600
Franklin Street Pedestrian Crossing		-	120	-	620
James Place Upgrade*		66	1,000	434	1,500
Main Street Revitalisation – Gouger Street (Detailed Design & Construction) >		837	2,209	1,630	27,059
Main Street Revitalisation – Hindley Street (Construction) >		1,929	480	1,000	30,195
Main Street Revitalisation – Hutt Street (Detailed Design & Construction) >		410	465	424	21,505
Main Street Revitalisation – Melbourne Street (Detailed Design & Construction)*		154	1,850	-	13,451
Main Street Revitalisation – O'Connell Street (Detailed Design)		1,059	612	1,388	24,614
Traffic Signal Safety Upgrade – Morphett Street and Franklin Street Intersection		-	270	-	270
Traffic Signal Safety Upgrade – Morphett Street and Grote Street Intersection		-	255	-	255
Peacock Road Cycle Route**		50	500	-	550

*partially grant funded **fully grant funded ^income generating >some/all budget retimed from 24/25

continued on next page

	\$'000	Past FY(s) Budget	2025/26 Budget		WoP Budget
			New and Upgrade	Renewal	
City Infrastructure (continued)					
Infrastructure (continued)					
School Safety Implementation Project>		100	150	-	1,055
West Pallant Street Improvements>		81	33	-	749
Vincent St and Vincent Pl>		856	324	-	1,180
Torrens Lake Earth Retaining Structure>		1089	300		1,389
Rymill Park Masterplan and Accessibility>		914	730	-	1,644
O'Connell/Archer St Intersection Upgrade (BS)>		-	350	-	350
Hutt St Entry Statement>		2,771	229	-	3,000
Strategic Property and Commercial					
Central Market Arcade Redevelopment Options		3,173	300	-	3,473
Central Market Arcade Redevelopment Major Project		30,918	1,000	-	31,918
Flinders Street Housing – Concept Planning		-	250	-	250
UPark Central Market – Parking Guidance System		-	300	-	900
UPark Central Market – Car Park Hardware		-	190	-	190
City Shaping					
City Operations					
Accelerated Greening Water Truck		-	150	-	150
Park Lands, Policy and Sustainability					
City Public Realm Greening Program>		3,468	3,932	-	7,400
London Road Depot Electrification – Stage 1		-	200	-	200
Corporate Services					
Adelaide Central Market Authority (ACMA)					
Christmas Decorations – One Market		-	175	-	350
Federal Hall Trade Waste and Water Connections^		-	50	-	50
Market Expansion Capital Works – Ground Floor		-	1,000	-	1,000
Adelaide Economic Development Agency (AEDA)					
Christmas Decorations – Rundle Mall		-	200	-	200
Rundle Mall Sound System		99	770	300	1,169
Experience Adelaide Visitor Centre**>		1,216	2,784	-	4,000
Corporate Activities					
2025/26 Project Delivery Costs>		-	7,977	-	7,977
Total New and Upgrade Program			46,361	6,056	

*partially grant funded **fully grant funded ^income generating >some/all budget retimed from 24/25

Renewal

	\$'000	2025/26 Budget
Buildings		15,115
Lighting & Electrical		4,960
Park Lands & Open Space		1,600
Plant, Fleet & Equipment*		3,715
Transport**		24,489
Urban Elements		3,624
Water Infrastructure		8,536
Delivery Resources		5,898
Total Renewal Program		67,937

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



Our Resources and Budget

Resource Plan 2024-2028

How we Budget

Financial Framework and Indicators

Rates, Borrowings, Fees and Charges

Detailed Financial Overview

Amendments

Financial Statements



Resource Plan 2024 - 2028

Council's Strategic Plan 2024 – 2028 includes a four year Resource Plan, which with the Long-Term Financial Plan (LTFP), Asset Management Plans and City Plan has informed the development of this business plan and budget.

The Resource Plan supports the delivery of the Strategic Plan and outlines the financial and nonfinancial resources required to deliver our objectives and actions over the next four years.

Financial

The financial aspect of the Resource Plan is based on principles to ensure that Council has the capacity to be financially sustainable in the medium and long term.

Financial sustainability also helps to ensure intergenerational equity so that costs associated with expenditure are equitably spread over time relevant to the communities that will draw benefit. Financial principles include but are not limited to:

- Fees and charges are equitable and respond to the community's needs
- Ensuring an effective rating system
- Considering new and different revenue streams
- Using borrowings to fund new and upgraded capital projects
- Fund operations and expenses from within the operating budget.

Council's LTFP has assumed existing service levels will be maintained, while seeking efficiency improvements in line with appropriate planning, measures and benchmarks. The four-year financial view embedded in the Resource Plan is taken from Council's adopted LTFP and provides the funding for the Strategic Plan.

This period sees significant investment in Council priorities, including upgrades to main streets, partnerships with the State Government on major projects, strategic property developments and ongoing delivery of core services. Rates will continue to be an important source of revenue, accounting for approximately 60% of total annual revenue. In line with the LTFP, over the four-year period Council assumes growth in future rate income aligned to CPI, in addition to rates from new properties, assumed at 1% per annum.

Factors that could impact Council's finances over the next four years include increased cost of goods and services used by the Local Government sector (measured through the Local Government Price Index), having a stronger focus on renewals and maintenance, changing service and infrastructure needs with a growing population, and interest rate impacts on Council's borrowings.

Infrastructure and Property

Asset Management Plans (AMPs) help Council to manage the assets that provide services and facilities for our community. The AMPs provide guidance for the effective management of Council's assets and are reviewed every three years to ensure we deliver the required levels of services and meet strategic and legislative requirements. The AMPs then inform Council's yearly Capital Works Program, as identified in the Business Plan and Budget.

The Resource Plan outlines the need to manage infrastructure (capital) expenditure in a way which avoids disruptive adjustments to activities, programs and event raising efforts. Over the life of the plan, the capital expenditure for Council is forecast to be approximately \$300m (which is subject to an increase or decrease depending on each yearly review, through the Business Plan and Budget process).

The Strategic Property portfolio that Council manages seeks to address strategic objectives for growth in the City, while providing additional net revenue. It promotes a partnership approach to acquire or repurpose property assets with the private sector and other tiers of government.

Resources

We also need to ensure we have appropriate resourcing from a people perspective so that we can deliver on the Strategic Plan and be responsive to emerging challenges. Workforce planning enables the corporation to attract, develop and retain the skills, knowledge and experience required to meet our strategic objectives and create a high performing culture. A focus on efficiencies and continuous improvement will enable resourcing numbers to be maintained at current levels over the four-year period.

Delivery of the Strategic Plan will also be facilitated by integrated technology solutions that improve access to information, streamline processes, and safeguard information and systems. The Business Systems Roadmap sets out the program of works over the next four years with a focus on four key themes – customers at the centre, secure and reliable, data driven, and seamless.

How we Budget

Councils are often referred to as ‘long-term businesses’ with ongoing service provision obligations and long-life assets. From an overall community perspective, it is important that council rates are set at levels as low as sustainably possible while:

- **providing the standard and breadth of services that ratepayers value**
- **ensuring that council has robust, long-term asset management**
- **financing and operational plans which allow management of assets efficiently and effectively over the long term, so as to sustain the delivery of those services and minimise their lifetime cost.**

The LTFP is used as a base to guide Council’s financial planning and includes a range of assumptions. In building the 2025/26 Business Plan and Budget the core assumptions from the LTFP were:

- Continue budget repair
- Rates revenue in line with forecast inflation (excludes growth from new developments)
- Fees and charges in line with forecast inflation
- Salaries and wages forecasts based on enterprise agreements; once expired, Wage Price Index (WPI) for SA applied
- Other revenue and expenditure growth, in general, in line with forecast inflation
- Interest rates relative to market expectations
- Capital renewal expenditure in line with Infrastructure and Asset Management Plans
- Capital enhancements (new and upgrade) in line with the Council decision to fund the Central Market Arcade Redevelopment, Main Street upgrades (\$15m per year) in addition to other items identified as a priority.

For 2025/26, to make sure that the budget repair required is done in a financially sustainable manner, Council also used the following principles to guide the Business Plan and Budget build:

- Continue to deliver a minimum of the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI)
- Fees and charges reflect the cost of services provided
- Maintain an operating surplus
- Capitalise on external funding, fast-tracking projects that attract such funding, recognising the potential need for increased borrowings in order to respond to external funding opportunities
- Adjust rate revenue after consideration of all other budget components and use growth in rate revenue to partly fund servicing new rateable properties and to service new borrowings
- Capital renewal expenditure will be based on Asset Management Plans (AMPs)
- Changes to services, assets or maintenance requiring an increase in operating costs are to be funded from the adjustment of priorities, rate revenue or other revenue increases and/ or through savings
- Borrowings will be used to fund new and upgrade projects and not used to fund operations, expenses or renewal projects
- Short term borrowings will be used to fund the Asset Renewal Repair Fund, to ensure the increased spending required through the AMPs can be spread over a longer period to meet community expectation and their capacity to pay is managed over time through sustainable rate increases.

Financial Framework and Indicators

The budget process began by maintaining the 2024/25 Operating Budget throughout the year, updating the Base Budget to incorporate permanent changes to inform the following year's budget. The various parts of the organisation then built upon the Base Budget, from the ground up, to develop the budget required to deliver the same services at the same levels for the 2025/26 year. This effectively sets the required 2025/26 Base Budget, consistent with the approach of previous years.

Identified service changes, strategic projects and operating initiatives, based on delivering the priorities of Council within the Strategic Plan and associated Strategies were developed and presented to Council for endorsement and inclusion in the Budget. At the same time, revenue assumptions, particularly for Rates and Fees and Charges, were developed independently and applied to the revenue components within the Budget.

Council has also committed to a capital program of \$107.116m of which \$39.179m will deliver new and upgraded infrastructure. To do so, Council may have to utilise borrowings.

Council is budgeting to generate an operating surplus of \$8.541m in the 2025/26 financial year. This operating surplus enables funding of Council's commitment of 1.5% rates revenue for upgrade of community buildings in the Park Lands, service borrowings for agreed capital projects, and accounts for future service and maintenance necessitated by growth from new developments.

Funding Pathway		Expenditure	
Operations (\$000's)			
Rates	154,908	Services	173,878
Fees and Charges	88,118	Strategic Projects	7,146
Grants and Subsidies	4,896	Renewal or replacement of existing assets	67,937
Other	1,047		
Net Capital (\$000's)			
Borrowings	19,335	New income generating assets	1,000
Capital Grants and Proceeds	8,018	New Community assets	45,361
Proceeds from the sale of assets	19,000		

Operating Budget

Council's operating budget provides for ongoing service delivery to the community across our community and corporate services and strategic projects to deliver on specific objectives. These costs are traditionally funded via Rates Revenues or other Fees and Charges. Grants and subsidies assist with this ongoing service delivery.

Capital Budget

Council's capital budget provides for project-based delivery of new/upgraded assets as well as renewal/replacement of existing city assets. Renewal costs are funded via cashflows generated from operations and new/upgraded costs are funded from operational cashflows and borrowings.

Borrowings are mainly utilised for major infrastructure projects and major city shaping projects such as the Main Street Upgrades and the Aquatic Centre Community Playing Field, or commercially focused projects with a financial return on investment.

Implications for Future Years

In developing the Business Plan and Budget, borrowings have been considered in relation to the budget principles and the maximum borrowing indicators as defined by our prudential limits specified in our Treasury Policy. All borrowing terms and conditions will be in accordance with the Treasury Policy and where possible, known costs for projects and other known variables have been included in the Business Plan and Budget in alignment with Council decisions.

Borrowings at the end of 2024/25 will be impacted by the timing of cash inflows and cash outflows, and timing of when projects are delivered. The projected year-end position, monitored through the quarterly review forecast process, flows through to form the 2025/26 opening balance for borrowings. Any impact affecting the year-end balance of borrowings and the cumulative funding position will be considered to ensure that borrowings remain within our current Prudential Borrowing Limits.

Financial indicators for 2025/26	Target	2024/25 Q3 Budget	2025/26
OPERATING SURPLUS RATIO Expresses the operating surplus as a percentage of operating revenue.	0%-20%	3.9%	3.4%
NET FINANCIAL LIABILITIES Expresses the financial liabilities as a percentage of operating income.	Less than 80%	18%	35%
ASSET RENEWAL FUNDING RATIO Expresses expenditure on asset renewals as a percentage of forecast expenditure required as per the asset management plans.	90%-110%	93.0%	93.5%
ASSET TEST RATIO Expresses borrowings as a percentage of saleable property assets.	Maximum 50%	10%	15.9%
INTEREST EXPENSE RATIO Interest expense as a percentage of General Rates Revenue (less Landscape Levy)	Maximum 10%	2.0%	1.5%
LEVERAGE TEST RATIO Expresses total borrowings relative to General Rates Revenue (less the Landscape Levy).	Maximum 1.5 years	0.22	0.33
CASH FLOW FROM OPERATIONS RATIO Expresses operating income as a percentage of operating expenditure plus expenditure on renewal/replacement of assets.	Greater than 100%	110%	102%
BORROWINGS Expresses borrowings as a percentage of the Prudential Borrowing Limit (50% of saleable property assets).	Within Prudential Limits	19%	32%
BORROWINGS Expresses Borrowings (Gross of Future Fund) as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Within Prudential Limits	41%	52%

Rates, Borrowings, Fees and Charges

Rate structure

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

- The taxation principles of equity, benefit, ability-to-pay, efficiency and simplicity have been identified and applied as guiding principles to our Rating Policy
- Our commitment to maintaining a transparent and equitable rating system. Accordingly, we undertake to manage the Rating Policy to ensure the greatest level of equity for ratepayers by maintaining a non-punitive rating structure
- Our continuing practice of identifying and valuing all land in the Council area. Once identified, each separate occupation of land will be assessed for rateability
- A Differential General Rate will be applied to all rateable land in accordance with Section 147 of the *Local Government Act 1999* (SA). Differentiation factors previously endorsed by Council are 'Residential', 'Non-Residential' and 'Vacant Land' land uses
- Residential properties identified as predominately used for short stay accommodation will incur the non-residential differential rate of Commercial-Other
- The application of a Differential General Rate is generally intended to alter the amount payable for particular land uses and approximate the benefit principle. For 2025/26, and consistent with prior years, it is expected non-residential rates will represent approximately 75% of general rates revenue
- To protect ratepayers from large movements in property valuations a 10% cap on annual increases in general rates payable specific to individual ratepayers will be applied, subject to specific criteria
- A \$100 per household rebate for pensioner

Differential rates are allocated through varied Rates in the Dollar by the following categories: Residential, Non-Residential and Vacant Land. Further to this, separate rates will continue to be levied for the purposes of managing and marketing the Rundle Mall Precinct, and to recover funds on behalf of Landscape SA.

The Rating Policy by which Council raises rates and information on our rate in the dollar, is available at cityofadelaide.com.au/rates

Statement on Expected Rate Revenue

The 2022 Local Government reforms resulted in financial regulation changes requiring councils in South Australia to consistently show a statement on expected rate revenue. For the City of Adelaide, this information is provided on the following page. Approximately 75% of the City of Adelaide's rateable properties are non-residential (i.e., commercial), which results in a skewed average rateable amount, when compared to suburban and regional Local Governments.

Expected Rates Revenue (\$'000's)	2024/25 (as adopted)	2025/26 (estimated)	Change
General Rates Revenue			
General Rates (existing properties)	143,988	156,002	5.6%
General Rates (new properties)	3,772	1,926	1.3%
General Rates revenue (GROSS)	147,760	157,928	6.9%
Less: Mandatory Rebates (a)	(6,116)	(6,435)	
Total	141,644	151,493	7.0%

The percentage relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

Other Rates (including service charges)	2024/25 (as adopted)	2025/26 (estimated)	Change
General Rates Revenue (net of rebates)			
Regional Landscape Levy	1,873	1,881	0.4%
<i>The Regional Landscape Levy is a State tax, it is not retained by council.</i>			
Rundle Mall Management Levy	4,066	4,188	3.0%
<i>The Rundle Mall Management Levy is collected for the management and marketing of the Rundle Mall Precinct</i>			
	\$147,583	\$157,562	6.8%
Less: Discretionary Rebates	(4,151)	(3,093)	
<i>Includes the special discretionary rebate of 10% cap on general rates payable (excluding growth)</i>			
Expected Total Rates Revenue	141,559	152,588	7.8%

Excluding the Regional Landscape Levy

Summary of rateable properties	2024/25 (as adopted)	2025/26 (estimated)	Change
General Rates Revenue (net of rebates)			
Number of rateable properties	27,024	27,375	1.3%
<i>Estimated growth in number of rateable properties</i>			
Estimated average General Rates per rateable property	5,468	5,769	5.5%

The average per rateable property is calculated on all rateable properties from the different land use categories, and are therefore not reflective of the \$ rate or % change that an individual ratepayer will experience.

Notes

(a) Councils are required under the Local Government Act 1999 (SA) to provide a rebate to qualifying properties under a number of categories: Health Services - 100 per cent; Community Services – 75 per cent; Religious purposes - 100 per cent; Public Cemeteries - 100 per cent; Royal Zoological Society of SA - 100 per cent; Educational purposes - 75 per cent. The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (i.e. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

Expected Rate Revenue (\$000's)	Total expected revenue			Rateable properties		Average per rateable property				Rate in the \$ 25/26
	24/25	25/26	change	24/25	25/26	24/25	25/26		change	
Land Use (General Rates - GROSS)										
Residential	\$36,401	\$38,913	6.9%	16,995	17,216	\$2,142	\$2,260	(c)	\$118	0.111646
Commercial - Shop	\$21,289	\$22,758	6.9%	2,399	2,430	\$8,874	\$9,365	(c)	\$491	0.136813
Commercial - Office	\$47,942	\$51,250	6.9%	3,871	3,921	\$12,385	\$13,070	(c)	\$685	0.136813
Commercial - Other	\$36,561	\$39,084	6.9%	3,446	3,491	\$10,610	\$11,196	(c)	\$587	0.136813
Industry - Light	\$558	\$597	6.9%	100	101	\$5,580	\$5,888	(c)	\$308	0.136813
Industry - Other	\$4	\$4	6.9%	1	1	\$4,000	\$4,221	(c)	\$221	0.136813
Vacant Land	\$983	\$1,051	6.9%	51	52	\$19,275	\$20,340	(c)	\$1,066	0.223293
Other	\$4,023	\$4,301	6.9%	161	163	\$24,988	\$26,369	(c)	\$1,381	0.136813
Total Land Use	\$147,761	\$157,928	6.9%	27,024	27,375	\$5,468	\$5,769	(c)	\$301	
Grand Total (gross)	\$147,761	\$157,928	6.9%	27,024	27,375	\$5,468	\$5,769	(c)	\$301	

The general rate increase is based on net rates, which is gross rates less rebates applied.

Adopted valuation method

Council has the option of adopting one of two valuation methodologies to assess the properties in its area for rating purposes:

Capital Value – the value of the land and all improvements on the land;

Annual Value – a valuation of the rental potential of the property.

Council adopts the use of Annual Value as the basis for valuing land within the council area. This method is considered consistent with the equity, ability to pay, efficiency and simplicity principles of taxation. The majority of residential and non-residential properties in the City are leased (i.e. are not owner occupied), therefore it is a suitable valuation measure considering the ability to pay according to the income earning potential of the property.

Notes

(c) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.

Borrowings

Borrowing is undertaken in accordance with our Treasury Policy. This Policy guides our decision making in relation to funding our operations in the context of cash flow, budgeting, borrowings and investments. It is an important financial management tool and as such, links closely to our overall strategic management plans in the terms of:

- Strategic planning for the future of the City of Adelaide, covering short, medium and long term spending and investment issues
- Current and estimated future revenues and the ability to increase revenue through rating, user charges, additional grant funds or business activities
- Intergenerational equity considerations in terms of the ratepayers who contribute to and benefit from the related expenditure
- Current and future funding needs for both operating and capital expenditures
- Potential movements in interest rates
- Any other strategic imperative that is linked to revenue and expenditure capacities.

Fees and Charges

City of Adelaide's fees and charges are reviewed each year in conjunction with the development of the Business Plan and Budget. The review ensures that fees:

- Reflect (or move progressively toward) the cost of the services provided
- Are comparable with market rates, where appropriate
- Take into account benefit derived by users of community facilities
- Are consistent with directions articulated through our existing policies or plans
- Are consistent with our Financial Principles and related parameters

Fees and charges are consistently and fairly determined, in recognition of our policy direction, ratepayers' expectations and relevant legislation.

Statutory Fees, set by the State Government, will be updated in line with the State Government Gazette and included in the Fees and Charges Schedule available online and for public inspection at Council's Customer Centre, 25 Pirie Street.

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

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

Council recognises the need to repair its budget position if it is to invest in the required public infrastructure and delivery of services, which align to the Strategic Plan, that our community needs both now and into the future.

As such, Council has reviewed its fees and charges, and has changed 2 fee types, and increased and introduced 11 new fees, in line with other capital city and Adelaide metropolitan councils and consistent with increased costs to deliver services and meet inflation.

As a base position, Council is increasing fees by 3.0% in 2025/26 to meet rising costs and inflation. Fees reviewed include:

- A change to Parklet fees to simplify the model and introduce quarterly invoicing.
- Introduction of a daily charge for major road closures instead of a once-off fee
- Inclusion of Park Lands lease fees to provide consistency with other fees and charges
- Introduction of an application fee for Private Laneway Parking arrangements, once-off fee
- Introduction of an annual permit fee, ladder usage
- Introduction of animal impound fees recovery
- Introduction of fees for City Archives sales of digital maps and reports, cost recovery
- Introduction of Commercial watercraft fees on the River Torrens
- Introduction of a River Torrens permit licence fee
- Introduction of a new fee for Council documents, rates and rating information
- Introduction of a new fee for education institutions for Court, Green and Piste usage
- Change to Rundle Mall Zone B sizing and associated fee
- Introduction of Rundle Mall fee for decals and roaming fees.

A complete list of Council's fees and charges for 2025/26 is available online.

Detailed financial overview

Income (\$'000s)	2024/25 Q3 Budget	2025/26 Budget	Variance
Rates Revenues	143,709	154,908	11,199
Statutory Charges	16,893	17,809	916
User Charges	70,033	70,309	276
Grants, Subsidies and Contributions	6,506	4,896	(1,610)
Investment Income	1,005	171	(834)
Reimbursements	1,084	181	(903)
Other Income	869	695	(174)
Total Income	240,099	248,969	8,870

Rates revenue - \$154.908m

In 2025/26 Council has determined that rates revenue increase of 5.6% is required (plus growth) compared to 2024/25. This increase incorporates an inflation assumption of 3.0%, 2.2% associated with the Asset Renewal Repair Fund introduced in the 2024/25 Long Term Financial Plan to fund the annual increase of \$14.9 million associated with the recently adopted Infrastructure Asset Management Plans (AMPs) over 3 financial years, and 0.4% to fund the gradual return of the Asset Renewal Funding Ratio (ARFR) to 100% over an 8 year period.

Property revaluations have been undertaken for the purposes of rating; the result of this valuation will be finalised prior to the adoption of the Business plan and Budget and the Rate in the Dollar adjusted accordingly. This ensures Council generates the required level of rates revenue only.

Council anticipates 1.3% growth in revenue from new developments and additions.

For the Rundle Mall Separate Levy, the revenue generated is used to directly advertise, promote and manage the Rundle Mall Precinct. The expected revenue for 2025/26 will, on average, increase in line with the inflation assumption of 3.0%.

Statutory charges - \$17.809m

Statutory charges are fees for the provision of regulatory services. They are associated with the granting of a permit or license or with the regulation of an activity, including Development Act fees, parking fines and dog registration fees. Most fees are set by State Government legislation and administered by Council.

User charges - \$70.309m

User charges income is received from individuals, sporting groups and various other bodies that utilise user pay services and hire or lease Council-owned property. Fees have in general increased by 3.0%. Council also receives income from commercial aspects of the business through the operation of the UParks and Town Hall. The commercial revenue budgets have been based on historical performance overlayed with current market conditions and projections of activity.

Grants, subsidies and contributions - \$4.896m

Grants, subsidies and contributions are income received from Federal and State governments. Operating grants, subsidies and contribution income has decreased due to a higher level of once-off grants received in 2024/25 associated with Strategic Projects of \$1.874m including resilient flood planning and Heritage Incentive Scheme. In addition to these operating grants, the City is also expecting to receive capital grants and subsidies to fund the construction or purchase of new or upgraded assets. These are capital in nature and presented in a separate section of the Financial Statements.

Investment Income - \$0.171m

Investment income is income derived from an asset, such as interest on bank accounts and investment properties. The 2025/26 budget has decreased by \$0.834m due to the positive cash position in 2024/25.

Reimbursement - \$0.181m

Reimbursement income consists of all reimbursements paid to Council by insurance companies, ratepayers, developers and other tiers of government.

Other income - \$0.695m

Other income is comprised of income from commissions, and other miscellaneous receipts, and varies from year to year.

Expenses (\$'000s)	2024/25 Q3 Budget	2025/26 Budget	Variance
Employee Costs	78,879	90,792	(11,913)
Materials, Contracts & Other Expenses	85,945	78,081	7,864
Sponsorships, Contributions and Donations	7,193	6,332	861
Depreciation, Amortisation & Impairment	55,973	64,506	(8,533)
Finance Costs	2,742	717	2,025
Total Expenses	230,732	240,428	(9,696)

Employee costs - \$90.792m

Employee costs include base salary and all relevant on-costs, such as superannuation and work cover, as well as agency labour costs. The budget covers recurrent labour, project labour and externally funded labour. Employee costs are budgeted at \$90.792m. The comparative increase of \$11.913m primarily results from a high level of vacancies in the 24/25 Q3 Budget. The \$90.672m assumes little to no vacant roles.

As a result of the expansion of services delivered to our community, an additional 5.1 FTE from 761.0 to 766.1, have been included in the 2025/26 budget.

Employee costs for 2025/26 also include the combined application of increases aligned with Enterprise Agreements, level changes required under the Enterprise Agreement and 0.5% increase in Superannuation Guarantee Charge.

Materials, contracts and other - \$78.081m

Materials cover many different expenses of Council including utility payments for water and electricity, library books, and consumable materials. Contracts cover costs such as contractors, waste collection, equipment hire, software license fees and consultants.

Other Expenses include audit and legal fees, communication expenses, insurance and registration, levies paid to other organisations, elected member allowances, advertising, fringe benefits tax, training and travel expenses.

Materials, contracts and other expenses are budgeted to decrease by \$7.864m from \$85.945m. This is largely due to a reduction in the use of external providers for temporary labour of \$7.639m. In addition, some extra costs are allowed for the expansion of services delivered to our community including new strategies, maintenance, and greening.

The existing expenditure base is generally indexed by 3.0% (forecast CPI) with additional increases for expenditure imposed on Council such as waste management, gas, security services and operating leases.

Sponsorships, Contributions and Donations - \$6.332m

Sponsorships, contributions and donations are paid to community groups and organisations. As Council considers a strategic view to partnerships, our funding allocation for 2025/26 has decreased by \$0.861m from \$7.193m largely due to once-off funding allocated in 2024/25.

Depreciation - \$64.506m

Depreciation is a non-cash expense that recognises the systematic allocation of the service potential (cost or replacement value) of an asset over its useful life. Over the long term, depreciation represents the minimum amount which, on average, Council needs to allocate each year towards asset replacement. This is a different concept from maintenance expenditure, which is the amount Council needs to spend each year to ensure that its assets last as long as planned. Depreciation is increasing by \$8.533m from the 2024/25 budgeted depreciation. This is a result of the revaluation of assets and the completion of key projects.

Finance costs - \$0.717m

Finance costs include interest payable on borrowings and finance leases and other banking charges. Council is budgeting for a decrease of \$2.025m in 2025/26 largely due to the impact of finance leases.

Note – Borrowings associated with the construction of new assets are capitalised against the assets during the construction phase.



Amendments

Under section 123(6a) of the *Local Government Act 1999* (SA), any significant change made to a Business Plan and Budget, compared to the Draft Business Plan and Budget for community consultation, must be outlined.

Changes made to the 2025/26 Business Plan and Budget, since the adoption of the Draft 2025/26 Business Plan and Budget for consultation in May 2025, include:

2024/25 financial position – the most recent information has been included to reflect Council’s adoption of the Quarter 3 2024/25 budget revisions. These changes are reflected in the budget tables found throughout the document.

Retimed capital new and upgrade projects – the most recent information has been included to reflect Council’s adoption of the Quarter 3 2024/25 budget revisions. These retimed capital projects have been included in this document.

Financial Statements

Cash flow statement

Proceeds from borrowings (new drawdowns) show \$19.335m to be provided in 2025/26. This is a result of the delivery of new and upgraded capital program in 2025/26 offset by proceeds from surplus assets.

Balance sheet

Total Assets are projected to rise to \$2,165.786m in 2025/26. This is an increase of \$23.986m, largely the result of the capital expenditure program, contributed assets and revaluation of assets.

Total borrowings are projected to increase by \$19.335m to \$50.074m as at June 2026. This level of borrowings is within Council's Prudential Borrowing limits. Please see the financial indicator section for more information.

The Future Fund Reserve is a result of strategic property sales. This fund is to be utilised to purchase or construct income generating assets. The Future Fund is projected to decrease to \$31.771m in 2025/26 as the result of the construction of income generating assets.

Uniform Presentation of Finances

Operating surplus / (deficit)

The operating surplus or deficit indicates the extent to which income is sufficient, or insufficient, to fund the cost of services. A surplus indicates Council is raising enough operating income to cover its operating expenses whereas a deficit indicates it is not.

Net outlays on existing assets

This is expenditure that returns the service potential of existing assets back towards their original level. Consistent negative outlays on existing assets indicate that, overall, existing assets may be deteriorating as expenditure on their renewal or replacement is less than the rate of depreciation.

Net outlays on new and upgraded assets

Outlays on new and upgraded assets indicate the net cost to Council of acquiring or creating new assets. Outlays on new or upgraded assets will increase depreciation and maintenance expenses in future periods.

Net lending / (borrowing) for financial year

Net lending, if a positive result, indicates that Council will reduce its level of borrowings over the period. Net borrowings, if a negative result, means Council is required to borrow additional funds increasing the level of net borrowings over the period.

Statement of Comprehensive Income

\$'000s	2024/25 Q3 Budget	2025/26 Budget
Income		
Rates Revenues	143,709	154,908
Statutory Charges	16,893	17,809
User Charges	70,033	70,309
Grants, Subsidies and Contributions	6,506	4,896
Investment Income	1,005	171
Reimbursements	1,084	181
Other Income	869	695
Total Income	240,099	248,969
Expenses		
Employee Costs	78,879	90,792
Materials, Contracts and Other Expenses	93,138	84,413
Depreciation, Amortisation and Impairment	55,973	64,506
Finance Costs	2,742	717
Total Expenses	230,732	240,428
Operating Surplus / (Deficit)	9,367	8,541
Asset Disposal & Fair Value Adjustments	-	-
Amounts Received Specifically for New or Upgraded Assets	10,148	8,018
Net Surplus / (Deficit)	19,515	16,559
Changes in Revaluation Surplus - I,PP&E	-	-
Total Other Comprehensive Income	-	-
Total Comprehensive Income	19,515	16,559

Statement of Financial Position

\$'000s	2024/25 Q3 Budget	2025/26 Budget
ASSETS		
<i>Current Assets</i>		
Cash and Cash Equivalents	800	800
Trade & Other Receivables	19,921	20,847
Inventories	741	741
Other Current Assets	27,000	-
Total Current Assets	48,462	22,388
<i>Non-Current Assets</i>		
Financial Assets	839	755
Equity Accounted Investments in Council Businesses	4,386	4,706
Investment Property	3,165	3,197
Infrastructure, Property, Plant and Equipment	2,084,948	2,134,740
Total Non-Current Assets	2,093,338	2,143,398
TOTAL ASSETS	2,141,800	2,165,786
LIABILITIES		
<i>Current Liabilities</i>		
Trade and Other Payables	25,026	24,281
Provisions	16,875	17,381
Borrowings (Lease Liabilities)	5,077	5,264
Total Current Liabilities	46,978	46,926
<i>Non-Current Liabilities</i>		
Trade and Other Payables	16,066	15,732
Provisions	30,739	50,074
Borrowings	2,048	2,109
Borrowings (Lease Liabilities)	34,241	22,658
Total Non-Current Liabilities	83,094	90,573
TOTAL LIABILITIES	130,072	137,499
Net Assets	2,011,728	2,028,287
EQUITY		
Accumulated Surplus	825,162	824,521
Asset Revaluation Reserves	1,171,995	1,171,995
Future Fund Reserve	14,571	31,771
Total Council Equity	2,011,728	2,028,287

Statement of Changes in Equity

\$'000s	2024/25 Q3 Budget	2025/26 Budget
Balance at the end of previous reporting period	1,992,213	2,011,708
a. Net Surplus / (Deficit) for Year	19,515	16,559
b. Other Comprehensive Income	-	-
Total Comprehensive Income	19,515	16,559
Balance at the end of period	2,011,728	2,028,287

Statement of Cash flows

\$'000s	2024/25 Q3 Budget	2025/26 Budget
Cash Flows from Operating Activities		
<i>Receipts</i>		
Operating Receipts	258,491	247,862
<i>Payments</i>		
Operating Payments to Suppliers and Employees	(178,563)	(174,815)
Net Cash provided by (or used in) Operating Activities	79,928	73,047
Cash Flows from Investing Activities		
<i>Receipts</i>		
Amounts Received Specifically for New/Upgraded Assets	5,773	8,018
Proceeds from Surplus Assets	-	18,500
<i>Sale of Replaced Assets</i>	500	500
<i>Payments</i>		
Expenditure on Renewal/Replacement of Assets	(56,296)	(67,937)
Expenditure on New/Upgraded Assets	(56,613)	(46,041)
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)
Net Cash provided by (or used in) Investing Activities	(106,956)	(87,280)
Cash Flows from Financing Activities		
<i>Receipts</i>		
Proceeds from Borrowings	30,739	19,335
<i>Payments</i>		
Repayment from Borrowings	-	-
Repayment of Lease Liabilities	(4,989)	(5,102)
Net Cash provided by (or used in) Financing Activities	25,750	14,233
Net Increase (Decrease) in Cash Held	(1,277)	-
plus: Cash and Cash Equivalents at beginning of period	2,077	800
Cash & Cash Equivalents at end of period	800	800

Uniform Presentation of Finances

\$'000s	2024/25 Q3 Budget	2025/26 Budget
Income		
<i>Rates Revenues</i>	143,709	154,908
Statutory Charges	16,893	17,809
User Charges	70,033	70,309
Grants, Subsidies and Contributions	6,506	4,896
<i>Investment Income</i>	1,005	171
<i>Reimbursements</i>	1,084	181
Other Income	869	695
Total Income	240,099	248,969
Expenses		
<i>Employee Costs</i>	78,879	90,792
<i>Materials, Contracts and Other Expenses</i>	93,138	84,413
Depreciation, Amortisation and Impairment	55,973	64,506
Finance Costs	2,742	717
Total Expenses	230,732	240,428
Operating Surplus / (Deficit)	9,367	8,541
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(56,296)	(67,937)
Finance lease payments for right of use assets on existing assets	(4,989)	(5,102)
add back Depreciation, Amortisation and Impairment	55,973	64,506
add back Proceeds from Sale of Replaced Assets	500	500
Net Outlays on Existing Assets	(4,812)	(8,033)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(56,613)	(46,361)
add back Amounts received specifically for New and Upgraded Assets	5,773	8,018
add back Proceeds from Sale of Surplus Assets	-	18,500
Net Outlays on New and Upgraded Assets	(50,840)	(19,843)
Net Lending / (Borrowing) for Financial Year	(46,285)	(19,335)

Essential Services Commission SA (ESCOSA) Advice to Local Government

City of Adelaide Response
ESCOSA Findings Report

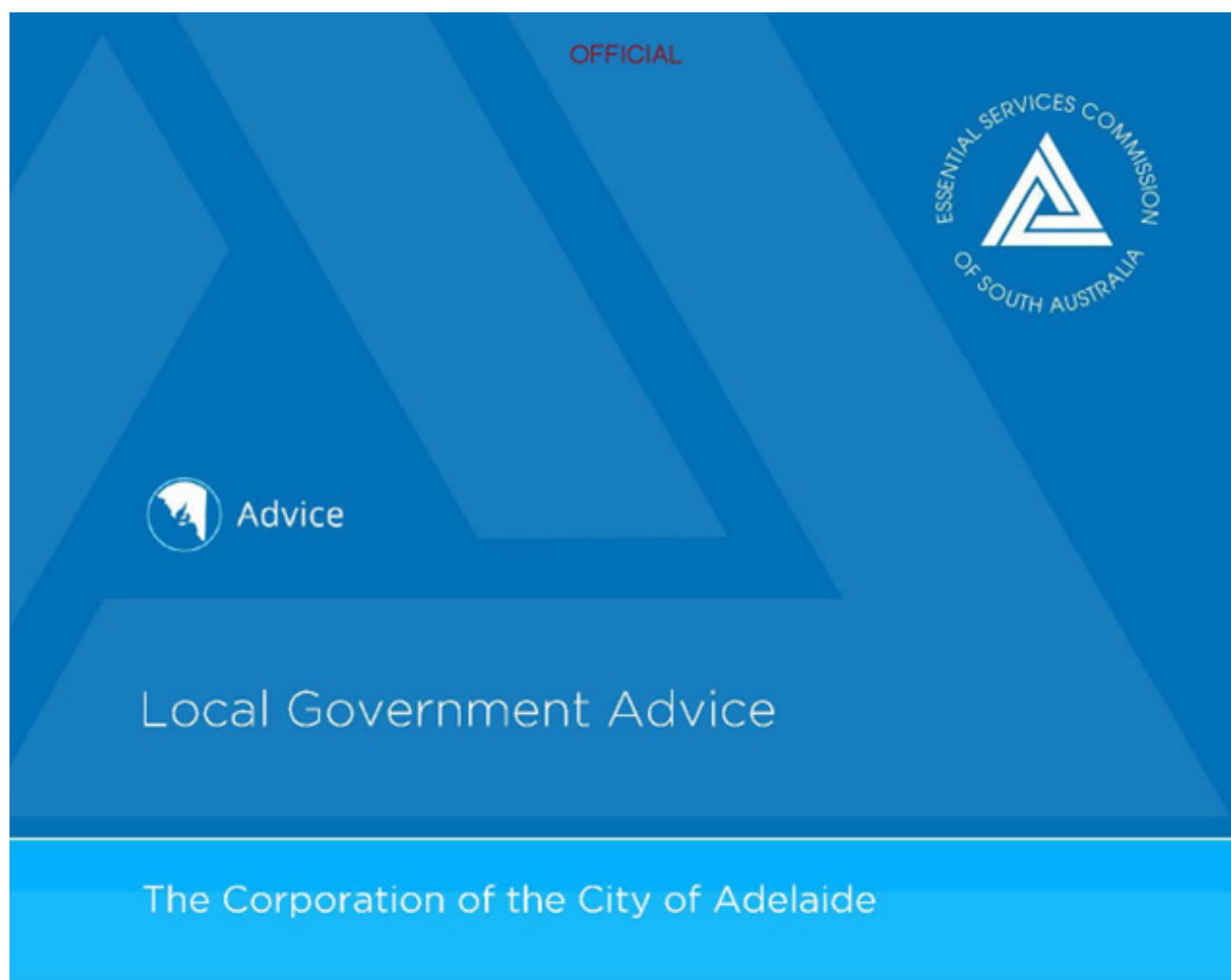
City of Adelaide Response

In 2022, changes were made to the Local Government Act 1999 (SA) which introduced the Local Government Advisory Scheme. The purpose of scheme is to review and provide advice to councils on their financial sustainability and management of assets. These reviews are undertaken by the Essential Services Commission of South Australia (ESCOSA). Further information on the scheme and the work ESCOSA undertake, including their findings reports on reviewed councils, can be found on their website at escosa.sa.gov.au.

In 2024/25, ESCOSA undertook their review of the City of Adelaide, providing their final report to Council in February 2025 with seven recommendations:

ESCOSA Recommendations	City of Adelaide Response
Analyse the implications for long-term financial sustainability and timely renewal of assets before considering any rate freeze or valuation freeze in the future and disclose the analysis to ratepayers.	
Improve the disclosure of cost savings targets or productivity improvements in its Long-Term Financial Plans and Annual Business Plans (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.	Existing Council Practice. Already managed through existing Council practices for strategic planning, developing the annual business plan and budget and quarter review processes.
Consider undertaking a detailed review, with its community, of the potential alternative options and the risk implications, from both the financial and service provision perspectives, of the proposed financing of its capital expenditure program.	
Upgrade its Asset Management Plans to more accurately reflect formal asset valuations, condition assessments, remaining useful lives and corresponding depreciation schedules, incorporate this information into the Asset Management Plans and include these expenditure forecasts in the annual budget and annual Long-Term Financial Plan update.	
Consider providing more clarity around the risks (and develop mitigation strategies) if the Council's expectations regarding its operational performance do not materialise and/or its financial strategy becomes stressed.	Noted. City of Adelaide notes this recommendation.
Consider the Future Fund applying a greater emphasis on asset disposals with the proceeds used to repay borrowings, or reduce the need for them, rather than the purchase of assets for commercial operations.	Contrary to Council policy. The Future Fund is used to offset debt, and fund purchase of revenue generating assets which increase City of Adelaide revenues
Develop a comprehensive and transparent strategy for its commercial assets, addressing for each class of assets and for each individual asset how to optimise value for ratepayers, including: in-depth analysis in its Long-Term Financial Plan of the Council's approach to revenue generation from commercial operations and whether asset rationalisation would improve financial outcomes for ratepayers. This analysis could include whether the Council continues to own each asset, whether it operates each asset or leases it out for private operation and the extent to which any ratepayer subsidisation is appropriate and if so, why. (refer 5.1.3.2 User Charges); publication of separate financial statements for each of the Council's commercial operations, clearly identifying the allocation of costs to each asset and the asset values attributed to each separately (refer 5.1.3.2 User Charges), and completion of the proposed review of the Rundle Street UPark and addressing the approved option in the Long-Term Financial Plan (refer 4.1 Changes to operating performance).	Existing commercial in confidence. This does not acknowledge the existing City of Adelaide Property Strategy which due to the commercial nature of our assets, is held in confidence and therefore is not publicly available.

ESCOSA Findings Report



February 2025

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
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Web: www.escosa.sa.gov.au

The Corporation of the City of Adelaide AT A GLANCE

OVERVIEW

The Essential Services Commission finds the Corporation of the City of Adelaide's current financial performance mostly **sustainable** and projected financial performance **potentially unsustainable**, taking into account that the Council has an estimated \$150.0 million of funding requirements needed to implement its Asset Management Plans, proposes three significant asset renewals during a period of construction cost escalation, is reliant on as yet unsecured grants and is forecast to reach the council-set prudential borrowing limits.

FINANCIAL PERFORMANCE



RISKS IMPACTING SUSTAINABILITY

- ⚠ The Council lacks a strategy for the capital renewal liabilities for its extensive commercial assets, combined with a lack of transparency regarding whether the assets each deliver a net positive or net negative result for ratepayers.
- ⚠ The Council's revenue includes a relatively high proportion of user charges. The Council must hold the assets and cover the expenses associated with providing these services, which are only sustainable if a suitable return is made on each of these more commercially orientated operations.
- ⚠ The Council is proposing to engage in significantly more capital expenditure than it has historically. This represents a considerable financial, practical and logistical challenge.
- ⚠ There is a risk of a higher borrowings requirement and higher rates if the Council is unable to secure external grant funding and/or it has underestimated the costs of its proposed capital program.
- ⚠ Replacement costs for Adelaide Bridge and Torrens Weir were derived prior to COVID and could be understated as a result of market, price and supply chain changes since that time.

KEY FACTS

- Population was **27,901** as of 30 June 2023.
- The Council covers **15.6 square kilometres**.
- **26,725** rateable properties as of 30 June 2023.
- **\$125.0 million** of rate income in 2022-23.
- Value of assets held in 2022-23 was **\$1.9 billion**.

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, please visit www.escosa.sa.gov.au.

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1 Executive summary

The Essential Services Commission of South Australia (**Commission**) finds the Corporation of the City of Adelaide's (**Council**) current financial performance and position mostly sustainable and projected financial performance potentially unsustainable. The Essential Services Commission has set out in this advice various findings and recommendations aimed at assisting the Council to improve its performance in the future, along with general advice as to behavioural changes which will improve its approach to asset and cost management.

If these are considered seriously and, as a result, either implemented (or not adopted for good reason), then the Commission's view is that the Council should be able to move to a better position. Continued focus and successful delivery by the Council on the matters raised in this advice should allow it to further improve its future potential position.

At the same time, the Commission has recognised areas in which the Council has already started improving its practices, and where it has existing strengths. Those include achieving an \$8.5 million operating surplus, as reported in its 2023-24 financial reports, its community and stakeholder engagement work and its transparency around matters such as the annual review and disclosure of inflation assumptions, as well as its estimated average annual changes in land use categories and resultant revenues. The Council is encouraged to maintain and build on those improvements and strengths.

1.1 Context

As South Australia's capital city, Adelaide is the centre of economic activity for the state, with rates income strongly supplemented by user charges from commercial activities and extensive daily visitation by non-ratepayers.

Over the 10 years to 2022-23, the Council accumulated an operating deficit of \$24.6 million, generally reflecting a below-breakeven performance over the period. The Council recorded operating deficits in four of the last six years to 2022-23, and its average annual operating surplus ratio was negative 1.2 percent over the 10 years to 2022-23. The Commission also acknowledges the Council has recently begun improving its operating surplus ratio (0.5 percent for 2021-22, 0.8 percent for 2022-23 and 3.6 percent for 2023-24). However, this should also be considered in context of the Council's proposal to engage in significantly more capital expenditure than it has historically. This represents a considerable financial, practical and logistical challenge.

That operating performance has been materially driven by the Council's previous decisions in relation to the setting of rates: the Council decided to freeze the rate in dollar from 2013-14 to 2023-24, and to freeze property valuations for five years from 2018-19. Those periods included the COVID-19 pandemic and its aftermath. While likely intended to benefit ratepayers in the short run, the decisions had a direct impact on the Council's – and hence ratepayers' – long-term financial position. It is not clear on the materials available to the Commission that the long-term risks and impacts of the decisions were explained to ratepayers and the community at the time they were taken.

The direct effects of the decision were to:

- ▶ reduce available rate revenue, requiring greater reliance on more variable user charges revenue streams (commercial operations) that are demand dependent, increasing revenue risk at a time when demand was constrained due to COVID-19-related impacts in the economy and in society, and

- lessen the Council's capability to provide services, due to difficulties in funding the necessary asset maintenance and renewal programs, leading to infrastructure erosion and an underspend on the renewal and replacement needs of its asset stock.¹

Of note, the underspend on asset renewals relative to its Asset Management Plans was created during a period in which construction costs were generally lower, and logistics were generally easier, than is now the case. As a result, the impact of the underspend is having to be addressed at a time of general construction cost escalation, with longer lead times, and in circumstances where the Council is also needing to undertake three significant asset renewal projects: the Adelaide Bridge (on King William Road near the Festival Centre), the Torrens Weir and the Rundle Street carpark.

Further, the successful delivery of the Council's Long-Term Financial Plan is reliant on being awarded grant funding to manage its current challenges, whereas the Council does not appear to recognise the opportunity to improve the financial contribution of its commercial assets. If the anticipated funding does not eventuate, then unless the Council shifts its focus to value extraction or some other mitigating actions, either rates will need to increase or community services/service levels will need to be reduced. Ultimately, significant reliance on contingent events such as grant funding creates both short and long-term risks for the community.

The Commission's advice, given the nature of the Council's operations, is that it needs to be able to identify and mitigate risks such as these in a more robust, timely and transparent fashion. This will require it to review and consider its current practices, processes and controls in the short term, to identify opportunities for improvement, to embed effective change for the long term.

Ultimately, it is the community and ratepayers who bear and will continue to bear the burden of these prior decisions and the resultant current operating performance of the Council.

1.2 Challenges

With that background, the Council faces considerable challenges over the period of the Long-Term Financial Plan. The three main risks the Council's financial strategy faces are:

1. Low to medium confidence levels in the cost estimates for critical capital projects.
2. Reliance on unsecured grant financing.
3. Increasing exposure to interest rate and financial structure risk, as debt levels increase.

Additionally, the Council has no financial cushion. Its Long-Term Financial Plan is designed so that each year cash inflows and outflows net out to zero, resulting in cash reserves remaining at \$0.8 million throughout the Long-Term Financial Plan. Further, for periods of the Long-Term Financial Plan, the Council is at its own prudential borrowing limit, which is set at 50.0 percent of saleable property assets. That is, the Council has no contingency, while operating close to what it considers, its financial limits, despite the clear risks.

This situation can be attributed to the history of rates and valuation freezes, which have led to deferral and compression of asset renewal and replacement and an issue of intergenerational inequity in terms of the underspend on asset renewals.

¹ Between 2013-14 and 2022-23, the Council averaged 73.9 percent on its asset renewal funding ratio, whereas the suggested LGA target range for the ratio is 90.0 to 110.0 percent (LGA SA Financial Indicators Paper, p. 9). The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan.

To effectively take on and overcome those challenges, the Council will need to realise behavioural change in its approach to financial sustainability. While it is presently making progress on that front, as evidenced by its decision to cease its rates freezing policy and its acknowledgment of the importance of asset renewal, there remain key areas in which behavioural change could deliver material benefits for the Council and hence its ratepayers and community.

For example, seeking to mitigate the risks associated with the Council's grant funding reliance in its Long-Term Financial Plan, improving its focus on the profitability of commercial assets and developing and maintaining a stronger focus on cost management and productivity gains, are some of the more challenging but necessary behavioural changes.

As shown below in the discussion of each of those areas, the Council is more recently showing welcome signs of positive change in that regard; however, embedding, maintaining and building on that behaviour will need to be an ongoing focus for the Council. Effective change delivery will underpin the Council's future success and sustainability for the benefit of its ratepayers and community and assist in mitigating the risk of rate increases needing to be higher than those forecast in the Long-Term Financial Plan.

1.3 Commercial assets

The Council has a range of commercial operations, including off-street car parking (UPark), on-street car parking, property management and the North Adelaide Golf Course. The Commission is unable to form a view about how well the Council is managing the commercial assets, due to a lack of clear strategy for the holdings and a lack of financial information about asset classes and individual assets.

The Council's asset stock per rateable property is high at \$68,224 in 2022-23. While the commercial assets generate revenues, they also generate a stream of future liabilities, risks for ratepayers and management risks.

A comprehensive strategy for commercial assets that focuses on asset classes and each asset individually would help the Council to ensure it is delivering optimal value for ratepayers. The proceeds of any resultant asset rationalisation could assist in renewing the Council's core operating assets, particularly in the context of the Council's forthcoming expenditure on asset renewals and replacement of three major assets.

A greater focus on transparency around the performance of its commercial operations by separating them out from the overall accounts would assist in discussions with the community.

1.4 Cost and revenue management

A challenge for the Council is to continually seek to improve the quality and reliability of the information upon which it bases its Strategic Management Plan, ensuring that cost estimates are accurate and complete and that the Long-Term Financial Plan is well aligned with relevant Asset Management Plans.

In terms of Asset Management Plans, the Commission notes that the Council reviews asset lives in conjunction with asset class revaluations every four to five years. While this is not an unreasonable practice, the Council has confirmed that, up until 2023-24, its asset values were not annually indexed through desktop valuations between those four to five yearly revaluations. Given, for example, the effects of changes in inflation, failing to index annually can result in out-of-date asset valuations, which in turn may lead to inaccurate depreciation charges being used for strategic planning purposes, project costing and rate setting.

At a time when the Council is facing significant asset renewal, consistently understanding the cost associated with asset consumption and the implications that this can have for the operating surplus

and asset renewals ratios is relevant. The change in the Council's behaviour in moving to annual indexation is therefore a positive sign and one that should be maintained.

The Commission notes indications of improvement in the Council's strategic planning and governance, with a more comprehensive and appropriate updating of Asset Management Plans being completed in 2024. The Council has also begun to address its asset renewals, with the introduction of the Asset Renewal Repair Fund to fund the \$14.9 million annual increase required under those Asset Management Plans.

An area that would benefit from a greater focus by the Council is whether its approach to forecasting growth in rateable properties remains appropriate. Growth forecasts are a critical element of the Strategic Management Plan, as they impact asset need and usage, forecast growth in average rates per property and expected rates income growth. The Council's current forecast annual average growth in rateable properties is one percent for the 10 years to 2033-34, whereas actual growth was 2.5 percent in the 10 years to 2022-23. It is not clear from the materials available to the Commission why the Council expects a significant slowdown in growth. If the Council's actual property growth trends more towards the historical level, then its rates income will be higher than it is assuming under the one percent growth assumption. The Council might be underestimating its rates revenue for the forecast period.

1.5 Grant funding

The 2024-25 Long-Term Financial Plan shows an estimated renewal expenditure for the Torrens Weir of \$40.0 million allocated across the 2028-29 and 2029-30 financial years, with \$60.0 million allocated for the Adelaide Bridge across the 2027-28 and 2028-29 financial years. These cost estimates were developed prior to COVID-19 and have since been inflated to 2024-25 dollars. The Council has advised the Commission that it has low to medium confidence in those estimates, reflecting post-COVID market changes. The implication is that the actual costs might be materially higher than those which have been assumed in the Long-Term Financial Plan.²

At the same time, the Long-Term Financial Plan assumes it will need to fund 33.0 percent of the renewal cost for the Torrens Weir and 75.0 percent of renewal cost for the Adelaide Bridge, with the remainder funded by grants that are yet to be secured.

Further, the Council's Asset Management Plan for buildings forecasts expenditure of \$60.0 million for the Rundle Street carpark asset to be renewed on a like-for-like basis across 2029-30 and 2030-31; however, the 2024-25 Long-Term Financial Plan only allocates \$15.0 million, with the funding for the difference not being specified.

If the Council is unable to fulfill its external funding strategy of using grants funding programs, then it risks a greater burden shifting to its ratepayers, unless it takes steps to generate revenue in other ways, such as by rationalising its commercial operations or generating more revenue from them, while also becoming more efficient and productive across all its activities.

1.6 Summary

While the Commission has above focussed on three key areas in which behavioural changes will assist the Council, as explained in the rest of this advice, other specific areas should assist the Council in its future intentions to return to financial sustainability.

² The Council advises that it is currently working through options for the Torrens Weir, Adelaide Bridge and Rundle Street carpark which will consider full replacement, extension of life or upgrade. This may result in a lesser requirement; however, for full transparency, the Council has included the 2024-25 costs for full like-for-like replacement.

The Council has a range of sound practices in its strategic planning and asset management, including:

- ▶ regularly reviewing inflation forecasts in its budget and forward projections
- ▶ exploring funding sources from the State Government to assist in the renewal and maintenance of the Park Lands
- ▶ identifying and disposing of assets that have reached the end of their useful lives or are excess to requirements, to reduce debt and exposure to future liabilities, and
- ▶ reporting in its Annual Business Plan the estimated average annual change for its categories of land use, together with the quantum of annual revenue it expects to collect from these different categories of rates.

To further strengthen the Council's sustainability, the Commission recommends that the Council:

1. **Analyse** the implications for long-term financial sustainability and timely renewal of assets before considering any rate freeze or valuation freeze in the future and disclose the analysis to ratepayers.
2. **Improve** the disclosure of cost savings targets or productivity improvements in its Long-Term Financial Plans and Annual Business Plans (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.
3. **Consider** undertaking a detailed review, with its community, of the potential alternative options and the risk implications, from both the financial and service provision perspectives, of the proposed financing of its capital expenditure program.
4. **Consider** the Future Fund applying a greater emphasis on asset disposals with the proceeds used to repay borrowings, or reduce the need for them, rather than the purchase of assets for commercial operations.
5. **Upgrade** its Asset Management Plans to more accurately reflect formal asset valuations, condition assessments, remaining useful lives and corresponding depreciation schedules, incorporate this information into the Asset Management Plans and include these expenditure forecasts in the annual budget and annual Long-Term Financial Plan update.
6. **Consider** providing more clarity around the risks (and develop mitigation strategies) if the Council's expectations regarding its operational performance do not materialise and/or its financial strategy becomes stressed.
7. **Develop** a comprehensive and transparent strategy for its commercial assets, addressing for each class of assets and for each individual asset how to optimise value for ratepayers, including:
 - ▶ in-depth analysis in its Long-Term Financial Plan of the Council's approach to revenue generation from commercial operations and whether asset rationalisation would improve financial outcomes for ratepayers. This analysis could include whether the Council continues to own each asset, whether it operates each asset or leases it out for private operation and the extent to which any ratepayer subsidisation is appropriate and if so, why. (refer 5.1.3.2 User Charges)
 - ▶ publication of separate financial statements for each of the Council's commercial operations, clearly identifying the allocation of costs to each asset and the asset values attributed to each separately (refer 5.1.3.2 User Charges), and
 - ▶ completion of the proposed review of the Rundle Street UPark and addressing the approved option in the Long-Term Financial Plan (refer 4.1 Changes to operating performance).

2 About the advice

2.1 Background

The State Parliament has tasked the Essential Services Commission of South Australia (the **Commission**), South Australia's independent economic regulator and advisory body, to provide advice on material changes proposed by local councils in relation to elements of their Strategic Management Plans (SMPs), and on the proposed revenue sources, including rates, which underpin those plans.³

A primary purpose of the Local Government Advice Scheme (**Advice or the Scheme**) is to support councils to make financially sustainable strategic decisions in their annual business plans and budgets, in the context of their Long-Term Financial Plans (LTFP) and Infrastructure and Asset Management Plans (IAMP).⁴ IAMPs are commonly referred to as Asset Management Plans (AMP). The LTFP and the IAMP are both required as part of a council's SMP.⁵ Financial sustainability encompasses intergenerational equity,⁶ program (service level) and rates stability in this context.⁷ The other main purpose is for the Commission to consider ratepayer contributions in the context of all revenue sources, as outlined in the LTFP.⁸ In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.⁹

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 17 councils for advice in the third year (2024-25) of the Scheme, including the Corporation of the City of Adelaide.

This report provides the Local Government Advice for the Council in 2024-25.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2025-26 Annual Business Plan (ABP) (including any draft ABP) and in subsequent plans until the next cycle of the Scheme.¹⁰ The Council is not compelled under the LG Act to follow the advice.

The Commission thanks the Council for meeting with Commission staff and for providing information to assist the Commission in preparing this advice.

2.2 The Commission's approach

In providing the Advice for the Council, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (F&A).¹¹

³ Amendments to the LG Act (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).

⁴ Commonly referred to as asset management plans.

⁵ The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.

⁶ 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

⁷ Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

⁸ LG Act s122(1f)(a) and (1g)(a)(ii).

⁹ LG Act s122(1f)(b) and (1g)(b).

¹⁰ LG Act s122(1h).

¹¹ Commission, *Framework and Approach – Final Report*, August 2022, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

The Commission has considered the Council's SMP documents (set out in the box below), with a particular focus on its performance and outlook against three financial indicators: the Operating Surplus Ratio (OSR), the Net Financial Liabilities Ratio (NFLR) and the Asset Renewal Funding Ratio (ARFR).¹² Analysis of these three indicators captures financial and service sustainability, in addition to cost control and affordability risk.¹³

- ▶ City of Adelaide Long-Term Financial Plan 2024-25 to 2033-34 (October 2024)
- ▶ City of Adelaide Long-Term Financial Plan 2023-24 to 2032-33 (September 2023)
- ▶ City of Adelaide Annual Business Plan and Budget 2024-25 (June 2024)
- ▶ City of Adelaide Annual Business Plan and Budget 2023-24 (June 2023)
- ▶ City of Adelaide Annual Business Plan and Budget 2022-23 (June 2022)
- ▶ City of Adelaide Strategic Plan 2024-28 (December 2023)
- ▶ City of Adelaide Annual Report 2022-23 (October 2023)
- ▶ City of Adelaide Annual Report 2021-22 (October 2022)
- ▶ City of Adelaide Annual Report 2020-21 (August 2021)
- ▶ City of Adelaide Buildings Asset Management Plan (August 2024)
- ▶ City of Adelaide Transportation Asset Management Plan (August 2024)
- ▶ City of Adelaide Urban Elements Asset Management Plan (August 2024)
- ▶ City of Adelaide Water Infrastructure Asset Management Plan (August 2024)
- ▶ City of Adelaide Park Lands and Open Space Asset Management Plan (August 2024)
- ▶ City of Adelaide Public Lighting and Electrical Infrastructure Asset Management Plan (August 2024)
- ▶ City of Adelaide Future Fund & Investment Policy (January 2022)
- ▶ City of Adelaide Acquisition & Disposal of Land & Assets Policy (January 2022), and
- ▶ City of Adelaide State of the City (December 2023).

The Commission notes that most of the Council's infrastructure asset base is covered by its existing AMPs (with condition assessments and asset valuations for those assets).

Given that the Commission must, in providing its advice, have regard to the objective of councils maintaining and implementing their IAMPs and LTFPs,¹⁴ it has also considered the Council's

¹² The three financial indicators are specified in the Local Government (Financial Management) Regulations 2011. Since 2011, each council has been required to refer to these three indicators in its plans, annual budget, mid-year budget review and annual financial statements. The councils can adopt their own target range for each ratio, but the Commission has adopted the previously suggested Local Government Association (LGA) target ranges as a basis for its analysis, which were established and agreed during the development of the LGA Financial Sustainability Papers (2006-2011).

¹³ The F&A listed 29 analytical questions that the Commission has answered in assessing the Council's performance against these indicators to determine affordability, cost control and other sustainability risks.

¹⁴ *Local Government Act 1999 (LG Act)* s122(1g)(a)(i).

performance in that context. Findings regarding the content of the Council's AMPs, and the alignment between its LTFP and AMPs,¹⁵ are discussed in section 5.

The Commission has also reviewed the Council's template data, which include its 2024-25 LTFP forecasts for 2024-25 to 2033-34, as well as its 2023-24 LTFP forecasts, historical financial data, the number of rateable properties and Council staff (Full Time Equivalent (FTE)) numbers from 2013-14 onwards.^{16 17} The charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council's audit committee reports and other public information as appropriate.

The Commission has reported estimates in nominal terms, for consistency with the Council's plans and actual rate levels, and it has compared estimated inflation impacts to these trends as a guide to identifying 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (CPI) line shows the cumulative growth in the CPI (Adelaide) series from 2013-14, and then projections of this series from 2024-25 based on the Reserve Bank of Australia (RBA) (Australia-wide) inflation forecasts (to the December quarter 2026), and the midpoint of the RBA target range (2.5 percent) from 2026-27 and thereafter.

Finally, in formulating this Advice, the Commission has had regard to all discussions and engagement with the Council, including the face-to-face onsite meeting at the Council offices and the individual circumstances of the Council, consisting of:

- ▶ its location as an Urban City Centre Council
- ▶ its income level (\$215.5 million), and
- ▶ the size of its rates base (around 26,725 ratepayers¹⁸).

Throughout this Advice the Commission has identified key points and assigned the following risk category to those points.

Legend:  Low-risk  Moderate-risk  High-risk

¹⁵ As required under s122(1b) of the LG Act.

¹⁶ The Council's results for the 2023-24 financial year, relied on at the time of preparing this advice, were audited.

¹⁷ Sourced from the Local Government Grants Commission (including data reported by the Office of the Valuer-General) and the Council's data.

¹⁸ Based on the estimated number of property assessments on 30 June 2023.

3 Council profile

The City of Adelaide is classified as an 'Urban – Capital City'.¹⁹ It is both a local government body and a statutory capital city (as defined in the *City of Adelaide Act, 1998*) at the centre of a metropolitan area of 1.45 million residents. The Council comprises approximately 15.6 square kilometres and has an estimated resident population of 27,901 (at 30 June 2023)²⁰ and approximately 26,725 rateable properties (at 30 June 2023).²¹ The Council was formed in 1840 and was the first municipality authority in Australia.²²

Figure 1: Council Area



The City of Adelaide is characterised by the following attributes:

- ▶ Nearly 400,000 people visit the city on an average day.²³ Of this group 46.0 percent come into the city for reasons other than work or study, 20.0 percent for work, 18.0 percent for study, 13.0 percent are tourists, and nine percent are city residents²⁴
- ▶ An established commercial and residential area, covering 15.6 square kilometres and a population density of 1,792 person per square kilometre²⁵
- ▶ Its largest employment sector is Health Care and Social Assistance, followed by Professional, Scientific and Technical Services²⁶, and Accommodation and Food Services.

¹⁹ According to the Australian Classification of Local Governments (ACLG), determined by the Australian Bureau of Statistics (ABS), which classifies all Australian councils based upon population and population density within 22 different categories.

²⁰ Refer to Australian Bureau of Statistics, Data by region, available at <https://dbr.abs.gov.au/region.html?lga&rgn=40070>

²¹ Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, 2022-23 Database Reports, available at: <https://www.dit.sa.gov.au/local-government/grants-commission/publications#database>

²² Refer to the City of Adelaide website available at <https://www.cityofadelaide.com.au/about-council/your-council/past-lord-mayors-and-mayors/>

²³ City of Adelaide, 2023-24 Annual Report, page 8.

²⁴ City of Adelaide, 2022 City User Profile Survey, page 5 <https://d31atr86jngq2.cloudfront.net/docs/12279-CoA-City-User-Profile-2022-Full-Report.PDF>

²⁵ Footnote 19 applies.

²⁶ Footnote 19 applies.

- ▶ A higher level of properties that are rented (residential) or leased (commercial) compared to other South Australian councils, and
- ▶ A median population age of 32 years.²⁷

²⁷ Footnote 19 applies.

4 Material plan amendments in 2024-25

This section sets out and generally describes the 'material' amendments to the Council's plans. The more detailed analysis of those amendments forms the basis of the Commission's advice and is set out in subsequent sections.

The Council has made several amendments to its 2024-25 budget and forward projections compared with 2023-24, partly to account for changes in inflation and partly for other revenue and spending initiatives. The material amendments to its main financial forecasts are listed in the table below (in nominal terms).²⁸

To ensure a comparable analysis of estimates between the 2023-24 and 2024-25 LTFPs, the Commission has reviewed the nine overlapping years' statistics, 2024-25 to 2032-33, and identified material amendments accordingly.

Table 1: Historical and forecast financial items

Selected Financial Item	Sum of 2024-25 to 2032-33 estimates in 2023-24 LTFP (\$ million)	Sum of 2024-25 to 2032-33 estimates in 2024-25 LTFP (\$ million)	Change in 2024-25 estimates (\$ million)	Change in 2024-25 estimates (%)
Total Operating Income	2,331.3	2,554.9	+223.6	+9.6
Grants, subsidies and contributions operating income	42.2	87.1	+44.9	+106.6
Rates	1,459.6	1,572.6	+113.0	+7.7
User Charges	671.2	714.5	+43.3	+6.5
Total Operating Expenses	2,308.9	2,393.2	+84.3	+3.7
Finance Costs	50.3	73.3	+23.0	+45.7
Depreciation, amortisation and impairment expenses	603.9	623.5	+19.5	+3.2
Borrowings – Non Current	1,112.5	1,409.6	+297.1	+26.7
Trade and other payables	168.4	240.0	+71.6	+42.5
Capital expenditure on renewal of assets ²⁹	594.0	795.2	+201.1	+33.9

²⁸ This table shows only selected financial items to demonstrate the material amendments made by the Council in its 2023-24 estimates. It excludes various financial items, and individual items do not sum to totals.

²⁹ The capital expenditure estimates are based on the 2024-25 LTFP estimates provided by the Council to the Commission (in an Excel template).

4.1 Changes to operating performance

The Council has forecast in its 2024-25 LTFP an increase in total operating income of \$223.6 million (or 9.6 percent) across the nine year comparative period to 2032-33, compared to the 2023-24 LTFP (as shown in the table above). This reflects a range of changes to its income forecasts, notably:

- ▶ 7.7 percent increase in rates income,
- ▶ 6.5 percent increase in user charges, and
- ▶ 106.6 percent increase in grants, subsidies and contributions.

The forecast 7.7 percent increase in rate revenue partially reflects the Council increasing its CPI projection in its 2024-25 LTFP, but also accounts for additional factors, such as an increase in rates to fund the Asset Renewal Repair Fund (ARRF). The Council says it has introduced the ARRF to finance the forecast \$150.0 million funding requirement to implement its revised AMPs it adopted in June 2024. By contrast, the 2023-24 LTFP rate revenue increase was in line with the Council's CPI forecast (excluding growth) at that time.

Forecast user charges from the Council's commercial operations increased by a cumulative \$43.3 million (6.5 percent) over the nine year comparative period. In the 2023-24 LTFP, income associated with Rundle UPark was removed due to a decision to not provide for the renewal of Rundle UPark (due for renewal in 2030-31). The Council determined to remove that income while it evaluated the asset to determine its feasibility for operation, or redevelopment, aiming to address community needs and optimise revenue potential.³⁰ The 2024-25 LTFP includes part of the renewal cost of Rundle UPark (to extend its useful life) and reinstates the associated income and expenditure.³¹

The forecast of grants, subsidies and contributions increased by \$44.9 million (106.6 percent) as a result of the Council's assumption that it would receive grant funding in 2027-28 to 2029-30 for significant renewals of the Adelaide Bridge and Torrens Weir. However, the Council has also advised that this funding had not been secured at the time that the 2024-25 LTFP was drafted.

Forecast operating expenses have also increased, with finance expenses increasing by a cumulative \$23.0 million (45.7 percent), due to the Council using debt (alongside rate increases) to co-fund significant asset renewals and the ARRF. Forecast depreciation expenses also increased by a cumulative \$19.5 million (3.2 percent). The Council's historical and projected operating performance are discussed further in section 5.1.

4.2 Indexation adjustments

In the 2024-25 LTFP, the Council stated that it used the South Australian Centre for Economic Studies' (SACES) projected CPI for its 2024-25 Business Plan and Budget.³² The 2023-24 LTFP uses Deloitte Access Economics as the source data for its projected CPI 2.5 percent³³. The 2024-25 LTFP forecast is higher than the previous year's CPI forecast as shown in the following table:

³⁰ City of Adelaide Council, 2023-24 to 2032-33 Long-Term Financial Plan, page 15.

³¹ City of Adelaide Council, 2024-25 to 2033-34 Long-Term Financial Plan, page 14.

³² City of Adelaide Council, 2024-25 to 2033-34 Long-Term Financial Plan, page 11.

³³ City of Adelaide Council, 2023-24 to 2032-33 Long-Term Financial Plan, page 11

Table 2: Indexation adjustments

Forecast CPI in each year	2023-24 LTFP	2024-25 LTFP ³⁴
2024-25	2.6%	3.3%
2025-26	2.5%	3.0%
2026-27	2.5%	2.5%
2027-28 and onwards	between 2.3% and 2.5%	2.5%

The revised 2024-25 LTFP forecast, although higher, is not significantly different from the forecast average annual growth in the CPI from 2024-25 to 2033-34 which is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide).

It would appear that the updated inflation assumptions drive the forecast increase of up to 2.3 percent per annum by 2032-33 in cost and revenue estimates,³⁵ compared with the same estimates in the 2023-24 LTFP. Of note, however, the Council has adjusted its operating income forecasts by amounts higher than its adjusted inflation forecasts (increase of 9.6 percent on 2023-24 estimates³⁶).

The Council's assumptions for indexation in its 2024-25 LTFP are transparent and based on an annual review of forecasts. The Commission considers that such annual reviews of assumptions reflect best practice and supports the Council continuing to do so.

4.3 Increase to capital expenditure estimates

The 2024-25 LTFP indicates an increase in capital expenditure for renewal of assets by \$201.1 million for the period from 2024-25 to 2032-33, compared to the previous year's LTFP. The increase is partly due to the Council creating the ARRF to fund the average annual capital expenditure increase of \$14.9 million, which is associated with the recently adopted AMPs.³⁷

The Council has also included two large intergenerational renewals in its capital expenditure forecasts: the Adelaide Bridge and Torrens Weir. The Council's estimated renewal expenditure for the Torrens Weir is \$40.0 million (allocated across the 2028-29 and 2029-30 financial years) and \$60.0 million for the Adelaide Bridge (allocated across the 2027-28 to 2028-29 financial years).³⁸

Those forecast costs were derived prior to COVID-19 and have since been escalated to reflect 2024-25 dollars;³⁹ however, the Council has advised that it has a low-medium confidence level in its estimates^{40,41} and the Commission is concerned that even the escalated costs could be underestimated.

The 2024-25 LTFP has also allocated \$15.0 million⁴² towards the asset renewal of the Rundle UPark across 2029-30 and 2030-31, with further detailed structural assessments required to understand the extent of the works required. However, the buildings AMP forecasts expenditure of \$60.0 million across

³⁴ City of Adelaide Council, *2024-25 to 2033-34 Long-Term Financial Plan*, page 37.

³⁵ The set of nine years forecast in both the 2023-24 and 2024-25 LTFP projections.

³⁶ Based on the overlapping forecast period in both LTFPs (2023-24 to 2032-33 and 2024-25 to 2033-34).

³⁷ City of Adelaide, *2024-25 to 2033-34 Long-Term Financial Plan*, page. 5.

³⁸ City of Adelaide, *2024-25 to 2033-34 Long-Term Financial Plan*, page. 14.

³⁹ The Torrens Weir has been indexed to \$44.7 million and the Adelaide Bridge has been indexed to \$65.6 million in the 2024-25 LTFP.

⁴⁰ City of Adelaide, Email to the Commission, 11 November 2024.

⁴¹ Footnote 2 applies.

⁴² This figure has been indexed to \$17,138 million in the 2024-25 LTFP

that same period for the Rundle UPark asset to be renewed on a like-for-like basis. Asset renewal funding gaps of this nature are highly risky; the Council should seek to understand the nature and scope of the gap, its implications and the need to and means by which it might avoid future gaps. The Council's capital expenditure outlook is discussed further in section 5.3.

4.4 Increase in total liabilities

The Council's forecast cumulative total liabilities are \$369.0 million (21.5 percent) higher than forecast in the previous year's plan (for the period from 2024-25 to 2032-33).

Within this, the Council's forecast cumulative current liabilities increased by \$72.2 million (19.7 percent), mostly due to an increase in trade and other payables of \$71.6 million (42.5 percent) for the period from 2024-25 to 2032-33. The Council's forecast cumulative non-current liabilities increased by \$296.9 million (22.0 percent) compared to the previous year's LTFP, predominantly due to long-term borrowings increasing by \$297.1 million (26.7 percent) to fund increased capital works for that same period.

The Council's borrowings and net financial liabilities are forecast to be higher in the 2024-25 LTFP than the previous year's LTFP for 2024-25 to 2032-33. As a result, the Council's NFLR forecast is an average rate of 73.0 percent for the period. This is compared to an average NFLR of 53.8 percent in the previous LTFP (for the period from 2024-25 to 2032-33). The Council's net financial liabilities outlook is discussed further in section 5.2.

5 Financial sustainability

5.1 Operating performance

5.1.1 Key points

- ⚠ The Council's policy decision to freeze both the rate in the dollar and property valuations for differing periods historically caused it to become more reliant on less certain forms of user charge revenue through its commercial operations, increasing revenue risk. Over the 10 years to 2022-23, the Council accumulated an operating deficit of \$24.6 million and an annual average ARFR of 73.9 percent, signifying an underspend on asset renewals.
- ⚠ While the Council has now ceased these policies, its revenue remains more reliant on user charges than other councils. The Council must hold the assets and cover the expenses associated with providing these services. Because it does not publish separate accounts for commercial operations, it is not possible to assess their profitability and therefore the extent to which each asset either lessens or increases costs for ratepayers. The associated financial sustainability risk could be reduced through the sale of assets and exiting the market for these services that could be provided by the private sector, if there is genuine demand for them at prices that provide a suitable commercial return.
- ⚠ While the Council is forecasting an operating surplus in each of the ten years to 2033-34, that is based on increasing rates revenue and an assumption of significant grant funding, rather than considering whether any rationalisation of the Council's commercial operations is appropriate, along with significantly improving the productivity of its core operations. As it stands, the only contingency in place if the grant funding does not occur, and/or the costs associated with the Council's considerable asset renewal program increase by more than forecast, is higher rates rises, either as a direct contribution or to finance additional debt.

5.1.2 Operating Surplus Ratio

The operating surplus ratio (OSR) is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent.

The Council experienced some volatility in its operating performance between 2013-14 to 2022-23 and, in the three years to 2019-20, reported operating deficits of \$17.4 million, \$21.2 million and \$18.3 million respectively. Over the 10-years to 2022-23, the Council accumulated a \$24.6 million operating deficit, generally reflecting a below breakeven performance. Notwithstanding this, the Commission notes the Council has started to improve this performance achieving an \$8.5 million operating surplus in 2023-24. Historical growth in operating income averaged 2.3 percent per annum from 2013-14 to 2022-23, below the annual inflation growth of 2.6 percent over this period (see Figure 3).⁴³ The rate of growth in operating expenses averaged 2.8 percent per annum (see Figure 3).

The OSR⁴⁴ fluctuated over the historical period and was negative (below the LGA-suggested target range) in four of the 10 years to 2022-23 (see Figure 2). On average, the OSR was negative 1.2 percent

⁴³ CPI (all groups). Average annual growth in the Local Government Price Index (LGPI) published by the SACES was similar (at 2.5 percent). Available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>

⁴⁴ Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019, p. 6.

over the period from 2013-14 to 2022-23, indicating that the Council was generally not operating sustainably.

Figure 2: Operating surplus ratio – historical and forecast

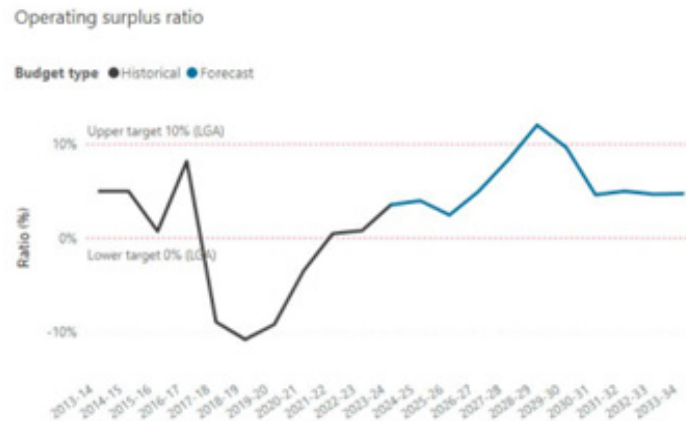
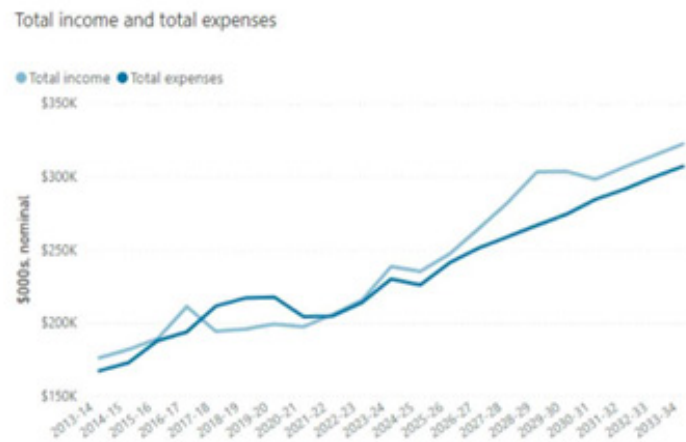


Figure 3: Total income and expenses – historical and forecast



The main reason for this performance is the Council's decision to freeze the rate in the dollar (from 2013-14 to 2023-24) and to freeze property valuations for five years from 2018-19, while expenses continued to increase. The revenue risk implications of these policies were exacerbated through COVID-19, as the Council's revenue from user charges declined sharply, due to less demand for these services. It is not clear what analysis the Council did to understand the cost-benefit trade-off and risks of the policy; however, the main outcome of the policy was the creation of an underspend on asset renewals and replacements needs of its asset stock, which will have long-term impacts on the Council and the community.

5.1.3 Income

The Council's main income streams are discussed in further detail below.

5.1.3.1 Rates Income

In 2022-23, income from rateable properties accounted for 58.0 percent of the Council's total income. The Council's decision to freeze the rate in the dollar from 2013-14 to 2023-24 and to freeze property valuations for five years from 2018-19 contributed to the Council's average annual increase in rate revenue of 3.5 percent from 2013-14 to 2022-23 (when the growth in number of rateable properties averaged 2.5 percent and CPI growth averaged 2.6 percent).

The Council is projecting average annual rates per property growth of 2.8 percent to 2033-34, slightly above the forecast long-term inflation of 2.6 percent, which will represent a real increase in rates. That average annual growth is also projected to be higher than the expected expense per property growth of 2.4 percent for the same period (rates are discussed in more detail in section 6). This largely reflects the Council ceasing with its rate in the dollar and property valuation freezing policy and seeking to gain additional funding to address the forecast \$150.0 million funding requirement to implement its revised AMPs.

This is indicative of the type of action the Commission supports the Council considering, to allow it to deliver future financial sustainability for the benefit of ratepayers and community and assist in mitigating the risk of rate increases needing to be higher than ought to be the case.

However, if the Council were to use its revenue-raising powers excessively to manage its financial strategy, it would risk reputational damage, low community trust and concerns regarding perceived competency at both community level and across South Australia. There is also the fact that the Council's proposed financial strategy comes after implementing one which resulted in an underspend on its asset renewals relative to its AMPs, the effects of which are being felt now - and will continue to be felt into the future.

This suggests that the Council's revenue raising powers can only partially offset financial management risks. This leaves the options of reducing the scope of the capital program and/or selling off assets to provide a financial cushion, as the asset renewal of core services progresses. The former is complicated by the fact that the Council has forecast \$150.0 million in funding requirements to implement its revised AMPs and two critical renewal projects for core services, with the latter possible if the Council has business operations that will be of interest to the commercial sector. This seems plausible (refer to user charges section), with asset sales not only generating revenue, but also reducing future asset renewals.

5.1.3.2 User Charges

In 2022-23, income from user charging services accounted for 31.1 percent of the Council's total operating income. Excluding the Adelaide Aquatic Centre, which ceased operations on 1 August 2024,⁴⁵ four of these services contributed 81.8 percent of the user charges income.⁴⁶ These are property leases, North Adelaide Golf Course charges, on-street parking fees and off-street parking fees (UPark – refer section 5.3 for discussion of asset renewal expenditure required for the off-street car parking operation).

⁴⁵ The Adelaide Aquatic centre closed its operation on 1 August 2024, with the State Government intending to build a new \$135.0 million facility, that will be owned and operated by the State. The Council has committed up to \$20.0 million towards demolishing the existing facility and reinstating park lands and community sports grounds.

⁴⁶ City of Adelaide, 2022-23 Annual Report, note 2 pg. 72.

The Council identifies these four services as commercial operations, including them in the Strategic Property and Commercial function within its 2024-25 Business Plan and Budget.

Annual budgeted operating income and expenses for Strategic Property and Commercial are provided in the Business Plan and Budget, with an operating profit of approximately \$23.1 million projected. The income relates to user charges, but the manner in which the expenses have been derived for each of the four functions outlined above is not clear in the materials available to the Commission. It is therefore not possible to assess the performance of each commercial operation, the adequacy of the allocation of costs to the business operations and the extent to which it may or may not be subsidised by ratepayers.

Overall, the Commission considers there would be merit in separate financial statements being prepared for each of these services (and any subsequent commercial operations entered), clearly identifying any cost/asset allocation approaches adopted and the asset values attributed to each separately. This would reflect sound internal financial practices with the Council and would allow for a complete financial picture of these services to be available to ratepayers.

Further, as the commercial operations could generally be provided by the private sector, in the Commission's view each of them should be capable of functioning without subsidisation from general rates, while also not accruing excessive or unduly low rates of return, extracting monopoly rents or discouraging potential competitors. These factors broadly reflect the Council's existing competitive neutrality obligations, a central component of which is separated accounts.⁴⁷

The Commission also notes that the Council has stated that debt may be required to fund significant renewals, such as the Rundle UPark.⁴⁸ Similar consideration applies to the property leasing and North Adelaide Golf Course operations, albeit at a lesser scale. This may be an opportune time for the Council to consider the optimal strategy for ratepayers - should it continue to operate the businesses within the Council, lease or sell the assets and/or operations to the private sector. Decisions made on that front will have direct impacts on user charges.

For example, if the Council proceeds with any asset rationalisation, the proceeds could offset any rates rises and debt required to fund the Council's forecast \$150.0 million funding requirement to fund its AMPs, or the cost of the Torrens Weir or Adelaide Bridge (see Section 5.3).

5.1.3.3 Adelaide Park Lands

In addition to the business operations included in the Strategic Property and Commercial function, the Council also provide services via the Adelaide Park Lands. During the 2024-25 budget planning and budget process, the Council made a commitment to invest 1.5 percent of rates revenue to upgrade buildings within the park lands, equating to \$25.2 million in today's dollars over the life of the LTFP.⁴⁹

5.1.3.4 Statutory Charges

In 2022-23, income from statutory charges accounted for 5.6 percent of the Council's total operating income. In recent years, the Council has waived or frozen the rate on several fees and charges. The intent of these decisions was to provide targeted support to the community and stakeholders during a particular period, most notably throughout the COVID-19 pandemic.⁵⁰ The fees associated with permits

⁴⁷ For further information on competitive neutrality and associated matters, refer the Department of Premier and Cabinet website available at [Competitive Neutrality | Department of the Premier and Cabinet](#).

⁴⁸ City of Adelaide, 2024-25 to 2033-34 Long-Term Financial Plan, p. 26.

⁴⁹ City of Adelaide, 2024-25 to 2033-34 Long-Term Financial Plan, p. 16.

⁵⁰ City of Adelaide, 2024-25 Business Plan and Budget, April 2024, p. 7, available at: <https://d31atr86jngq2.cloudfront.net/docs/business-plan-budget.pdf>

for Outdoor Dining and Park Lands rentals were reintroduced in the 2023-24 Business Plan and Budget after being waived for five years.⁵¹

As noted above, while there may be sound short-term reasons for such decisions, they will necessarily have longer-term consequences. The Council should therefore ensure that it always considers such longer-term impacts when making decisions of that nature and should make its reasoning clear to ratepayers and the community.

5.1.4 Expenditure

The growth in operating expense from 2013-14 to 2022-23 was 2.8 percent, slightly above the average annual inflation of 2.6 percent over this period.⁵² During that period, there was an average annual increase in depreciation charges of five percent, an increase of 2.5 percent for 'materials, contracts and other' expenses and an increase of 1.7 percent for employee expenses (see the changes by expense type in Figures 4 and 5). The predominant reason for depreciation growing at a much faster rate than the other expenses categories was the growth in the Council's asset base (infrastructure, property, plant and equipment), which increased at four percent over the same period.⁵³

Looking ahead, the Council has forecast higher average expense growth, at 3.5 percent per annum which is above the RBA-based forecast of average annual inflation of 2.6 percent over the same period.⁵⁴ This appears to reflect a worsening of the Council's cost control, relative to past performance (with average annual growth of 2.8 percent in the 10 years to 2022-23).

Employee numbers are forecast to increase to 761 FTEs in 2024-25, up from 716 in 2023-24,⁵⁵ with employee expenses forecast to increase by an average of 2.6 percent per annum over the period to 2033-34. 'Materials, contracts and other' expenses are forecast to increase by an average of 2.8 percent per annum, from 2024-25 to 2033-34. The Commission notes that these forecasts broadly align with the RBA's forecast rate of CPI over the same period of 2.6 percent. Depreciation and finance costs are increasing at 3.7 percent and 37.7 percent per annum over the same period, which is causing the Council's total expenses to increase by 3.5 percent per annum from 2024-25 to 2033-34.

⁵¹ City of Adelaide, *2023-24 Business Plan and Budget*, April 2024, p. 59.

⁵² CPI (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 2.5 percent). Available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>

⁵³ Based on the annual average growth rate between 2013-14 and 2022-23.

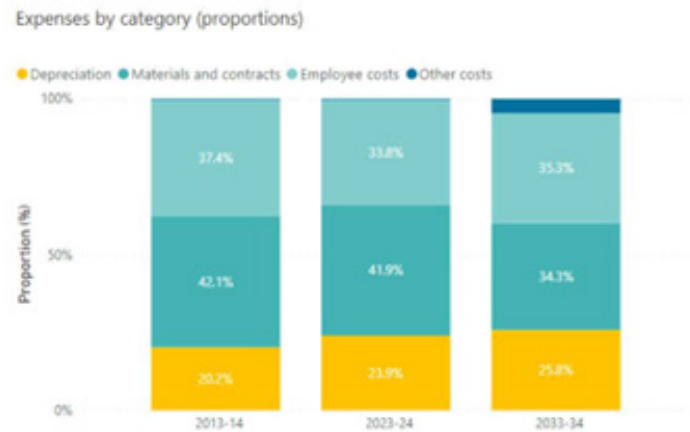
⁵⁴ The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

⁵⁵ Based on the Council's Financial Reporting template provided to the Commission.

Figure 4: Expenses by category – historical and forecast



Figure 5: Expenses by category - proportions



Incorporating the growth in number of rateable properties, the total forecast expenses per property increases by an average of 2.4 percent per annum over the period (see Figure 6): a slight real terms reduction (based on current inflation projections). At the same time, average total income per property is forecast to increase by 2.5 percent (nominally), below forecast inflation.

Figure 6: Expense by rated property - historical and forecast



5.1.5 Commission's recommendations on operating performance

Overall, the forecast growth in income and expenses broadly align for the 10 years to 2033-34. The Commission notes that, if the growth forecasted in the Council's expense categories is exceeded, there is a risk that ratepayers could incur unexpected higher rate increases.

In that context, the Commission has observed that the latest available comprehensive set of asset condition assessments and valuations, upon which the Council's AMPs, asset renewal costs and depreciation profiles are based, appear to be out of date.

Further, the Council has advised that, up until 2023-24, it did not apply indexation annually to asset valuations between these comprehensive assessments. The risk inherent in such a practice is that the Council's already-challenging asset renewal plans understate the true costs associated with them, with the annual depreciation charge therefore also understated. This would mean that the forecast operating surplus would be overstated and expose the Council, ratepayers and the community to future financial risks.

The Commission notes that the Council has recently introduced the good practice of indexing asset valuations in 2023-24 to some of its assets classes and will continue to roll out this practice to various other classes in 2024-25 and 2025-26.⁵⁶ This should be supplemented, however, with much more robust understanding and consideration within the Council of the importance of asset condition assessments.

Having regard to these risks, coupled with the Council's existing expenses projections that suggest a worsening in its cost control (as explained above), the Commission advises that the Council should adopt a stronger focus on cost control and productivity improvement, and reflecting this in its future strategic planning.

⁵⁶ City of Adelaide, Email to the Commission, 27 November 2024.

Therefore, the Commission recommends that the Council:

1. **Analyse** the implications for long-term financial sustainability and timely renewal of assets before considering any rate freeze or valuation freeze in the future and disclose the analysis to ratepayers.
2. **Improve** the disclosure of cost savings targets or productivity improvements in LTFPs and ABPs (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

5.2 Net financial liabilities

5.2.1 Key points

- ⚠ Net cash flows after operating and investing (that is, capital-related) activities averaged \$2.7 million per annum between 2013-14 and 2022-23 and decrease to average annual negative \$15.2 million from 2024-25 to 2033-34.
- ✅ Between 2013-14 and 2022-23 the NFLR averaged 29.1 percent. It is projected to be within the LGA target range from 2024-25 to 2033-34, but trending towards the upper limit and reaching the Council's own prudential limits for a number of years. This reflects the use of higher debt levels to finance the Council's capital expenditure program.
- ⚠ If the Council is unable secure external grant funding, and/or it has underestimated the costs of the capital program, it might be necessary to increase debt or further defer asset renewal and replacement.

The NFLR is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100.0 percent of total operating income, but possibly higher in some circumstances.⁵⁷

The Council's NFLR trended between negative 5.4 and positive 57.0 percent between 2013-14 and 2022-23 (see Figure 7). This is mostly within the suggested LGA target range for the indicator of between zero and 100.0 percent (averaging 29.1 percent over this period).

The Council has forecast its NFLR to be positive throughout to 2033-34 and to remain within the suggested LGA target range.⁵⁸ The annual average forecast for the NFLR from 2024-25 to 2033-34 is 74.1 percent, reaching a high of 88.6 percent in 2030-31.⁵⁹

The Council's calculation of NFLR excludes calculations of long-term lease liabilities. The Commission has included long-term lease liabilities in its calculation of NFLR (see Figure 8). The Commission's analysis shows that net financial liabilities get very close to total income towards the end of the forecast period. Under that analysis, the Council's net financial liabilities are forecast to increase from \$85.9 million in 2024-25 to \$268.3 million in 2033-34 (see Figure 8), more than a three-fold increase.⁶⁰ The main driver of this is a near four-fold rise in borrowings to \$225.7 million by 2033-34 (see Figure 9).

⁵⁷ LGA SA Financial Indicators Paper, pp. 7-8.

⁵⁸ The Council's NFLR was 21.7 percent in its reported 2023-24 financial results.

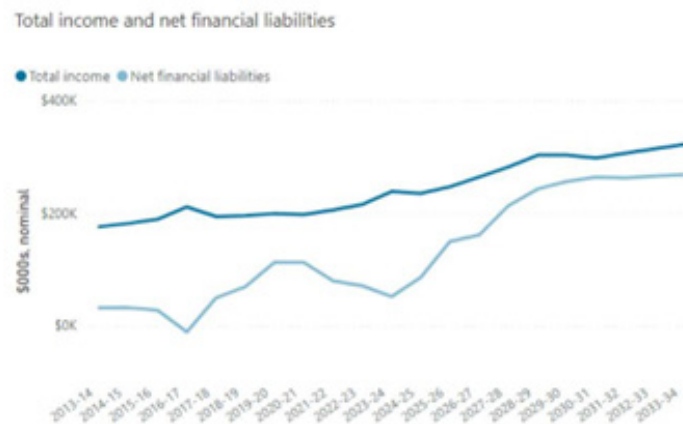
⁵⁹ The Commission has included the Council's lease liabilities in its calculation but notes that the Council excluded this category in its 2024-25 LTFP.

⁶⁰ The Council's lease liabilities have been included in the net financial liabilities figure.

Figure 7: Net financial liabilities ratio – historical and forecast



Figure 8: Total income and net financial liabilities – historical and forecast

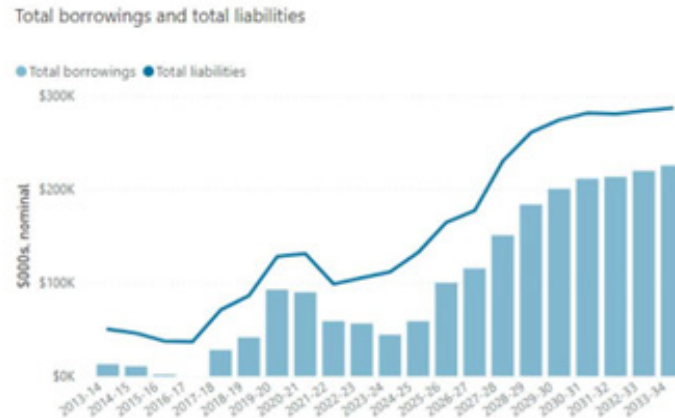


The steady increase in borrowings in the Council's 10-year forecast (see Figure 9) is partly associated with its \$14.9 million per annum capital expenditure for new and upgraded projects.⁶¹ In addition, the Council has stated that significant renewals (Torrens Weir, Adelaide Bridge and Rundle UPark) are likely to be funded by a component of debt.⁶²

⁶¹ City of Adelaide, 2024-25 to 2033-34 Long-Term Financial Plan, p. 14. Available at: <https://ouradelaide.sa.gov.au/draft-long-term-financial-plan>

⁶² City of Adelaide, 2024-25 to 2033-34 Long-Term Financial Plan, p. 14

Figure 9: Total borrowings and total liabilities – historical and forecast



The Council's renewal forecasts associated with the Torrens Weir and Adelaide Bridge assume a like-for-like asset renewal of the existing structures. The Council is preparing further analysis to provide more detailed information on potential options and costs. Its estimated renewal expenditure for the Torrens Weir is \$40.0 million allocated for the 2028-29 and 2029-30 financial year and \$60.0 million for the Adelaide Bridge allocated in 2027-28 and 2028-29.^{63 64}

The Council has advised the Commission that it has a low to medium confidence level in these estimates.⁶⁵ Should the Council be faced with higher replacement costs for these two projects, unless it can secure commensurately higher grants, the burden on ratepayers would increase, either directly or through covering increased debt servicing costs. Alternatively, the Council might decide to defer elements of asset renewal and replacement, which could impact service standards.

Further, the Council is assuming in its LTFP that it funds 33.0 percent of the renewal for the Torrens Weir and 75.0 percent of the renewal for the Adelaide Bridge.⁶⁶ The remainder proposed to be funded by yet-to-be-secured grants.⁶⁷

The three main risks the Council's financial strategy faces are:

1. Low to medium confidence levels in the cost estimates for critical capital projects.
2. Reliance on unsecured grant financing.
3. Increasing exposure to interest rate and financial structure risk, as debt levels increase.

Additionally, the Council has no financial cushion. Its LTFP is designed so that each year cash inflows and outflows net out to zero, resulting in cash reserves remaining \$0.8m throughout the LTFP (see Figure 10). Further, for periods of the LTFP, the Council is at its own prudential borrowing limit, which is set at 50.0 percent of the Council's saleable assets.⁶⁸ That is, the Council has no contingency, while operating close to what it considers, its financial limits, despite the clear risks.

⁶³ City of Adelaide, 2024-25 to 2033-34 Long-Term Financial Plan, p. 14.

⁶⁴ The Torrens Weir has been indexed to \$44.7 million and the Adelaide Bridge has been indexed to \$65.6 million in the 2024-25 Long-Term Financial Plan.

⁶⁵ City of Adelaide, Email to the Commission, 11 November 2024.

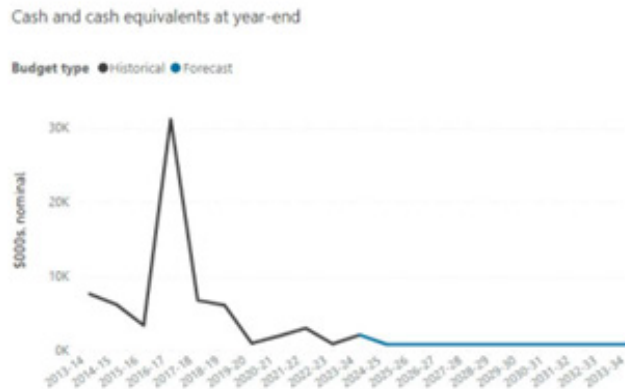
⁶⁶ City of Adelaide, 2024-25 to 2033-34 Long-Term Financial Plan, p. 14.

⁶⁷ City of Adelaide, 2024-25 to 2033-34 Long-Term Financial Plan, p. 14.

⁶⁸ City of Adelaide, 2024-25 to 2033-34 Long-Term Financial Plan, p. 24.

This situation can be attributed to the Council's history of rates and valuation freezes, which have led to deferral and compression of asset renewal and replacement and an issue of intergenerational inequity.

Figure 10: Cash and cash equivalents at year end – historical and forecast



These risks could lead to increased borrowings and interest risk exposure. Also, as borrowings increase, interest rates on debt levels can rise because of greater debt exposure within the financial structure. This could result in further cost escalation.

5.2.2 The Commission's recommendations on financial liabilities

The Commission considers that the Council should undertake a detailed review, with its community, of the potential alternative options and the risk implications, from both the financial and service provision perspective, of the proposed financing of its capital expenditure program. The Commission also suggests this include the role that asset sales can have in managing the Council's transition towards more effective asset management strategies and their implementation, which is discussed in the subsequent section of this advice.

In this respect, the Commission notes the potential role of the Council's Future Fund in this process, provided this is focused on asset disposal, rather than the purchase of assets for commercial operations, given the Council's anticipated financial exposure. It also notes that the Council undertook a Strategic Property review to consider the acquisition and disposal of assets, and that the proceeds from disposals could also be used to repay borrowings or reduce the need for them. In that context, the Council's 2024-25 LTFP has factored in the proceeds from the sale of surplus assets of \$18.5 million in 2024-25. The Commission, however, notes this is relatively minor in comparison to the Council's commercial operations (refer to user charges in section 5.1.3.2).

The Commission recommends that the Council develop a strategy to optimise the value to ratepayers of the Council's commercial assets, taking into consideration any subsidies, the profitability and future liabilities of each asset.

Finally, the Commission notes the Council does not fully disclose the assumptions underpinning its borrowing forecasts in its LTFP (such as loan facilities and/or terms, if applicable) although the Commission notes that the Council is in the process of reviewing its Treasury policy, which will include how borrowings will be utilised.⁶⁹ The Council does undertake the good practice of disclosing its interest rate assumptions for its borrowing facilities, along with sensitivity analysis through a 10 year forecast of the Council's interest expense ratio and leverage test ratio.

⁶⁹ City of Adelaide, Email to the Commission, 11 November 2024.

For the Council to achieve and maintain financial sustainability, the Commission recommends that the Council:

3. **Consider** undertaking a detailed review, with its community, of the potential alternative options and the risk implications, from both the financial and service provision perspectives, of the proposed financing of its capital expenditure program.
4. **Consider** the Future Fund applying a greater emphasis on asset disposals with the proceeds used to repay borrowings, or reduce the need for them, rather than the purchase of assets for commercial operations.

5.3 Asset renewals expenditure

5.3.1 Key points

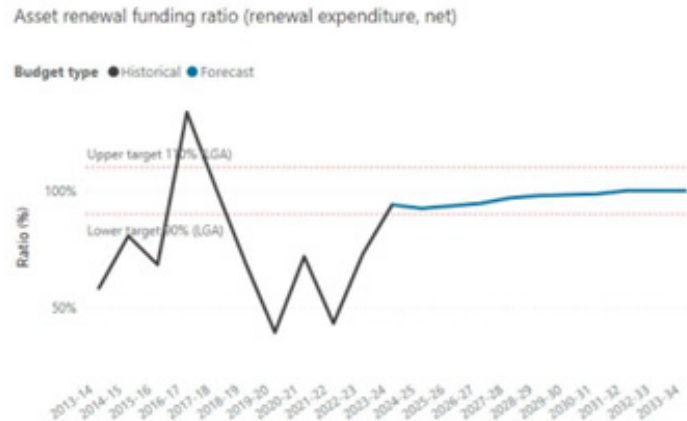
- Between 2013-14 and 2022-23, the net ARFR averaged 73.9 percent, with an average annual spend of \$26.8 million per annum (below its asset renewal requirements).
- The Council's forecast \$150.0 million funding requirement required to implement its recently adopted AMPs is being addressed at a time of construction cost escalation, long lead times and three significant asset renewal projects.
- ✓ In 2024 the Council separated and adopted six AMPs.

A long-term consequence of the Council's policy of freezing the rate in the dollar and property valuations for varying periods of time is an underspend on its asset renewals and replacement needs relative to its AMPs. This is illustrated by the fact that, between 2013-14 and 2022-23, the Council averaged 73.9 percent on its ARFR⁷⁰ (under the 'IAMP-based' net expenditure approach),⁷¹ (see Figures 11 and 12). The Council's net spending on renewal and replacement of assets averaged \$26.8 million each year over the period.

⁷⁰ The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a Council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90.0 to 110 percent (LGA SA Financial Indicators Paper, p. 9).

⁷¹ The quoted averages for the ratio are based on 'net asset renewal expenditure' (taken from the Council's cash flow statements) (after the sale of replaced assets) rather than 'gross asset renewal expenditure'.

Figure 11: Asset renewal funding ratio (renewal expenditure net) – historical and projected



Between 2013-14 and 2022-23, alongside its rating policy, the Council also chose to allocate nearly half, approximately \$254.4 million, of its capital expenditure towards new and upgraded assets, requiring future ratepayers to bear the cost of the renewal expenditure foregone and the potential intergenerational inequity caused.

The Council's recently adopted AMP's⁷² identified that an average annual increase in funding of \$14.9 million was required for the 10 year life of its 2024-25 LTFP (approximately \$150.0 million over the term of the plan in 2024 dollar terms). To manage this, and the asset renewal of Torrens Weir, Adelaide Bridge and the Rundle UPark, its LTFP includes less capital expenditure on new/upgraded assets.

Over the 2024-25 to 2033-34 period, capital expenditure on new/upgraded assets is forecast to be 16.6 percent of capital expenditure. The Council has also introduced the ARRF to fund the \$14.9 million per year needed. This will be financed through rate increases, either explicitly, or implicitly, through covering the costs associated with any required borrowings.

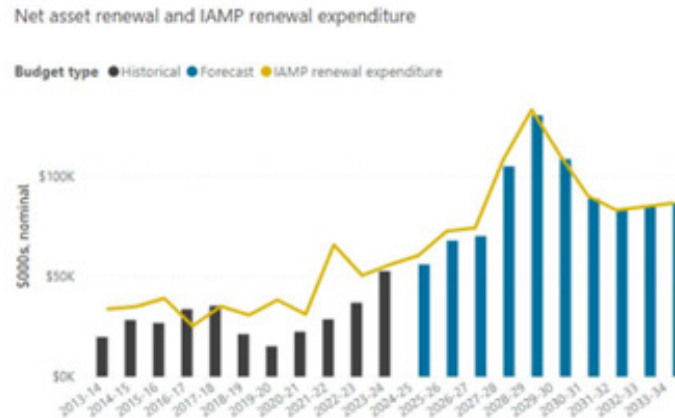
Going forward, from 2024-25 to 2033-34, the ARFR (under the 'IAMP-based' net expenditure approach) is forecast to be within the appropriate range, at an average of 97.2 percent (see Figure 11). Average annual spending on renewal or replacement of assets is projected to increase to \$88.2 million (in nominal terms) (see Figures 12 and 15).

That is, the Council's intention is to fundamentally change its approach towards asset stewardship – which would be a positive and appropriate change in behaviour. The Commission notes the Council has started to improve its approach achieving an ARFR of 94.0 percent in 2023-24 financial results.

At the same time, the Commission also notes that this change is being initiated at a time when the Council is proposing to undertake significantly more capital expenditure than it has historically. Between 2013-14 and 2023-24, the Council's average annual capital expenditure was in the region of \$53.0 million, while for the 2024-25 to 2033-34 period it is forecast to almost double to annual average of \$105.7 million (see Figure 15).

⁷² In 2024, the Council reverted to individual AMPs for the following asset classes: buildings, lighting and electrical, park lands and open spaces, transport, urban elements and water infrastructure. These individual AMPs were adopted by the Council in 2024.

Figure 12: Net asset renewal and IAMP renewal expenditure – historical and projected



Further, its approach to its AMPs, asset valuation and asset condition assessments, may heighten the risk that it faces.

In 2024, the Council reverted to individual AMPs for the following asset classes: buildings, lighting and electrical, park lands and open spaces, transport, urban elements and water infrastructure. These AMPs were adopted by the Council in 2024 and provide a breakdown of the assets within each respective asset class and the proposed capital works that will be fed into the Council's LTFP. Some of these AMPs, however, do not appear to be based upon current asset valuations and asset condition assessments.

The Council reviews asset lives, so asset condition, in conjunction with asset class revaluations every four to five years. The Commission notes that some of the valuations of these assets were carried out some time ago⁷³, for example:

- ▶ Roads, valued as at 30 June 2024.
- ▶ Kerb and water table, valued as at 30 June 2024.
- ▶ Footpaths, valued as at 30 June 2022.
- ▶ Traffic signals, valued as at 30 June 2020.
- ▶ Bridges, valued as at 30 June 2024.
- ▶ Buildings, valued as at 30 June 2021.
- ▶ Land excluding park lands and lands under roads, valued as at as at 1 July 2020.
- ▶ Park lands & open space, stage 2 - sports fields and water features valued as at 30 June 2023.
- ▶ Urban elements, valued as at 30 June 2021.
- ▶ Public lighting & electrical, valued as at 30 June 2020.
- ▶ Public art, valued as at 30 June 2022.

⁷³ The revaluation dates are based on the City of Adelaide's 2023-24 Annual Report, General Purpose Financial Statements Note 7 (pp. 28, 29 and 30).

- Stormwater drainage, valued as at 30 June 2024.
- Ticket machines, valued as at 30 June 2022.

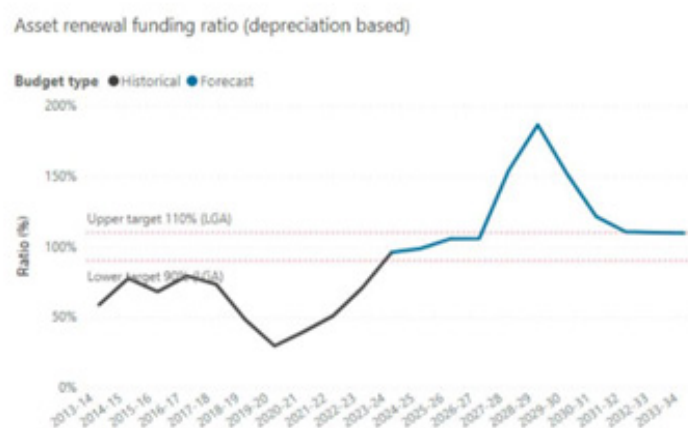
The Council also confirmed that up until 2023-24, its asset valuations were not indexed through desktop valuations on an annual basis between revaluations. The Commission notes that the Council is implementing this strategy going forward, which is a positive step. The Commission also considers that undertaking a comprehensive revaluation every four to five years could be too long a time interval between revaluations and asset condition assessments, given the current the macroeconomic environment and the challenges of the Council's asset renewal program.

Overall, the Commission considers that the recently published set of AMPs produced by the Council may benefit from being updated as soon as possible, to more accurately reflect detailed engineering studies of asset valuation and condition, and the implications of this for the Council's ambitious asset renewal program. The Commission also considers there to be benefit in reflecting the outcome of this in a revised LTFP, to fully understand the implications for the Council's baseline financial strategy and the potential benefits of alternative approaches (see previous section).

The Commission also notes that the Council's approach to understanding the value and condition of its asset stock may be causing its depreciation expense to be lower than suggested - if it were based upon the current cost of the Council's assets, at any given time. In addition, this could cause an overstatement of the Council's operating surplus ratio.

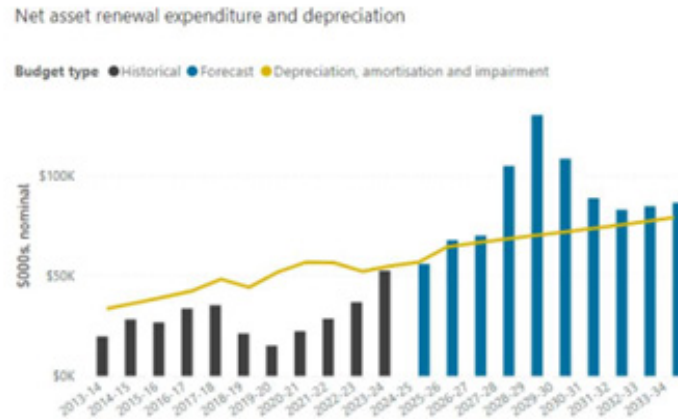
The Council's approach to asset valuation and condition results regarding the depreciation charges, both historically and forecast, could also impact the reliability of the depreciation-based ARFR.⁷⁴ Historically (between 2013-14 to 2022-23) the annual average value was 59.4 percent which is below the recommended minimum level (for IAMP-based ratio) of 90.0 percent (see Figures 15 and 16). It is projected to track above the recommended range (for the IAMP-based ratio) of 90.0-110.0 percent, averaging 125.2 percent per annum to 2033-34 (see charts below).

Figure 13: Asset renewal funding ratio (depreciation based) – historical and projected



⁷⁴ Where asset renewal/replacement expenditure is divided by depreciation expenses.

Figure 14: Net asset renewal expenditure and depreciation – historical and forecast



Finally, the Commission also notes that the Council's asset stock per rateable property was \$68,224 in 2022-23 (see Figure 16) but also notes that this is likely based upon outdated asset valuations, which impacts the forward-looking projections in the LTFP. This is high relative to other councils and is likely to be challenging for the Council to effectively manage over the longer term.

The Commission notes the Council will need to assess the risk of maintaining its current level of infrastructure in the context of the stream of future liabilities associated with each asset. This, again, points to the need for the Council to keep its knowledge of the value of the assets it holds and their condition up to date and understand the risks (and develop mitigation strategies) if the Council's expectations regarding its operating surpluses do not materialise and/or its financial strategy becomes stressed.

Figure 15: Total capital expenditure by category – historical and projected

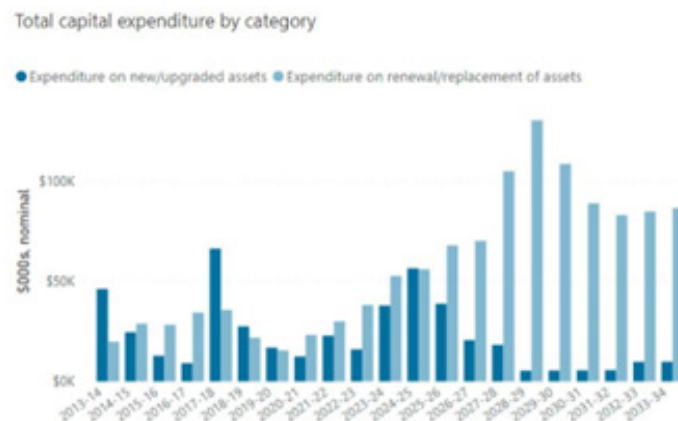


Figure 16: Value of asset stock per rateable property – historical and projected



These factors may create risk for the Council, and represent a considerable financial, practical and logistical challenge, alongside the challenge of rapidly developing a behaviour that places greater emphasis and value on asset renewal.

Successful risk mitigation and delivery of change will require close attention and management by the Council, and this should be articulated in future LTFP and AMPs.

5.3.2 The Commission's recommendations re asset renewals expenditure

The Commission recommends the Council consider the following regarding its approach to its AMPs and asset information. The objective of the recommendations is to support the behavioural change and information needed to assist it in achieving its challenging asset renewal program, and understanding and mitigating the associated risks, as well as those associated with the accompanying financial strategy.

The Commission recommends that the Council:

5. **Upgrade** its AMPs to more accurately reflect formal asset valuations, condition assessments, remaining useful lives and corresponding depreciation schedules, incorporate this information into the AMPs and include these expenditure forecasts in the annual budget and annual LTFP update.
6. **Consider** providing more clarity around the risks (and develop mitigation strategies) if the Council's expectations regarding its operational performance do not materialise and/or its financial strategy becomes stressed.

5.3.3 The Commission's recommendations on commercial assets

The Council holds extensive commercial assets that have been discussed in several sections of this Advice. The Commission recommends that the Council:

7. **Develop** a comprehensive and transparent strategy for its commercial assets, addressing for each class of assets and for each individual asset how to optimise value for ratepayers, including:
- ▶ in-depth analysis in its LTFP of the Council's approach to revenue generation from commercial operations and whether asset rationalisation would improve financial outcomes for ratepayers. This analysis could include whether the Council continues to own each asset, whether it operates each asset or leases it out for private operation and the extent to which any ratepayer subsidisation is appropriate and if so, why. (refer 5.1.3.2 User Charges)
 - ▶ publication of separate financial statements for each of the Council's commercial operations, clearly identifying the allocation of costs to each asset and the asset values attributed to each separately (refer 5.1.3.2 User Charges), and
 - ▶ completion of the proposed review of the Rundle Street UPark and addressing the approved option in the LTFP (refer 4.1 Changes to operating performance).

6 Advice on current and projected rate levels

6.1 Key points

- The Council maintained the rate in the dollar at the same level for the ten years to 2023-24 and held property valuations at 2019 levels until the 2022-23 budget. As a result, the Council's rate revenue per property growth averaged 0.9 percent over this period.
- ✓ The forecast rate increase between 2024-25 to 2033-34 is 2.8 percent per property per annum, which is generally in line with the RBA inflation forecast over the period.
- ✓ Affordability risk among the community for the further rate increases appears to be moderate, based on a range of factors including an assessment of the economic resources available to the community and community feedback.

The Council maintained the rate in the dollar at the same level for the ten years to 2023-24 and held property valuations at 2019 levels until the 2022-23 budget. As a result, growth in average rate revenue per property averaged 0.9 percent, or \$42 per annum over the past 10 years,⁷⁵ reaching an estimated \$4,675.66 per property in 2022-23 (see Figure 17). This is, however, below CPI growth of 2.6 percent per annum over the same period,⁷⁶ resulting in average rates per rateable property decreasing in real terms.

Figure 17: Average rates revenue per property – historical and projected



The Council remains more reliant on its rate base for its operating sustainability as that source is more certain than is its income from user charges, although the Commission notes that the Council's rates revenue is a lesser proportion compared to other suburban and regional local councils. Rates revenue accounts for 58.0 percent of operating income in 2022-23, compared with 52.2 percent of income in 2013-14 (see Figure 18).

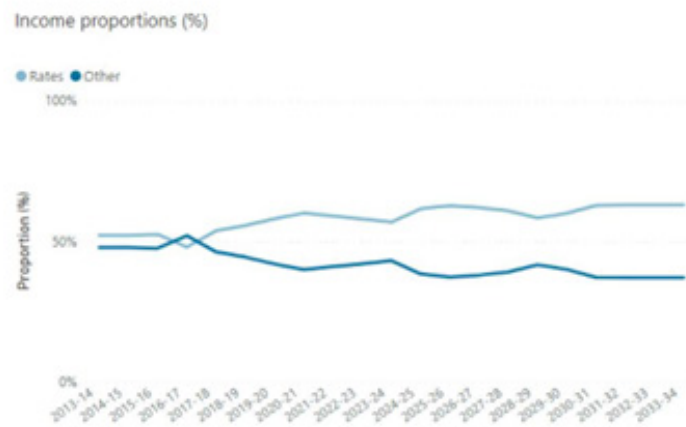
⁷⁵ From 2013-14 to 2022-23.

⁷⁶ CPI Adelaide (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 2.5 percent). Available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>

The Commission notes that, in the Council's 2024-25 ABP, it has recorded a total of 27,024 rateable properties, of which 16,995 (62.9 percent) are residential and 9,716 (36.0 percent) properties are classified as commercial.⁷⁷

The Council expects to receive around 71.6 percent of its rate revenue from commercial operations, which have a higher rate in the dollar, relative to the residential sector (around 22.5 percent higher in 2024-25). In the 2024-25 LTFP Roadmap document the Council noted that it had considered increasing its rate revenue, as well a shift in the rate burden from business to residential.⁷⁸

Figure 18: Income proportions (%)



6.2 Proposed rate increases for 2024-25

The Council adopts a differential general rate applicable to all rateable land in accordance with section 147 of the LG Act. The differential rates in the dollar are based on the following categories: Residential, Non-Residential and Vacant Land. The Council expects that approximately 75.4 percent of general rates revenue will come from non-residential rates, similar to previous years.⁷⁹

In 2024-25, the Council undertook valuations of rateable properties, which increased property values. As a result, the Council reduced the rate in the dollar to only collect the required level of rate revenue consistent with its financial strategy (rates and income are discussed further section 5.1.3 above). As a result, rate revenue has increased by 5.9 percent plus one percent in growth in revenue from new developments and additions.

As noted above, the Council has 16,995 residential rateable properties. Rate revenues from those properties contributes 24.6 percent of total rate revenue. The average residential rate per property is expected to increase to \$2,142 per property from \$2,090 per property in 2023-24 (an increase of \$52 or 2.5 percent).

'Commercial – shop' rates increased to \$8,874 per property from \$8,510 per property (an increase of \$365 or 4.3 percent). 'Commercial – office' rates increased to \$12,385 per property from \$11,055 per

⁷⁷ The Council also has a small number of rateable properties (313 in total or one percent of total rateable properties) that are classified as either industry, vacant land or other.

⁷⁸ City of Adelaide, 2024-25 Long-Term Financial Plan road map, slide 32.

⁷⁹ City of Adelaide, 2023-24 Business Plan & Budget, p. 56

property (an increase of \$1,330 per property or 12 percent). 'Commercial – other' rates increased to \$10,610 per property from \$9,846 per property (an increase of \$764 or 7.8 percent).

The Commission notes that, in 2024-25, the Council changed how it rates properties that are used as, or made available for, short-stay accommodation for more than 90 days in the previous financial year. Going forward, these properties will be rated as 'Commercial – other'. The Council does not state how many properties will be impacted by the change or the expected increase in rate revenue it expects to receive.

Other than 'general rates' income, the Council collects the Regional Landscape Levy on behalf of Green Adelaide and is forecasting to collect \$1.9 million (net of rebates) in 2024-25.⁸⁰ In addition, it applies a separate rate for the Rundle Mall Management levy. These funds are collected on rateable land in Rundle Mall Precinct for the purpose of managing and marketing the Rundle Mall Precinct.

The Commission notes that, in its 2024-25 ABP, the Council adopted the good practice of reporting the estimated average annual change for its categories of land use, together with the quantum of annual revenue it expects to collect from these different categories of rates. This provides greater clarity and transparency to its ratepayers.

6.3 Projected further rate increases

Between 2024-25 and 2033-34, the average rate per property across all categories is forecast to increase from \$5,362 to \$6,862⁸¹ a cumulative increase of \$1,500 per property. This equates to a 2.8 percent average annual increase (between 2024-25 and 2033-34), just above the RBA-based forecast average inflation of 2.6 percent per annum.⁸²

6.4 Affordability risk

On balance, the affordability risk for the community in respect of these further increases appears to be low to moderate. As stated previously, the Council has not increased the rate in the dollar in 10 years and froze property valuations for five years (from 2018-19). In addition, it waived outdoor dining permits and park land events fees for five years, with the stated aim of supporting businesses and the community.

The Council's community consultation processes appear comprehensive and transparent, and it regularly seeks community feedback on proposed projects and initiatives.⁸³ The Council has used a range of approaches to inform its community on its proposed plans and, as a result, receives a high level of engagement.⁸⁴ In general, the majority of respondents agreed with the approach of the draft 2024-2025 to 2033-2034 LTFP (73.0 percent of the respondents were ratepayers).

⁸⁰ City of Adelaide, *2024-25 Business Plan & Budget*, p. 85.

⁸¹ This includes rates growth of 3.8 percent expected each year.

⁸² The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

⁸³ See City of Adelaide, *Public Consultation Policy*, available at <https://d31atr86jngq2.cloudfront.net/docs/policy-public-communication-consultation.pdf>

⁸⁴ The Council sought community engagement through online and written submissions and quick poll on Our Adelaide website; (in total over 70 submissions were received by the Council). Available at <https://ouradelaide.sa.gov.au/draft-long-term-financial-plan>

6.4.1 The Commission's advice regarding affordability risk

Overall, the Commission notes the Council's relative average socio-economic indexes for areas (SEIFA) economic resources ranking for the Council area is low.⁸⁵ However the population mix is somewhat different to other typical metropolitan councils, due to its student population that reside within the City of Adelaide. The Commission does not regard the Council as deriving a rates affordability risk from its socio-economic profile.

⁸⁵ The Corporation of the City of Adelaide area is ranked 5th among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (e.g., 1) denotes relatively lower access to economic resources in general, compared with other areas, available at <https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021>

7 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Council's:

- ▶ ongoing performance against its current LTFP estimates
- ▶ the identification of opportunities for cost savings, including the disposal of assets that are surplus to requirements to reduce debt and exposure to future liability streams
- ▶ progress on meeting its capital expenditure plans for identified costs
- ▶ greater reporting transparency, including more in-depth discussions in its LTFP of its approach to revenue generation from user charges and to rates, and how these relate to asset/service rationalisation
- ▶ greater transparency on the performance of its commercial operations
- ▶ current AMPs that are aligned to the Council's budget and LTFP, and
- ▶ progress in keeping to its projections for rate increases.

8 Appendix: Glossary of terms

Item	Explanation
ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
ARFR	Asset Renewal Funding Ratio Since 2013, the asset renewal funding ratio has been defined as: $\text{Asset Renewal Expenditure} \div \text{IAMP Renewal Expenditure}$ Where IAMP Renewal Expenditure is that required according to the IAMP.
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	The Corporation of the City of Adelaide
ESC Act	<i>Essential Services Commission Act 2002</i>
F&A	<u>Local Government Advice: Framework and Approach – Final Report</u>
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	<i>Local Government Act 1999</i>
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LTFP	Long-term financial plan
NFLR	Net Financial Liabilities Ratio Net Financial Liabilities are defined as: Total Liabilities LESS Current Assets (Cash and Cash Equivalents) LESS Current Assets (Trade and Other Receivables) LESS Current Assets (Other Financial Assets) LESS Non-Current Assets (Financial Assets - excluding equity accounted investments in council businesses) The net financial liabilities ratio is: $\text{Net financial liabilities} \div \text{Total Operating Income}$
OSR	Operating Surplus Ratio The Operating Surplus (Deficit) is defined as: $\text{Total Operating Income} \text{ LESS } \text{Total Operating Expenses}$

Item	Explanation
	The Operating Surplus Ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income
Regulations	<i>Local Government (Financial Management) Regulations 2011</i>
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
Advice of the Scheme	Local Government Advice Scheme



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Adelaide Central Market Authority

Business Plan and Budget
2025/26



Adelaide Central
Market Authority



ACMA OVERVIEW

OBJECTIVES AND PURPOSES

The objectives and purposes as outlined in the ACMA Charter are to:

- Oversee the management and operation of the Market
- Be responsible for maintaining and enhancing the iconic standing of the Market for the benefit of all stakeholders
- Be responsible for the Market being recognised locally and internationally as a vibrant, diverse and unique fresh produce market community that is commercially sustainable for traders and the City of Adelaide
- Contribute to the development of the wider Market district
- Be financially self-sufficient in terms of its operations



STRATEGIC PLAN

The 2023-2028 Adelaide Central Market Authority Strategic Plan was developed by the ACMA Board in consultation with key stakeholders. Adopted by Council in May 2023 and in its third year of implementation, the ACMA Strategic Plan is based on the essential pillars that are Our Customers, Our Traders, Our Business, Our Community and Our Market.

BUSINESS PLAN

This Business Plan 2025/26 outlines the proposed actions within the strategic pillars and associated measures to progress the delivery of the Strategic Plan. It was endorsed by the ACMA Board on 20/02/2025.

BUDGET

All actions have been budgeted for in the Operating Budget and through Strategic Project or Capital requests when in relation to Market expansion readiness.

OUR PURPOSE

To be a world leading food and produce market that shares an enduring connection with our community.

OUR PLAN

To operate sustainably as a thriving team of Traders, Board and Management who create unique, diverse and memorable customer experiences that enhance our precinct, city and state.

OUR AMBITION

To grow the market by attracting more residents, visitors and workers who shop regularly.



STRATEGIC PILLARS

OUR CUSTOMERS

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

- 1.1 Know our customer
- 1.2 Engage our customer
- 1.3 Deliver extraordinary customer experience

OUR TRADERS

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

- 2.1 Support Trader success
- 2.2 Maintain & Grow Trader advocacy

OUR BUSINESS

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

- 3.1 Ensure our Market is financially self sufficient
- 3.2 Deliver Retail & Leasing Strategy
- 3.3 Deliver Marketing Strategy
- 3.4 Ensure the Market remains safe & secure environment
- 3.5 Treat Traders as business partners
- 3.6 Deliver brilliant basics
- 3.7 Focus on people and capability

OUR COMMUNITY

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

- 4.1 Connect with our community
- 4.2 Contribute to the wider Market precinct

OUR MARKET

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

- 5.1 Ensure quality outcomes for our Market
- 5.2 Review technology systems to inform decision making



Alignment of Strategic Goals

ACMA priorities are consistent with the strategic goals set out in the City of Adelaide Strategic Plan 2024-28. The actions within each ACMA Strategic pillar align with the following CoA objectives and outcomes:

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Our Community	An interesting and engaging place to live, learn and visit	Our Customers	Our Community	
	An inclusive, equitable and welcoming community where people feel a sense of belonging	Our Customers	Our Community	
Our Environment	A sustainable city where climate resilience is embedded in all that we do	Our Community	Our Market	
Our Economy	Adelaide’s unique experiences and opportunities attract visitors to our city	Our Customers	Our Traders	
Our Places	Create safe, inclusive and healthy places for our community	Our Customers	Our Business	
Our Corporation	Exceptional Customer Service	Our Customers		
	Financial Sustainability	Our Business		
	People Engagement	Our Business		
	Strategy, Value and Efficiency	Our Business		
	Technology and Information	Our Customers	Our Business	Our Market



Adelaide Central Market Authority

Detailed Business Plan
2025/26



Adelaide Central
Market Authority

Our Customers

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

1.1 KNOW OUR CUSTOMERS

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
1.1.1 Customer Experience Tracker Regularly update quantitative understanding of customer perception, barriers, pain points and delights.	<ul style="list-style-type: none">Identify customer experience trends and satisfaction level through surveys	<ul style="list-style-type: none">Monthly tracking and biannual reportingAction feedback as needed82% or more Market satisfied visitorsMonitor and report general customer trends
1.1.2 Customer Journey Evolve customer journey analysis to understand why customers haven't visited recently, bring more people to the Market and keep them coming back.	<ul style="list-style-type: none">Report on customer trendsIdentify shopper segmentsContinue Customer perception and construction Impact research - reporting at each stage of building	<ul style="list-style-type: none">Share information with traders and BoardAnnual survey or research delivered with segmentation updateRetain over 82% satisfactionShare information with traders
1.1.3 Customer Insights Leverage customer feedback from socials and Market Stall to drive customer advocacy.	<ul style="list-style-type: none">Continue to improve customer service digital tools and manage customers' feedback	<ul style="list-style-type: none">Respond to customer complaints in timely manner.Inform traders when feedback is relevant to their stallTrack monthly visitation and customer feedback to The Market Stall
1.1.4 Trading Hours Align trading hours to customer preferences.	<ul style="list-style-type: none">Investigate options for One Market trading hours	<ul style="list-style-type: none">Establish new hours for Market expansion



Our Customers

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

1.2 ENGAGE OUR CUSTOMERS

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
1.2.1 Market Vibrancy Elevate events and activations to drive Market vibrancy and celebrate cultural diversity.	• Incorporate multicultural celebrations into event calendar	• Minimum 3 events or activations with multicultural focus per annum
	• Manage and promote Producer in Residence stall as an incubator program for a diverse range of new and emerging food businesses	• Producer in Residence occupancy >95% and minimum of 40% new businesses activating PIR
	• Develop and implement post residency survey for ongoing improvements	• 80% Response to survey by PIR businesses
	• Maintain weekly program of entertainment	• At least 120 musical performance per year • At least 60 family entertainment activations per year
	• Finalise music strategy for Market Expansion	• Deliver prior to opening and on budget
	• Finalise Christmas decorations design and order for Market Expansion (year 1)	• Deliver prior to opening and on budget
	• Continue to work with CoA to improve car park experience and precinct wayfinding	• Customer Experience survey results
	• Grow direct marketing database	• Market Lovers database growth 5%
	• Update existing Digital Strategy	• Increase reel and video content by 10%
	• Market Stall staff training and development	• 100% attendance at CoA courses
1.2.2 Connected Customer Develop roadmap to connect with customers for entire journey, home to market to home.	• Investigate interactive map for the Market Expansion	• Scope options Q2
1.2.3 Customer Service Expand Customer Service Desk offerings.		



Our Customers

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

1.3 DELIVER EXTRAORDINARY CUSTOMER EXPERIENCE

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
1.3.1 In Market Create compelling common areas for customers to play and stay.	<ul style="list-style-type: none">Detailed Design parents room & storeroom *subject to CoA capital fundingGouger Toilets RefreshDeliver additional cooling in common areasMarket Hall Furniture & Playroom Equipment	<ul style="list-style-type: none">Project delivered to scopeImprove accessibility and functionalityScope project in Q2Design and ordered by EOFY
1.3.2 Unique Experiences Create an enjoyable and unique shopping experience.	<ul style="list-style-type: none">Events and activations to be reviewed, updated and delivered as per the annual Marketing Plan.	<ul style="list-style-type: none">Event program updated to incorporate new elements and ideas balanced with the 'tried and tested' model.20 unique traders per annum participate in Market Trail90% ticket sales achieved per eventCommunity Kitchen activated at least 15 times per year
1.3.3 Online Market Implement continuous improvements including personalised customer engagement journey; delivery and click & collect processes; customer rewards and leveraging online customer insights to address needs.	<ul style="list-style-type: none">Regular activity review to track trendsDevelop Marketing plan for new and loyal customersAnnual review and viability of program	<ul style="list-style-type: none">Monthly activity analysis included in GM reportCustomer retention over 60%Maintain New Customers > 500Measure customer satisfaction through annual survey



Our Traders

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

2.1 SUPPORT TRADER SUCCESS

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
2.1.1 Unique Product Traders to identify unique products and showcase provenance stories.	<ul style="list-style-type: none"> • Trader improvement on social media focusing on unique products. Share content with ACMA to enable media and PR opportunities. • Trader improvements on labelling and signage to identify origin of produce. • PIR offers promoted 	<ul style="list-style-type: none"> • Feature one unique product a month through ACMA social media and Market Lovers newsletter • Develop social media guide for traders • Retail Design Guidelines is used to traders and implemented • Feedback from PIR stalls re engagement
2.1.2 Unique Experiences Traders to treat each customer as special, every time and share expert produce knowledge with Customers.	<ul style="list-style-type: none"> • Traders to provide excellent customer service and share expert knowledge with customers 	<ul style="list-style-type: none"> • Customer experience survey results and Market Stall customer feedback
2.1.3 Customer Experience Encourage 'story telling' at point of sale, highlighting the stalls history and tradition.	<ul style="list-style-type: none"> • Provide traders with an opportunity to spend time with a retail visual merchandiser to identify key areas for improvement, when required • Encourage spruiking where possible • Support tastings and demonstrations 	<ul style="list-style-type: none"> • Positive Trader and customer feedback. • Promote in Market Talk - 1 per quarter
2.1.4 Visitor Revenue Encourage traders to find opportunities to cater for tourists. Promote trader connection with event customers.	<ul style="list-style-type: none"> • Encourage conversion of event customers to shoppers via marketing activities • Support trader after hours events • Include trader in event programs • Encourage ATDW sign ups 	<ul style="list-style-type: none"> • Surveys from Event participation • 4 traders events supported in kind by up to 20 hours per trader of staff time and promotion support • Trader involvement - 5 per event • Include in Market Talk 3 times per year and take up of 1:1 sign up sessions



Our Traders

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

2.2 MAINTAIN AND GROW TRADER ADVOCACY

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
2.2.1 Trader Skills Support trader engagement in business trends, retail and commercial business skills including marketing training needs as identified by traders.	<ul style="list-style-type: none">Deliver online module component of the Trader Sustainability Program guiding traders to make business decisions about food waste, energy efficiency, sustainable purchasing, customer engagement and sustainable fit-out.	<ul style="list-style-type: none">90% of new traders and those renewing leases successfully complete the online module.
2.2.2 Profile Leaders Utilise traders as ambassadors for general marketing activity.	<ul style="list-style-type: none">Create opportunities through the use of ACMA's creative, PR agencies and digital channels	<ul style="list-style-type: none">Min media coverage featuring traders 1 per quarter
2.2.3 Leverage Adelaide Central Market Brand ACM Brand licensing program	<ul style="list-style-type: none">Develop brand licencing program for Market tradersIncorporate brand licencing program into the Retail Design GuidelinesInvestigate 'Market Made' brand assets for Trader use	<ul style="list-style-type: none">Communication of program to new and existing tradersBrand licensing program incorporated into new trader induction program and lease renewals.Exploration and proposal of 'Market Made' brand program undertaken



Our Business

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

3.1 ENSURE THE MARKET IS FINANCIALLY SELF SUFFICIENT

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
3.1.1 Financial Work with CoA Finance to update ACMA Long Term Financial Plan. Identify cost efficiencies and revenue generating opportunities.	<ul style="list-style-type: none">Annual financial results meet budgetFinancial audit performed at least once per yearWaste contract renewal	<ul style="list-style-type: none">As per budget and business planFinancially self-sufficient operationallyNew waste contractor to be awarded by October 2025Cost efficiency vs previous contract
3.1.2 Governance Manage Market and oversight of ACMA Strategic Plan in accordance with Charter, Council's Strategic Plan and Headlease.	<ul style="list-style-type: none">ACMA Board strategic planningAGMAdminister Board of Management and CommitteesRegular reporting to CoA CEO and Council	<ul style="list-style-type: none">Compliance with CharterMin biannual Governance subcommittee meetingGovernance plan reviewed annually
3.1.3 Lease Revenue Perform annual market rent reviews. Reduce close to open time for stalls during renovations Maintain strong leasing occupancy	<ul style="list-style-type: none">13 renewals FY 25/26.4 fit outs (delivered through CoA Infrastructure)Continue the leasing of Market Expansion tenancies in line with CoA Strategic Plan	<ul style="list-style-type: none">Leasing occupancy above 96%Total income generated as per budgetRDM engage for all new LeasesTenancies leased or under offer in the Market Expansion



Our Business

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

3.2 DELIVER RETAIL & LEASING STRATEGY

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
3.2.1 Retail Mix Establish a holistic market review and future strategy to solidify the market as the destination for food and produce. Attract and retain traders.	<ul style="list-style-type: none">Actively curate and seek traders to stimulate market mixContinue to contribute significantly to total volume of spend in the city	<ul style="list-style-type: none">Deliver Market Expansion Stage 2 Leasing Campaign as per Leasing StrategyHigh satisfaction rate in customer survey (diversity/variety criteria).65% of Market Expansion leased by or under offer Q4
3.2.2 Fitout Upgrades Develop design and display guidelines for tenancies, Producer in Residence and casual leasing. Encourage tenancy upgrades through incentive program	<ul style="list-style-type: none">Implement new Retail Design GuidelinesReview Producer in Residence Stall for upgrade and update guidelines	<ul style="list-style-type: none">Retail Design Manager engagedAnnual measure of stalls benefiting from fitout incentive program, as per incentive program and within leasing frameworkProducer and customer feedback



Our Business

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

3.3 DELIVER MARKETING STRATEGY

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
3.3.1 Marketing Purpose Ensure the market is recognised locally and internationally as a leading, vibrant, diverse and unique fresh produce market community.	<ul style="list-style-type: none">Using research data, develop an annual comprehensive, multi-channel, cost effective and actionable Marketing PlanDeliver brand campaigns outside the Market boundary (i.e. Gluttony partnership)	<ul style="list-style-type: none">Exceed \$1.5M ASR media coverageCustomer insights and trader feedbackFull allocation of CMMF funds
3.3.2 Tourism Identify opportunities to drive tourist visitations.	<ul style="list-style-type: none">Collaboration with CoA and SATC to engage with tourism visitors and operatorsInvestigate tourism products i.e. tour operators	<ul style="list-style-type: none">Collaborate on 2 major city events (i.e. Illuminate Adelaide, Adelaide Fringe, Tasting Australia, Tour Down Under)Deliver as per Marketing PlanBusiness case delivered to Board

3.4 ENSURE THE MARKET REMAINS A SAFE AND SECURE ENVIRONMENT

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
3.4.1 Security Maintain market security standards and seek opportunities for improvement.	<ul style="list-style-type: none">Monitor performance of security provider to contract	<ul style="list-style-type: none">Number of incident reportsSecurity call outs reducedTraining for staffReport on number of incidents.
3.4.2 Partnerships Strengthen relationships with emergency services. Collaborate with CoA to identify security trends in the city.	<ul style="list-style-type: none">Proactively share security, health and best practice trends	<ul style="list-style-type: none">Regular meetings with SAPOL - quarterlyAttendance CoA Safety and risk Committee meetings - monthly



Our Business

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

3.5 TREAT TRADERS AS BUSINESS PARTNERS

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
3.5.1 Trader Groups Continue to develop representative committee formats to deliver best outcome for market, including traders.	<ul style="list-style-type: none">Meetings in line with ACMA CharterSeek regular feedback from traders	<ul style="list-style-type: none">Regular TRC meetings and 2 all trader meetings p/a, 1 TRC and Board meeting per yearTRC consultation with their allocated trader groups
3.5.2 Communication Develop strategy for communications and trader updates to achieve highest engagement.	<ul style="list-style-type: none">Provide resources and industry news to assist tradersReview delivery methods for communication	<ul style="list-style-type: none">Trader communications open rate over 70%Minimum 2 trader resources or industry news sent per quarterTrader participation in surveys equal or superior to previous FY (depending on surveys)



Our Business

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

3.6 DELIVER BRILLIANT BASICS

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
3.6.1 General Cleanliness Maintain market cleanliness standards and seek opportunities for improvement.	<ul style="list-style-type: none">Ongoing inspections completedLease inspections upon renewals	<ul style="list-style-type: none">Contractor compliance with contract conditions100% inspections upon renewals with improvements plans included in lease agreements
3.6.2 Brilliant Basics Ensure traders comply with lease conditions including cleaning and waste management, maintenance and repair and pest control.	<ul style="list-style-type: none">Review market rules annually to include minimum standardsOngoing inspections completed and remedial activities undertakenActively liaise with traders and ensure complianceDeliver preventative and reactive (as required) pest control programs	<ul style="list-style-type: none">Minimal or no negative customer feedbackDecrease in pest and related feedback6 big cleans per year



Our Business

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

3.7 FOCUS ON PEOPLE AND CAPABILITY

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
3.7.1 Employee Experience Retain and attract key talent. Maintain and grow employee engagement.	<ul style="list-style-type: none">Performance & Development Conversations (PDC) feedback.Employee advocacy	<ul style="list-style-type: none">100% PDC completedEmployee retentionMaintain and grow culture survey engagement score
3.7.2 Team Capability Develop Workforce Plan for Market Expansion. Embed role and decision clarity.	<ul style="list-style-type: none">Access to professional development and upskillingImplement appropriate resourcing to manage increase in service levels	<ul style="list-style-type: none">Employee retentionMarket expansion activities are delivered



Our Community

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

4.1 CONNECT WITH OUR COMMUNITY

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
4.1.1 Reconciliation Action Plan Engage with and recognise the Kaurna community and all First Nations as traditional owners.	<ul style="list-style-type: none">Deliver market initiatives from CoA Reconciliation Action Plan (RAP).Explore opportunity for an Arts and Culture for Market Expansion	<ul style="list-style-type: none">Deliver market activations and initiatives to exceed RAP actionsMeet biannually with CoA Reconciliation OfficerScoping in Q1
4.1.2 Community Engagement Plan Connect with the broader community to ensure the market continues to be inclusive and welcoming to all.	<ul style="list-style-type: none">Develop and deliver initiatives from annual Community Engagement Plan	<ul style="list-style-type: none">Deliver plan
4.1.3 Sustainability Strategy Encourage socially responsible and sustainable initiatives and measures to support our local businesses, traders and customers.	<ul style="list-style-type: none">Implement Sustainability Strategy 2024-27Develop Trader Sustainability Program in accordance with the GISA Leap Grant	<ul style="list-style-type: none">Deliver at least 6 actions from the Sustainability StrategyImplementation of Trader Sustainability Program and allocation of grant funding
4.1.4 Education Programs Enhance connection with education providers and schools.	<ul style="list-style-type: none">Continue to develop school database	<ul style="list-style-type: none">Annual survey for school feedbackNumber of student visitations: 7000+



Our Community

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

4.2 CONTRIBUTE TO THE WIDER MARKET PRECINCT

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
4.2.1 District Strategy Develop a yearly plan for precinct connection and collaboration.	<ul style="list-style-type: none">Identify and plan yearly priorities, including:<ul style="list-style-type: none">Key stakeholders and proposed programsSafety considerationsB2B opportunitiesProvide advocacy through the delivery of Gouger Street Upgrade project	<ul style="list-style-type: none">Consultation with AEDA & CoA Market district Placemaking coordinatorAnnual review and Inclusion in the Community Plan
4.2.2 Collaboration Foster collaboration with a focus on innovation and community engagement.	<ul style="list-style-type: none">Ongoing participation at precinct meetings and other meetingsProvide Market updates and information to key stakeholders as relevantSupport precinct initiatives and events when aligned	<ul style="list-style-type: none">Meeting attendanceLunar New Year & Christmas support and collaboration
4.2.3 Street Presence ACMA to explore opportunities to create on street signage including CBD to Market and approaching streets.	<ul style="list-style-type: none">Continue to seek opportunities for additional street signage for improved customer experienceIncrease brand visibility	<ul style="list-style-type: none">Increase signage during Victoria Square / Tarntanyangga eventsPlan delivered for Market Facade signage and Additional precinct signage
4.2.4 Activate Frontages Encourage traders to activate Gouger and Grote Street frontages.	<ul style="list-style-type: none">Develop plan to activate Market Expansion laneway and make improvementsCollaborate with CoA and traders to activate street frontages	<ul style="list-style-type: none">Scoping in Q3/4At least one activation integrated into event program



Our Market

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

5.1 ENSURE QUALITY OUTCOMES FOR OUR MARKET

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
5.1.1 Customer Amenities Deliver solutions to make it easier for customers to utilise and navigate the Market.	<ul style="list-style-type: none">Wayfinding auditEnhance amenities with consideration for bike racks for UPark (advocate)	<ul style="list-style-type: none">Development of One Market Wayfinding strategy and operational framework (ICD)Market Stall Customer feedback
5.1.2 Operational Requirements Provide 'fit for purpose' spaces.	<ul style="list-style-type: none">Allow adequate storage area to ensure operational capabilities and efficiencies for tradersEnsure Market Expansion services allow tenancies to be adapted over time such as grease trap, power, exhaust etc	<ul style="list-style-type: none">Design Dry / Cool storage level one delivered (<i>subject to CoA Funding</i>)Tenants secured for Market expansionFederal Hall leased out following Waste & Water ConnectionsDelivery of Market preparedness project such as bin housing system, signage and casual mall furniture
5.1.3 Car Parking Improve the customers car parking experience.	<ul style="list-style-type: none">Collaborate with CoA UPark to undertake regular reviews of car parking arrangements to assess pricing and offers, layout and operationWayfinding and ease of accessExpand discount / offers on Friday nights (<i>*subject to CoA funding</i>)	<ul style="list-style-type: none">Monitor and report on customer experience survey resultsAwareness results from customer survey
5.1.4 Market Expansion-Construction Phase Maintain market vibrancy and business as usual trading for customers and traders throughout construction.	<ul style="list-style-type: none">Advocate for traders and customers throughout all project phases.Implement communications strategy including stakeholder and community relations.One Market approach for planning purposes.	<ul style="list-style-type: none">Min weekly meetings with CoA project Manager and/or BuilderAll potential disruptions communicated in advance to tradersMonitor and report on Construction Impact research (annually)



Our Market

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

5.2 REVIEW TECHNOLOGY SYSTEMS TO INFORM DECISION MAKING

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
<p>5.2.1 Business Systems</p> <p>Implement improved technology to streamline practices and create highest levels of efficiency as possible.</p>	<ul style="list-style-type: none">• Delivery of tenancy coordination for Market Expansion• Expand people counters for the Market Expansion	<ul style="list-style-type: none">• Automated processes for resource and time efficiencies• People counters working prior to One Market opening



Adelaide Central Market Authority

Budget
2025/26



Adelaide Central
Market Authority



Overview

Program Plan

Oversees the strategy, management and operation of the Adelaide Central Market as a commercially sustainable, diverse and iconic fresh produce market.

Functions supported:

- Market Operations (incl. Security, Cleaning, waste)
- Commercial Leasing
- Property management
- Trader engagement and support
- Customer Service and Visitor Information
- Events and Activations
- Marketing, Social Media, Website Management
- Media and Public Relations
- ACMA Board governance and support
- Online Market Operations
- Market Precinct partnerships

Outputs for the year ahead

- Ensure customer experiences at the heart of all decisions every day
- Enable and partner with our traders to support them in the delivery of an exceptional shopping experience
- Implement retail leasing strategy and transition to One Market, including securing new tenancies
- Plan and deliver programs that address the current and emerging needs of our customers and traders
- We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results
- Contribute to the economic, social and cultural wellbeing of our precinct and community



Budget

ACMA is in a transitional phase, preparing for One Market which will result in an expanded retail footprint, additional leasing revenue and efficiencies of scale for operations.

The ACMA Budget has been built from zero-base to ensure efficient delivery of actions outlined in the proposed ACMA Business Plan. In its last financial year before the expansion, the budget is built with stability in mind, to maintain visitation and grow customer experience. In parallel, it combines the requirement to invest in future operations and revenue generating activities.

The budget received ACMA Board approval on 20 February 2025 for submission to Council, as a draft budget for consultation purposes.

Assumptions

- ACMA Management Team 9.8 FTE, with provision for One Market resourcing: 7.8 ongoing, 2 fixed term contract (equates to 1.30% of the City of Adelaide's total FTE count).
- High volume of leases due for renewal: over 18% of existing Market floor, with 66 new leases to be achieved in the next 2 years.
- Assumes no change in trading hours this financial year.
- One off costs to prepare for Market expansion to be funded through Strategic Projects and Capital budgets.



Finance Summary 2025/26

Strategic projects

- Adelaide Central Market Expansion Operational Readiness - \$938,937

Capital projects - New & Upgrade Expenditure

- One Market Christmas Decorations - \$175,000 (+ \$175,000 FY26/27)
- Adelaide Central Market - Federal Hall Trade Waste and Water Connections - \$50,000
- Market Expansion Readiness Capital Works - Ground Floor - \$1,000,000

Renewal expenditure - part of Buildings Asset Management Plan

- Market Floor Fire Compliance Items -Stage 2 of 2
 - Market Floor Tenant Stall Renewals
 - Roof sheeting Replacement (construction)
 - Installation of Automatic Exhaust System
 - Basement Remediation (Federal Hall)
- Total \$8,300,000

Note: All new capital and renewal works to be delivered by CoA Infrastructure, except Market Expansion readiness project, delivered by ACMA.



Budget 2025/26

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\$'000								
2024/25 Q3					2025/26			
Operating Budget	FTE	Income	Expenditure	Total (Net)	FTE	Income	Expenditure	Total (Net)
Revenue	-	5,430	-	5,430	-	5,645	-	5,645
Employee Costs	9.8	-	(1,580)	(1,580)	9.8	-	(1,776)	(1,776)
Materials and other *	-	-	(4,262)	(4,262)	-	-	(4,461)	(4,461)
Sponsorships**	-	-	-	-	-	-		-
Depreciation	-	-	(36)	(36)	-	-	(42)	(42)
Finance Costs	-	-	(1)	(1)	-	-	(3)	(3)
TOTAL	9.8	5,430	(5,879)	(449)	9.8	5,645	(6,282)	(637)
Activity View								
ACMA Operations	6.8	5,344	(5,245)	99	6.8	5,558	(5,449)	109
Market Expansion	3.0	-	(399)	(399)	3.0	-	(600)	(600)
Online Market Platform	-	86	(235)	(149)	-	87	(233)	(146)
TOTAL	9.8	5,430	(5,879)	(449)	9.8	5,645	(6,282)	(637)

* materials, contracts and other expenses / ** sponsorships, contributions and donations



Project Budgets

Strategic Projects and Capital Projects

	\$'000	2024/25 Q2		Proposed 2025/26	
Strategic Projects		Income	Expenditure	Income	Expenditure
ACMA Traders Sustainability Program Stage 1		50	(50)	-	-
Adelaide Central Market Expansion Operational Preparedness		-	(220)	-	(939)
TOTAL		50	(270)	-	(939)

	\$'000	Past Financial Year(s) Budget	2025/26 Budget		Whole of Project Budget
Capital - New and Upgrade			New and Upgrade	Renewal	
Christmas Decorations - One Market		-	(175)	-	(350)
Federal Hall Trade Waste and Water Connections^		-	(50)	-	(50)
Market Expansion Capital Works - Ground Floor		-	(1,000)	-	(1,000)
Capital - Renewal					
ACMA Renewals*			-	(8,300)	
TOTAL			(1,225)	(8,300)	

^income generating *delivered by CoA Infrastructure



AEDA

Business Plan & Budget

FY 2025/26



Attachment C



Acknowledgment of Country

Adelaide Economic Development Agency tampendi, ngadlu Kurna yertangga banbabanbalyarnendi (inbarendi). Kurna meyunna yaitya mattanya Womma Tarndanyako. Parnako yailtya, parnuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kurna meyunna itto yailtya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaitya miyurna iyangka yalaka ngadlu tampinhi.

The Adelaide Economic Development Agency acknowledges that we are located on the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past, present and emerging. We recognise and respect their cultural heritage, beliefs and relationship with the land. We also extend that respect to visitors of other Aboriginal Language Groups and other First Nations.

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Adelaide Economic Development Agency

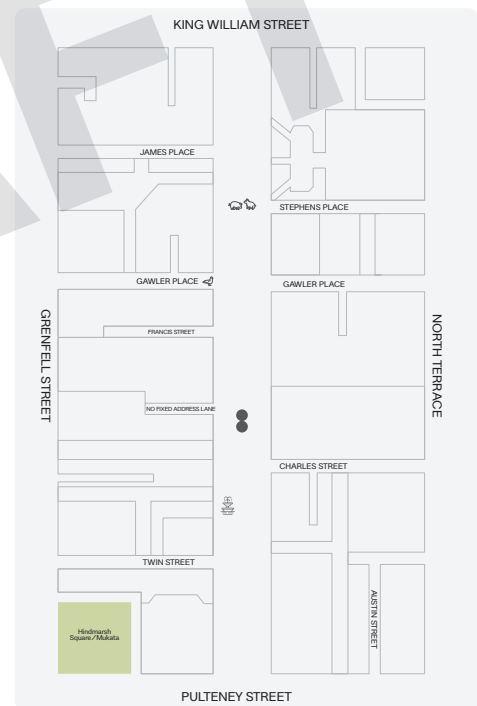
The Adelaide Economic Development Agency Charter identifies the objectives and purposes of the Agency as:

- To accelerate economic growth in the City of Adelaide by attracting investment and supporting businesses, festivals and events, as well as visitor, student and residential growth.
- To promote the City of Adelaide as a destination and 'magnet city' to increase its visitation and use by residents, workers, visitors and the community.
- To position the Rundle Mall as the State's premier retail and commercial shopping precinct to sustain retail, business and economic viability.
- To ensure that the Agency operates within the terms of its Charter and the Council's Strategic Plan.

The AEDA Board adopted the *AEDA Strategic Plan FY 2024/25 – 2028/29* at its meeting in October 2024. The Plan articulates the approach the Agency will adopt in responding to its obligations under its Charter and the responsibilities assigned to it in the *City of Adelaide Strategic Plan* and *Economic Development Strategy*.

The Plan seeks to align, where possible, the measurements identified in the City of Adelaide's Strategic Plan and Economic Development Strategy to the goals of the Agency. To ensure alignment, this practice will continue to be applied to this business plan, noting many of the measures adopted by Council are significantly influenced by external factors and macroeconomic conditions.

This *Business Plan and Budget* identifies AEDA's priorities in 2025/26 and addresses the Agency's obligations under section 6.2 of the AEDA Charter to produce an annual business plan and budget for the ensuing financial year.



AEDA supports the economic growth in the city (postcodes 5000 and 5006).

Rundle Mall levy area.

The Board

AEDA is a Section 42 Subsidiary under the *Local Government Act 1999 (SA)*, and in all things acts through the Board. The Board has responsibility to manage the business and other affairs of the subsidiary, ensuring that AEDA acts in accordance with the *Local Government Act 1999* and the AEDA Charter.

The AEDA Board oversees the business of the Agency. The skills-based Board includes expertise and experience across the hospitality, property development, placemaking, business development, investment, events and tourism sectors. Council is represented on the Board by the Lord Mayor.

The work of the Board is supported by an Advisory Committee that provides a two-way mechanism for city businesses, mainstreet associations and other stakeholders to exchange information and raise matters that are within AEDA's functions and powers.



Steve Maras
(Chair)



Jim Kouts
(Deputy Chair)



Dr Jane Lomax-Smith
AM (Lord Mayor)



Jaimee Charlton



Denise von Wald



Emma Kardachi



James Black



Tim Last

Structure and Funding of the Agency

The Agency consists of 31.6 FTEs led by a General Manager. Three senior staff members report to the General Manager with respective responsibilities for marketing and visitor economy, Rundle Mall and business growth, investment attraction and event sponsorship.

AEDA is funded through an appropriation from the City of Adelaide, and from funds raised through the Rundle Mall Differential Separate Rate. The rate is levied by Council on ratable land in the Rundle Mall Precinct. Funds from the separate rate will be expended specifically and only to support the delivery of the marketing plan, actions and operation of the Rundle Mall Precinct and not the broader city.



Economic Outlook

The *AEDA Strategic Plan FY 2024/25 – 2028/29* provides an overview of the city's economic performance and outlook as of October 2024. It noted:

- The city's rate of economic growth and increase in jobs has outpaced South Australia during the Covid recovery period.
- Significant construction activity has led to higher vacancy rates, despite decade high net absorption levels caused by firms moving into the city or expanding.
- Slowing of household spending, with Deloitte suggesting that private spending in South Australia will, in part, be constrained by relatively weak state population growth.
- Record numbers of international students, but the outlook is less certain. Since then commencements have declined in response to changing Australian Government policy.
- Strong recovery in visitor numbers keeping room occupancy levels at similar levels despite a significant increase in new hotel rooms, however, operators in the sector predict significant challenges in the near term.

Adelaide's economy is influenced and shaped by broader economic factors. Since the release of AEDA's strategic plan, the Reserve Bank of Australia released its Statement of Monetary Policy. In summary, the RBA suggests:

- Australia's Gross Domestic Product (GDP) growth is forecast to pick up over 2025, with an expected softer outlook for growth in consumption.
- The outlook for global growth is uncertain because of unpredictability around government policies. The central forecast for growth in Australia's major trading partners is unchanged in 2025 and slightly lower in 2026.
- Labour market conditions is expected to remain strong.
- Inflation is expected to return to the 2-3 per cent target range in 2025.

Although the outlook for 2025-26 is uncertain, this business plan is framed within the following context:

- The sectors within the city that have comparative strengths such as healthcare, professional services, technology and public administration will underpin demand for commercial space, pushing down Adelaide's overall vacancy rates (although still elevated compared to the long term average).
- The creation of Adelaide University will have flow-on opportunities relating to increased research activity and a greater focus on commercialization.
- Headwinds for the retail sector, coupled with cost of living pressures, continued growth in online shopping and the opening of Burnside Shopping Centre's expansion within Rundle Mall's primary catchment area.
- Continued high levels of construction activity headlined by the new Women's and Children's Hospital, Lot Fourteen's Innovation Centre and the Central Market Arcade Development.
- Slowing population growth and restrictive visa policies could limit workforce expansion, with broader implications for economic activity and consumption. However the new Adelaide University and the further development of Lot Fourteen provide a unique platform to attract international students and researchers, fostering a pipeline of skilled workers.
- Although there has been very good post-Covid recovery in visitor expenditure with metropolitan Adelaide now capturing nearly 60 per cent, of State tourism spend, there is expected to be a plateauing of consumer spend.

State of the City Snapshot

<i>Gross Regional Product</i>	Total Growth as of 2022/23 YE June \$23.9bn	5.7% Annual Growth Higher growth rate than State economy Source: National Institute of Economic and Industry Research. Compiled and presented in economy.id by .id (informed decisions)
<i>Consumer Expenditure</i>	Total Growth as of 2024 YE December \$4.18bn	4.6% Annual Growth Source: Spendmapp by Geografia
<i>Registered Businesses</i>	Total Growth as of 2024 YE December 12,717	1.25% Annual Growth 157 more businesses than 2023 Source: Australian Bureau of Statistics
<i>Workforce</i>	Total Growth as of 2023 YE June 169,940	7.2% Annual Growth National Institute of Economic and Industry Research. Compiled and presented in economy.id by .id.
<i>Residential Population</i>	Est. Resident Population as of 2022/23 YE June 27,901	Source: Australian Bureau of Statistics
<i>International Students</i>	Enrolments State-wide as of September 2024 55,340	29,477 Commencements Source: StudyAdelaide

*Office
Vacancy Rates*

As of January 2025

16.4%

Down from 19.3 per cent in January 2024
Total stock (sq m): 1,570,376
Total occupied: 1,312,932
Net absorption (sq m): 51,647 (past 12 months)
Net absorption (sq m): 22,606 (past 6 months)

Source: Property Council of Australia

*Residential
Vacancy Rates*

As of January 2025

0.9%

Historic low (10-year low)

Source: SQM

*Main-street
Shop Vacancy*

as of Q1 2025 or January 2025

9.9%

Fallen from 13.5 per cent in Q1 2024 or January 2025

Source: City of Adelaide

Despite a continued increase in the supply of hotel rooms, the number of nights booked with city accommodation providers has exceeded levels seen in previous years
Source: STR

Change in room supply

4%

Change in room demand

7%

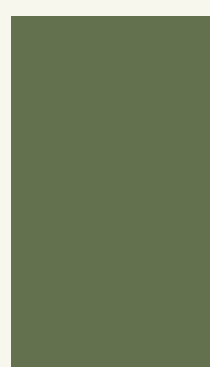
*Hotel
Occupancy
Rates*



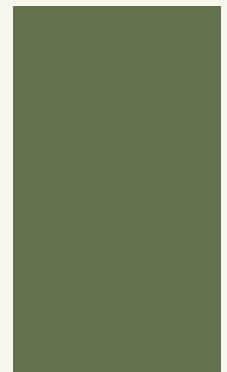
Hotel rooms in city end of 2023 (7,395)



Hotel rooms in city end of 2024 (7,687)



Hotel rooms ave. monthly demand 2023 (151,480)



Hotel rooms ave. monthly demand 2024 (162,206)

Strategies and Actions

The *AEDA Strategic Plan FY 2024/25 - 2028/29* proposes that in line with Council's priorities, the Agency will increase emphasis on:

- Marketing and promotion of the city with a consistent brand that underpins AEDA's marketing activities, supporting investment, and visitor attraction (linked to Goal Two of Council's Economic Development Strategy).
- Continuation of support for events and festivals, identifying new tourism products and experiences that provide a reason for people to come to Adelaide and extend their stay, as well as increased promotion to intrastate markets and working with others to highlight Adelaide interstate (linked to Goal Two of Council's Economic Development Strategy).
- Developing a more targeted and proactive approach to investment attraction.
- Developing Rundle Mall as South Australia's premier retail destination (through new activations), a refresh of marketing activity, brand attraction and laneway activation.

Collectively, these interventions, in addition to business-as-usual activities, will assist Council to progress towards its Strategic Plan aspirations of increasing foot traffic across the city, increasing spend in the city, increasing the number of jobs and delivering marketing and promotion strategies to share Adelaide's attributes.





Activate Rundle Mall and Precincts

Rundle Mall, the State's premier retail and commercial shopping precinct, energises city life and enriches the Adelaide experience.

AEDA Strategic Plan Goal	2025/26 Proposed Actions
1. Rundle Mall strengthens its reputation as the state's premier shopping precinct and evolving entertainment and dining destination to increase visitation and spend.	<ol style="list-style-type: none"> 1. Refine the Rundle Mall brand and launch a new brand campaign focused on the core strategy of "Shop, Explore, and Experience". Key actions include: <ul style="list-style-type: none"> • Delivering targeted marketing activities aligned with the "Shop, Explore, and Experience" strategy. • Implementing an events and festivals strategy that reinforces Rundle Mall's brand positioning, reflects the vision to "Energise Adelaide's City Life", and supports the goal to "Enrich the City's Economy." • Create initiatives that elevate brand positioning, enhance market competitiveness, and promote Rundle Mall as the state's leading experience-driven retail, dining, and entertainment precinct. 2. Create and commence the delivery of a new Rundle Mall Christmas Strategy aligned with the Rundle Mall vision and brand, complementing the City of Adelaide and Adelaide Central Market Authority Christmas strategies. 3. Extend Rundle Mall's activity beyond standard shopping hours by delivering activations in dining hotspots like James Place, hosting night markets in the Mall, and by promoting extended trading campaigns during key events such as festival season, AFL Gather Round, and other exclusive CBD events and festivals. 4. Deliver the City Sessions live music program. 5. Commence planning for the Rundle Mall 50th anniversary celebrations.
2. Rundle Mall evolves and regenerates with new capital investment.	<ol style="list-style-type: none"> 1. Grow the appeal of Rundle Mall's outdoor experience by advocating for new artistic installations, lighting, and shading/greening initiatives. 2. Advocate for the City of Adelaide to prioritise and progress completion of its Rundle Mall laneway strategy following the Charles Street and James Place projects, while supporting business continuity through targeted marketing activities throughout construction periods.
3. AEDA's relationship with Rundle Mall stakeholders and levy payers is strengthened through effective partnerships, advocacy and management of the Rundle Mall program.	<ol style="list-style-type: none"> 1. Forge brand partnerships and implement targeted PR and marketing initiatives to elevate the Rundle Mall experience, enhance its brand identity, and attract new tenants. 2. Manage a Rundle Mall Concession and Commercial Management Program that reinforces the Mall's brand and place positioning while optimising revenue to fund other marketing, events, and activations.
4. Adelaide's destination and liveability status is enhanced through activated laneways, arcades, precincts and neighbourhoods across the city.	<ol style="list-style-type: none"> 1. Leverage South Australia's events calendar, including the Fringe Festival, Adelaide Festival, WOMAD, SALA, Tasting Australia and Illuminate Adelaide, to enhance Rundle Mall's music, food, wine, arts, and cultural offerings. AEDA will support creative industries, including fashion, artisan producers, and makers, to deliver unique experiences and boost business profitability. 2. Deliver ADL Fashion Week. 3. Continue to support precinct-level activity through the Mainstreet Development Program.

2025/26 Operational Measures

Total expenditure in Rundle Mall grows by at least three per cent.

Engage with at least eight new brands to promote Rundle Mall as a premium location to grow their business.

Rundle Mall visitation remains above 52 million.

AEDA Strategic Plan Measures

Increase in spending across the city.

CoA Strategic Plan

\$150 million of capital investment committed to in the Precinct.

AEDA KPI

3 new major brand partnerships.

Concession income exceeds budget.

Improvement to Rundle Mall Business Sentiment.

AEDA KPI

ADL Fashion Week delivered.

Increase foot traffic in key and emerging precinct year on year by 1.5 per cent.

CoA Economic Development Strategy

City Brand and Marketing

The voice of the city to consumers through Experience Adelaide and to businesses as the Adelaide Economic Development Agency.

AEDA Strategic Plan Goal	2025/26 Proposed Actions
1. The Adelaide brand clearly articulates what makes our city distinctive and this brand position underpins all AEDA's marketing activity.	<ol style="list-style-type: none"> 1. Create a consistent Adelaide brand identity that links all destination marketing and is consistent with the State brand. 2. Work with precincts to boost their identity and find ways to ensure local area marketing and branding initiatives are developed and executed in a way that links to the overall city brand.
2. City stakeholders actively participate in marketing campaigns.	<ol style="list-style-type: none"> 1. Regular programmed engagement with stakeholders on latest marketing activity results, and upcoming plans so they can participate and support where relevant. 2. Develop a mechanism for city businesses to buy into co-operative campaigns to increase reach and awareness of the city, and increase booking revenue (in addition to business-as-usual promotion).
3. Visitors to Adelaide and residents can easily discover what's on across the city.	<ol style="list-style-type: none"> 1. Deliver marketing campaigns that result in increased visitation by families, children and young adults, reinforcing the City's reputation as a retail, cultural, activity and entertainment centre. 2. Distribute weekly Experience Adelaide newsletter to its database of 144,000 subscribers.
4. Knowledge of Adelaide as a place to invest and grow a business is increased.	<ol style="list-style-type: none"> 1. Provide prospective investors or firms, across key sectors, information about the strengths of Adelaide as an investment destination.
5. The AEDA brand is known, well-regarded and considered best in class in Australia within the business community.	<ol style="list-style-type: none"> 1. Run business events that provide insights into Adelaide's economy, stimulate thinking about opportunities and enable businesses to use the information provided to inform their decision making. 2. Leverage the skills, networks and independence of the AEDA Board to expand the reach and impact of AEDA.



2025/26 Operational Measures

Brand identity created.

At least two co-operative campaigns delivered.

Increase Experience Adelaide newsletter metrics to 36 per cent + open rate and 1.9 per cent click through rate.

Provide at least three industry briefing events.

AEDA Strategic Plan Measures

Increase in the brand health metric for Adelaide as a destination to visit to 7.5/10.

AEDA KPI

Deliver marketing and promotion strategies to share Adelaide's unique attributes and emerging opportunities.

CoA Strategic Plan

Increase in foot traffic in key and emerging precincts annually in line with the Council's *Economic Development Strategy*.

CoA Strategic Plan

An increase in the number of new business and investment into the city.

CoA Strategic Plan

Improvement to AEDA Brand Sentiment.

AEDA KPI



Growing the Visitor Economy

Visitors have an enjoyable, vibrant and dynamic city experience so they return again and become advocates for Adelaide as a great place to visit.

AEDA Strategic Plan Goal	2025/26 Proposed Actions
1. Adelaide is viewed as an increasingly desirable place to visit.	<ol style="list-style-type: none"> 1. Encourage investment in new and expanded tourism products and experiences, providing new reasons that attract a diverse range of national and international visitors. 2. Ensure the Experience Adelaide website, e-marketing and social media channels provide equitable promotion of each content pillar (Attractions & Experiences, What's On, Eat & Drink, Trip Planning, Shopping), and each city neighborhood. 3. Expand destination marketing to new audiences.
2. Adelaide has a diverse range of tourism products and experiences that provide more reasons for people to visit and stay longer.	<ol style="list-style-type: none"> 1. Support delivery of events and festivals through the Events and Festivals Sponsorship Program. 2. Continue support for Business Events Adelaide to stimulate economic impact including mid week demand for accommodation. 3. Work with institutions and operators along North Terrace to develop and market the precinct as a highly desirable visitor experience. 4. Support and build the capability of city businesses to develop new commissionable products and experiences.
3. Comprehensive information is provided to visitors on things to see and do in Adelaide.	<ol style="list-style-type: none"> 1. Open a contemporary visitor experience centre supported by technology that enhances pre-trip planning, wayfinding while in the city and connection with products and experiences. 2. Enhance online information about events and activities occurring in Adelaide. 3. Develop product knowledge of staff and volunteers so the information they provide through AEDA's visitor services is relevant and up to date. 4. Provide services such as the Adelaide Greeters, Town Hall Tours and cruise welcoming programs.
4. AEDA plays a pivotal role as a connector and central point for the visitor economy.	<ol style="list-style-type: none"> 1. Work with the SATC and metropolitan councils to develop a Destination Management Plan for the Greater Adelaide region. 2. Deliver visitor economy information that provides insights to tourism operators and potential investors via face to face forums and customised data.

2025/26 Operational Measures

AEDA Strategic Plan Measures

Increase the number of people who visit the city annually to 2.5 million by 2028 through local, interstate and international visitation.

CoA Economic Development Strategy

At least 20 events and festivals supported through sponsorship.

Maintain value of business event delegates.

Work with existing firms and new entrants to develop at least 10 bookable experiences.

An enhanced year-round event calendar, with experiences found throughout the city.

Grow as Australia's Festival Capital.

Grow the number and scale of business events hosted each year.

Grow the number of 4 and 5-star, and boutique hotel beds, to support international visitors.

Increase the number of airport arrivals and demand for city accommodation compared to 2023.

CoA Economic Development Strategy

Visitor Experience Centre opened.

At least 45,000 people provided with information through AEDA's visitor information services.

Invest in Adelaide Visitor Information Centre tourism assets to increase visitation and improve visitor experience.

CoA Economic Development Strategy

Destination Management Plan completed

Deliver economic data and insights to our business community.

CoA Strategic Plan

Investment and Business Growth

An environment that attracts investment, supports emerging businesses and existing businesses to grow and increases the city's population.

AEDA Strategic Plan Goal	2025/26 Proposed Actions
1. Growth in industry sectors that build on and extend the City's economic strengths.	<ol style="list-style-type: none"> Identify and target companies with the potential to establish, or grow, a city presence by: <ul style="list-style-type: none"> Collaborating with state government on initiatives to attract inbound investment. Delivering initiatives for sectors including health and technology (VFX, Gaming, FinTech, AI, Climate-Tech) by working with innovation hubs and research institutions. Directly targeting firms in industries that are large occupiers of commercial office space that can either expand or relocate into the city (business/professional/financial services). Working with city-based firms to support their growth. Proactively seek new investment opportunities including housing, retail brands, technology, tourism and professional services. Assisting companies with their due diligence on investing in the city by providing data, information and customised property searches. Work with institutional investors and developers to identify opportunities to increase the residential product mix in the City.
2. Street level retail and hospitality activity that contribute to vibrant precincts and mainstreets.	<ol style="list-style-type: none"> Support and promote precinct level activity to increase visitation and spend across the City of Adelaide. Continue to invest in a program of events, festivals, activities and marketing that increase the number of people coming into the city, thereby increasing demand for retail and hospitality sectors. Continue funding for Renew Adelaide to activate vacant shopfronts.
3. Businesses are supported to grow.	<ol style="list-style-type: none"> Build on arrangements with organisations funded through the Strategic Partnerships Program to increase the number of students, increase and capitalise on business events, support a culture of entrepreneurship, activate vacant shopfronts and commercial spaces, enhance Adelaide's festival sector, and foster business growth. Support emerging and small businesses to scale through initiatives that support business growth.
4. Data and insights deliver useful information to City businesses and prospective investors.	<ol style="list-style-type: none"> Design and deliver industry briefings regarding city data and trending topics of value to city businesses. Disseminate relevant and timely data and insights to stakeholders.
5. Adelaide's reputation as a centre for health and education is strengthened.	<ol style="list-style-type: none"> Work with the biomedical sector to identify and progress opportunities. Work with innovation places to increase the value proposition that Adelaide provides for entrepreneurs, the creative sector and technology-based businesses. Progress activity with entities including Lot Fourteen, Biomed City, the higher education sector and other organisations to enhance the City's capital city and central business district role.

2025/26 Operational Measures

Work with at least 75 inbound/expanding companies, with an aim to identify an additional 2,000 new city-based jobs.

Work with Council and the development sector to facilitate/support an additional three residential developments in the city.

AEDA Strategic Plan Measures

Increase city contribution to Gross State Product.

Grow the proportion of workers in emerging industry sectors.

Increase the number of new businesses and investment in the city.

CoA Economic Development Strategy

Activate and upgrade precincts to stimulate investment, visitation and maximise opportunities.

CoA Economic Development Strategy

Provide/support at least 8 programs to support emerging industries and the scaling up of businesses.

Increase the size and number of city-based medium-sized businesses.

Scaling-up of microbusinesses to small and medium enterprises.

Growth by upscaling micro, small and medium enterprises into larger businesses.

CoA Economic Development Strategy

Increase the number of users of the data and insights component of the AEDA website.

Deliver economic data and insights to our business community.

CoA Strategic Plan

A city which leads in innovation and research through our world-class universities and ecosystems of innovation, entrepreneurship, creative and high-technology sectors.

CoA Economic Development Strategy

Governance and Operations

AEDA Strategic Plan Goal	2025/26 Proposed Actions
1. Effective and transparent governance, reporting and processes.	<ol style="list-style-type: none"> 1. Identify opportunities to streamline the Board and Advisory Committee selection processes. 2. Develop a reporting process that aligns with the <i>AEDA Strategic Plan 2024/25-2028/29</i>, which has been adopted by the Board. 3. Include a risk and emerging challenges section in the General Manager's report to each Board meeting. 4. Identify opportunities on which to seek the input of the Advisory Committee. 5. Clearly differentiate agenda items for which a decision is sought from the Board and those that are being workshopped to gain early Board input. 6. Board members to identify opportunities to utilize their networks to progress the objects of the Agency.
2. Establish an approach to funding that supports multi-year forward planning.	<ol style="list-style-type: none"> 1. Work with the City of Adelaide to identify, implement and secure multi-year funding mechanisms to enable forward planning and timely and effective responses to emerging issues and opportunities.
3. AEDA is a destination of choice for people wanting to pursue a career in economic development and growing the city economy.	<ol style="list-style-type: none"> 1. Ensure staff can develop their professional expertise and careers by ensuring AEDA's programs are impactful, contemporary and based on leading practices. 2. Identify opportunities to raise AEDA's profile through speaking and sponsorship opportunities at relevant industry events. 3. Identify ways to better recognize the contribution volunteers make to AEDA and the City.
4. AEDA is a prime economic development agency that effectively partners with the private sector, government and not for profit organisations to grow Adelaide's economy.	<ol style="list-style-type: none"> 1. Work with industry groups and key business leaders to develop programs of activity that deliver mutual benefits. 2. Promote AEDA Board and Advisory Committee knowledge and networks to Council to progress shared goals, advocacy and initiatives. 3. Keep abreast of the directions and activities of Adelaide Central Market Authority (ACMA) and Kadaltilla/ Adelaide Park Lands Authority, providing input and collaboration where AEDA can add value. 4. Collaborate with the State Government on opportunities to enhance economic growth in the City.
5. Engagement mechanisms that deliver on-ground intelligence to inform priorities and practice.	<ol style="list-style-type: none"> 1. Develop improved mechanisms to ensure the needs of all businesses, including small business, are considered in the development and implementation of AEDA's programs. 2. Undertake periodic scans of the on-ground business environment, capturing small and large businesses, a spread of industry sectors and government agencies to stay across of emerging issues and opportunities.

2025/26 Operational Measures

Opportunities and issues identified in the Board's annual governance review are addressed.

AEDA Strategic Plan Measures

Opportunities and issues are identified in annual governance review and are addressed.

AEDA KPI

An approach to funding that supports multi-year planning is applied.

An approach to funding that supports multi-year planning is applied.

AEDA KPI

City of Adelaide Culture Survey results.

AEDA KPI

Delivery of Agency priorities through Strategic Partnerships.

AEDA KPI

Regular information on qualitative and quantitative business needs and opportunities are provided to the Board.

AEDA KPI

Appendix 1.

Budget Summary

AEDA Income Summary	2024/25 Q3 Budget	2025/26 Proposed Budget
\$000's		
Contribution from City of Adelaide – Operating Budget	\$8,033	\$8,607
Strategic Project Funding	\$733	\$525
Rundle Mall Levy	\$4,017	\$4,138
Rundle Mall Supplementary Revenue	\$500	\$380
Visitor Experience Centre	\$19	\$10
Other Revenue	\$100	-
Total income	\$13,403	\$13,660
AEDA Expenditure Summary		
	2024/25 Q3 Budget	2025/26 Proposed Budget
\$000's		
Business, Investment and Residential Growth	\$3,047	\$2,970
Visitor Growth	\$3,753	\$3,321
Brand and Marketing	\$2,113	\$2,326
Rundle Mall Marketing and Activations	\$2,586	\$2,605
Rundle Mall Admin Operations	\$1,904	\$1,913
Strategic Projects	(accounted in above)	\$525
Total Expenditure	\$13,403	\$13,660
Strategic Projects		
	2024/25 Q3 Budget	2025/26 Proposed Budget
\$000's		
Addressing Tourism Product Gaps	\$133	\$150
Commercial Events Fund	\$500	\$0
Rundle Mall Live Music Program	\$100	\$100
SATC Partner Marketing - Winter Focus	-	\$75
City Brand Development	-	\$100
Investment Attraction Program	-	\$100
Total Strategic Projects	\$733	\$525

Rundle Mall Finance Summary	2024/25 Q3 Budget	2025/26 Draft Budget
\$000's		
Rundle Mall Levy Income	-\$4,017	-\$4,138
Rundle Mall Supplementary Revenue	-\$500	-\$380
Admin Operations Expenditure	\$1,904	\$1,912
Marketing Activations	\$2,586	\$2,606

Rundle Mall Admin Operations Expenditure	2024/25 Q3 Budget	2025/26 Draft Budget
\$000's		
Security Retainer	\$308	\$318
Employee Costs	\$1,256	\$1,315
Business & Investment Support	\$149	\$90
Utilities, Storage Rent, Licences, Insurance, Depreciation	\$191	\$189
Total Expenditure	\$1,904	\$1,912

Rundle Mall Marketing Activations Expenditure	2024/25 Q3 Budget	2025/26 Draft Budget
\$000's		
Major Events & Activations (e.g. Christmas and ADL Fashion Week)	\$1,800	\$2,087
Marketing Services	\$519	\$415
Rundle Mall Assets Branding	\$70	\$77
Research & Insights	\$65	\$12
Placemaking & Vibrancy Opportunities	\$111	\$0
Other Expenditure	\$21	\$15
Total Strategic Projects	\$2,586	\$2,606

Appendix 2.

Rundle Mall Activations Calendar

Month	Activity – Events, Activations & Promotions
July 2025	<ul style="list-style-type: none"> • Brand campaign (cont. from 2024/25) • Winter in Rundle Mall (cont. from 2024/25) • NAIDOC Week • British & Irish Lions vs Aust/NZ Invitational XV • Retailer support campaign
August 2025	<ul style="list-style-type: none"> • Brand campaign (cont. from 2024/25) • Winter in Rundle Mall (cont. from 2024/25) • Daffodil Day • Gathered Market in the Mall • Retailer support campaign
September 2025	<ul style="list-style-type: none"> • Spring fashion launch campaign in Rundle Mall • Father's Day retail support • FruChoc Appreciation Day activations • Gathered Market in the Mall • Retailer support campaign
October 2025	<ul style="list-style-type: none"> • Spring fashion in Rundle Mall (cont. from 2024/25) • ADL Fashion Week event support • October long weekend trading hours support • School holidays • Retailer support campaign
November & December 2025	<ul style="list-style-type: none"> • Christmas decorations • Black Friday weekend (Friday 28 November) activations • Gathered Market in the Mall November x1 • Gathered Christmas Market in the Mall December x2 • Choirs and music performances • Activations to support extended trading hours • Vibrancy in the Mall in the lead-up to Christmas • Boxing Day event and activations to launch sales in the city • School holidays • Retailer support campaign



Month	Activity – Events, Activations & Promotions
January 2026	<ul style="list-style-type: none"> • Brand campaign (to support a successful Christmas campaign) • Retailer support for January sales • School holidays • Australia Day support for exclusive trading hours • Retailer support campaign
February 2026	<ul style="list-style-type: none"> • Lunar New Year activations • Valentine's Day retail support • LIV Golf player signing & activations • MallFest to support Fringe and Adelaide Festival • Retailer support campaign
March 2026	<ul style="list-style-type: none"> • MallFest activity (cont.) • Long weekend trading hours support • Retailer support campaign
April 2026	<ul style="list-style-type: none"> • Brand campaign • AFL Gather Round • Easter (Friday 3 to Monday 6 April) • ANZAC Day trading hours support • Retailer support campaign
May 2026	<ul style="list-style-type: none"> • Brand campaign (cont.) • Food & wine activation • Mother's Day retail support • Retailer support campaign
June 2026	<ul style="list-style-type: none"> • Brand campaign (cont.) • Winter in Rundle Mall • Retailer support for June sales • King's Birthday public holiday trading hours support • Gathered Market in the Mall • Retailer support campaign



**Please note that this table is contingent upon the completion of the Rundle Mall Marketing and Events Strategy, which may suggest altering elements of the above.*



Kadaltilla/Adelaide Park Lands Authority

Business Plan & Budget 2025/26

Kadaltilla®
Adelaide Park Lands Authority

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An aerial photograph of Adelaide, Australia, showing the city's skyline, the Adelaide Oval, and the extensive Park Lands. The image is used as a background for the report cover.

The Adelaide Park Lands are the largest inner urban park system in Australia.

Nationally Heritage listed for their unique design – they are the city's lungs, backyard, playground, meeting space and more. There are there for everyone to enjoy, enhancing physical and mental well-being, and they secure Adelaide's place as one of the planet's most liveable cities.



Acknowledgement of Country

The Kadaltilla/Adelaide Park Lands Authority (Kadaltilla) acknowledges the Kurna people as the traditional owners of the Adelaide Plains and pays respect to Elders past and present. Kadaltilla recognises and respects the cultural heritage, beliefs and relationship which the Kurna people have with the land and acknowledges that they are of continuing importance to the Kurna people living today.

Kadaltilla extends that respect to other Aboriginal Language Groups and other First Nations.

Kadaltilla is the principal advisor to both the City of Adelaide and the State Government on the protection, management, enhancement and promotion of the Adelaide Park Lands.

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





Introduction

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

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

Kadaltilla is established pursuant to section five of the *Adelaide Park Lands Act 2005 (SA)* and operates as a subsidiary of the City of Adelaide, pursuant to section 42 of the *Local Government Act 1999 (SA)*. Kadaltilla acts in accordance with its Charter and the *Adelaide Park Lands Act 2005 (SA)*.

The City of Adelaide and the Government of South Australia, are committed to ensuring that Kadaltilla delivers benefit for the future of Adelaide's Park Lands as a defining feature of Adelaide.

Annual Business Plan and Budget Overview

Kadaltilla is required to prepare an Annual Business Plan and Budget consistent with the Adelaide Park Lands Management Strategy and the Strategic Plan and Charter of Kadaltilla. Kadaltilla must consult with and obtain approval from the City of Adelaide for its Annual Business Plan and Budget.

The Annual Business Plan and Budget must:

- Identify the performance targets of Kadaltilla
- Set the performance measures that are to be used to monitor and assess performance and achievement of targets
- Specify the financial and other resource and internal processes required to achieve the performance targets.



Kadaltilla Board

About Us

Kadaltilla operates as a subsidiary of the City of Adelaide, pursuant to section 42 of the *Local Government Act 1999*.

Kadaltilla and its Board are the same entity.

The Board is responsible for managing the business of Kadaltilla and acting in accordance with the Charter and all relevant legislation.

The Board is skills based including expertise across biodiversity/environment, recreation/open space, cultural heritage, landscape design/park management, tourism/events, indigenous culture/reconciliation, financial and local government.

The Board comprises a Presiding Member (the Lord Mayor), and four other members appointed by Council and five members appointed by the Minister for Planning.

The Board receives administrative support from the City of Adelaide.



Dr Jane Lomax-Smith AM
Lord Mayor
Presiding Member



Ms Elinor Walker
Deputy Presiding Member



Ms Allison Bretones



Mr Ashley Halliday



Ms Justyna Jochym



Ms Stephanie Johnston



Ms Mitzi Nam



Councillor Keiran Snape



Mr Craig Wilkins



Mr Ben Willsmore

Functions of Kadaltilla

Kadaltilla is established to undertake the following functions, set out in section nine of the *Adelaide Park Lands Act 2005 (SA)* and its Charter:

- To undertake a key policy role with respect to the advocacy and promotion of the values of the Park Lands and their management and protection.
- To prepare and, as appropriate, to revise, the Adelaide Park Lands Management Strategy in accordance with the requirements of the *Adelaide Park Lands Act 2005*.
- To provide comments and advice on any management plan prepared by the City of Adelaide or a State Authority under the *Adelaide Park Lands Act 2005* or the *Local Government Act 1999* that relates to any part of the Adelaide Park Lands, and to monitor and, as appropriate, to provide comments, advice, or reports in relation to, the implementation or operation of any such plan.
- To provide comments or advice in relation to the operation of any lease, licence, or other form of grant of occupation of land within the Adelaide Park Lands.
- On the basis of any request, or on its own initiative, to provide advice to the City of Adelaide or to the Minister on policy, development, heritage or management issues affecting the Adelaide Park Lands.
- To promote public awareness of the importance of the Adelaide Park Lands and the need to ensure that they are managed and used responsibly.
- To ensure that the interests of South Australians are taken into account, and that community consultation processes are established and undertaken, in relation to the strategic management of the Adelaide Park Lands.
- To promote and administer the Adelaide Park Lands Fund.
- To undertake or support other activities that will protect or enhance the Adelaide Park Lands, or in any other way promote or advance the objects of the *Adelaide Park Lands Act 2005 (SA)*.





Adelaide Park Lands Management Strategy – Towards 2036

Executive Summary

Partnering to preserve and celebrate our precious Adelaide Park Lands

The Adelaide Park Lands Management Strategy – Towards 2036 (APLMS) has been developed by Kadaltilla in accordance with the requirements of the *Adelaide Park Lands Act 2005 (SA)* to prepare a Management Strategy to determine the Adelaide Park Lands directions and priorities.

Vision

Located on Kurna Yarta, the Adelaide Park Lands support our environment, provide connections to nature and offer places for people to participate in events, cultural experiences, sporting and recreational activities. We will work together to enhance and protect the Adelaide Park Lands for future generations.

Goals

Goal 1 – Places and Spaces

Places of activity, creativity and tranquillity for everyone that support our changing lifestyles, health and wellbeing; offer diverse landscapes and natural beauty and provide a range of sport, recreational, sensory and stimulating experiences.

Goal 2 – Connections and Networks

A system of connected and legible places and spaces enabling safe movement via paths and trails linking the city to the suburbs, hills and coast.

Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience

Places that thrive in the face of a changing climate and celebrate Adelaide's unique natural and cultural heritage.



Strategic Priorities & Performance

Kadaltilla has adopted a Strategic Plan 2023–2028 with the following purpose and guiding principles:

Purpose

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

Guiding Principles

- Preserve and strengthen the integrity of the Adelaide Park Lands
- Promote the values of the Park Lands – as Adelaide’s defining feature, and an internationally unique asset
- Partner with Council and the State Government to advocate the benefits of the Adelaide Park Lands
- Advise Government at all levels on the management and usage of the Adelaide Park Lands for the benefit of all South Australian’s

The 2025/26 activities of Kadaltilla align with the performance targets and measures 2023–2028 set out in Kadaltilla’s Strategic Plan (as per reference number in the following tables).



Cultural Value

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

APLMS Outcome	Ref.	Performance Objectives 2023–2028	Performance Initiatives 2023–2028	Performance Measures 2023–2028	Activities 2025/26	Resources 2025/26
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	1.1	Seek Kaurna cultural authority in everything we do	Partner with Kaurna culture authority	Each matter that comes before Kadaltilla considers Kaurna culture	Kadaltilla and the City of Adelaide's employees will ensure that each matter that comes before Kadaltilla considers Kaurna culture. Strengthen Kadaltilla's engagement with Kaurna Yerta Aboriginal Corporation (KYAC) and the Kaurna community.	Board operational allocation
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	1.2	Assist with Kaurna cultural mapping	Support Kaurna cultural mapping progress	Kaurna cultural mapping completed and used to inform Kadaltilla considerations by 2024	Phase 1 of the Kaurna Voices Cultural Mapping Project was completed in 2024/25 and Phase 2 is planned for progression in 2025/26. While timelines are subject to further confirmation and resource alignment, Phase 2 will build on the foundational work completed during Phase 1.	Board operational allocation
Goal 1 – Places and Spaces	1.3	Advocate for the featuring of the Adelaide Park Lands in relevant promotional campaigns	Develop specialist branding and promotion of Kadaltilla and the Park Lands	Adelaide Park Lands featured in relevant promotional campaigns	The Adelaide Park Lands are marketed using available means including website, social media, and brochures. Increased financial support for Adelaide Park Lands-related marketing and sponsorship opportunities.	\$6,317 (a \$15,000 marketing budget bid has been submitted and is subject to Council decision)
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	1.4	Champion the development of World Heritage listing nomination	Regularly review World Heritage listing submission progress	State Government support for World Heritage listing submission by 2026	Continue to progress opportunities for World Heritage Listing with Adelaide and Mount Lofty Ranges Councils subject to a City of Adelaide budget bid	Subject to a separate City of Adelaide budget bid in 2024/25

Environmental Performance

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

APLMS Outcome	Ref.	Performance Objectives 2023–2028	Performance Initiatives 2023–2028	Performance Measures 2023–2028	Activities 2025/26	Resources 2025/26
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	2.1	Define, protect, and enhance landscape values and design qualities	Establish performance principles for the Adelaide Park Lands	Landscape values of the Adelaide Park Lands have been defined, protected and enhanced	The landscape values of the Adelaide Park Lands were defined during the APLMS review in 2024/25. Ongoing advice will be provided in 2025/26 on protecting and enhancing these landscape values and design qualities, in alignment with the Heritage Management Plan.	Board operational allocation
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	2.2	Promote ecologically sustainable initiatives and monitor tree canopy cover, biodiversity, and environmental sustainability and design quality	Regularly review tree canopy cover, biodiversity, and environmental sustainability in the Adelaide Park Lands	Ecologically sustainable initiatives promoted, and tree canopy cover, biodiversity, and environmental sustainability and design quality are regularly reviewed	Tree canopy cover, biodiversity, and environmental sustainability data and insights will be included in the digital APLMS.	Subject to a separate City of Adelaide budget proposal in 2025/26
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	2.3	Consider climate resilience in everything we do	Undertake a climate impact assessment of the Adelaide Park Lands	Deliver a climate impact assessment of the Adelaide Park Lands	Commencement of a climate impact assessment for the Adelaide Park Lands.	Subject to a separate City of Adelaide budget proposal in 2025/26
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	2.4	Research the impact of climate change on the Adelaide Park Lands	Develop a better understanding of environmental values and trends	Environmental values and trends presented to Kadaltilla	Environmental values and trends data and insights will be included in the digital APLMS.	Board operational allocation
Goal 1 Places and Spaces	2.5	Increase the accessibility of evidence-based information	Regular online Adelaide Park Lands updates (inclusive of events, trends, gardens and botanical features and items dealt with at Kadaltilla)	Customers are well-informed through regular online Adelaide Park Lands updates	Update Kadaltilla's website so that it's easier to navigate and find information relating to the Board and the Adelaide Park Lands.	Board operational allocation
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	2.6	Improved irrigation and water management across the Adelaide Park Lands	Investigate options for alternative recycled water sources to reduce reliance on bores	Reduction in use of bore water and increase in use of recycled water	Deliver the Adelaide Park Lands Strategic Water Investigation.	Subject to a separate City of Adelaide budget allocation in 2024/25

Management and Protection

Treat the Park Lands holistically with an adaptive future focused approach.

APLMS Outcome	Ref.	Performance Objectives 2023–2028	Performance Initiatives 2023–2028	Performance Measures 2023–2028	Activities 2025/26	Resources 2025/26
Charter	3.1	Monitor delivery of priority projects in the Adelaide Park Lands Management Strategy	Regular review progress of the Adelaide Park Lands Management Strategy priority projects	Adelaide Park Lands Management Strategy priority projects implemented	Continuously monitor and assess the progress of priority projects within the Adelaide Park Lands Management Strategy.	Board operational allocation
Charter	3.2	Advocate for and establish Funding Mechanisms to support delivery of the Adelaide Park Lands Management Strategy	Identify funding opportunities for priority projects in the Adelaide Park Lands Management Strategy	Funding secured for priority projects in the Adelaide Park Lands Management Strategy	Investigate funding opportunities for priority projects in the Adelaide Park Lands Management Strategy.	Board operational allocation
Charter	3.3	Review State Government Management Plans	Partner with the State Government to advise on management plans for areas of Adelaide Park Lands controlled by State Government	Advice provided to the State Government for the preparation of management plans for areas of Adelaide Park Lands controlled by State Government	Connect with the State Government to advise on management plans for areas of Adelaide Park Lands controlled by State Government	Board operational allocation
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	3.4	Advocate for progression of State Heritage Listing by the State Government	Continued support provided for the State Heritage listing	State Heritage listing progressed by the State Government	Continue to monitor progress and pursue opportunities for State Heritage listing	Board operational allocation
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	3.5	Assess ark Lands including economic, environmental and cultural significance	Undertake an assessment of economic, environmental and cultural significance of the Adelaide Park Lands	Board Members are well informed through regular updates	Assess the economic, environmental, social and cultural value of the Adelaide Park Lands.	Subject to a separate City of Adelaide budget proposal in 2025/26



Expert Advice

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

APLMS Outcome	Ref.	Performance Objectives 2023–2028	Performance Initiatives 2023–2028	Performance Measures 2023–2028	Activities 2025/26	Resources 2025/26
Charter	4.1	Provide advice on plans, projects, and policies for the Adelaide Park Lands	Regularly review all plans, projects, and policies for the Adelaide Park Lands to ensure they have undergone review by Kadaltilla where appropriate	Advice of Kadaltilla is endorsed and adopted	Identify items requiring consideration by Kadaltilla. Forward agenda maintained by Kadaltilla/ Adelaide Park Lands Authority Advisor. Convene and support Kadaltilla meetings, workshops and field trips. Members remunerated in accordance with the provisions of Kadaltilla's Charter and Council's specific determination on fees.	\$254,554 (comprising \$74,204 for Kadaltilla sitting fees and \$180,350 for salaries and associated on-costs)
Charter	4.2	Engage with City of Adelaide and State Government including input into State Government initiatives	Partner with Council and the State Government to increase the accessibility of Kadaltilla	State Government engages with Kadaltilla on State Government initiatives	Connect with the State Government to increase the accessibility of Kadaltilla.	Board operational allocation
Goal 1 – Places and Spaces	4.3	Review leasing and licensing and event management policies together with other relevant Park Lands use policies	Create a Policies section on the Kadaltilla portal	Kadaltilla makes policy submissions on State and Local Government matters where deemed necessary	Policies section created and managed on the Kadaltilla portal. Reporting of lease, license, and events on Adelaide Park Lands, as required.	Board operational allocation
Goal 2 – Connections and Networks	4.4	Strengthen Kadaltilla's engagement with the City of Adelaide, State Government, and adjoining Councils	Strategic stakeholder engagement on Adelaide Park Lands related matters	The City of Adelaide, State Government, and adjoining Councils actively engage with Kadaltilla	Strategic stakeholder engagement on Adelaide Park Lands related matters	Board operational allocation
Charter	4.5	Increase the profile of the Kadaltilla Board	Create and maintain a social media profile detailing the business of Kadaltilla	The public is aware and informed of business of Kadaltilla	Build brand identity and management of a social media profile	\$20,000



Governance

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

APLMS Outcome	Ref.	Performance Targets 2023–2028	Performance Measures 2023–2028	Activities 2025/26	Resources 2025/26
Charter	5.1	Maximise utilisation of skills, known and enthusiasm of Kadaltilla through effective meetings that foster dialogue and the development of shared thinking	Appointments to Kadaltilla are based on skills and expertise set out in Part 2, Division 2, Section 6 of the <i>Adelaide Park Lands Act 2005 (SA)</i>	Formal and informal opportunities to provide advice and expertise on Adelaide Park Lands (such as meetings, workshops and Kadaltilla portal).	Board operational allocation
Charter	5.2	Develop a high level of knowledge and understanding of the Adelaide Park Lands amongst Members through regular site visits and briefings	Undertake at least one Adelaide Park Lands field trip per year to facilitate greater understanding of Adelaide Park Lands projects, facilities and landscapes	Field trip(s) to be scheduled as part of the Kadaltilla forward agenda.	\$3,000
Charter	5.3	Seek early input into issues relating to the Adelaide Park Lands to ensure Kadaltilla advice is timely and relevant	Number of submissions reviewed by Kadaltilla	Kadaltilla Advisor to be represented in Adelaide Park Lands Advisory Group (APLAG) meetings to ensure relevant issues are identified and sent to Kadaltilla in a timely manner.	Board operational allocation
Charter	5.4	Monitor developments subsequent to Kadaltilla advice	Assessment of outcome for alignment with Kadaltilla advice	Quarterly external scan of developments subject to Kadaltilla advice.	Board operational allocation
Charter	5.5	Advocate for the value of Kadaltilla as a proactive, accountable, independent, skills-based Board that advises on Park Lands management and protection	Receive at least two State presentations on Park Lands planning and management related matters per year	Advice provided to Council and/or the State Government on strategic matters relating to the Adelaide Park Lands. Advice provided to the Minister responsible for the <i>Adelaide Park Lands Act 2005 (SA)</i> .	Board operational allocation
Charter	5.6	General purpose accounts are operational	Council's accounting procedures met	General purpose accounts are maintained by the City of Adelaide.	Within Council operational allocations
Charter	5.7	Annual Business Plan and Budget is in place for Kadaltilla	Annual Business Plan and Budget prepared in accordance with legislative and Charter requirements	Prepared by the City of Adelaide as part of internal processes. Subject to consultation with, and approval from, the Council.	Board operational allocation



APLMS Outcome	Ref.	Performance Targets 2023–2028	Performance Measures 2023–2028	Activities 2025/26	Resources 2025/26
Charter	5.8	Kadaltilla makes appropriate use of available finances provided by the Council	Quarterly finance reports adopted and presented to the Council Council's external auditor and Audit Committee is satisfied the requirements are met Kadaltilla financial management is in accordance with legislative and Charter requirements	Financial updates provided as required. Council's external auditor and Audit Committee performs the necessary tasks.	Within Council operational allocations
Charter	5.9	The Adelaide Park Fund is operational and maintained by Kadaltilla	Monies are received and expended according to the provisions of Kadaltilla's Charter	The Adelaide Park Lands Fund is operational and administered by the City of Adelaide on behalf of Kadaltilla.	Within Council operational allocations
Charter	5.10	Host an Annual Community Forum	A public forum is held by the end of October each year at a place and time determined by resolution of the Board	Notice of annual community forum made public at least 21 days prior. Forum documents and reports publicly available. Forum conducted in a place accessible to the public to discuss business of a general nature aimed at reviewing the progress and direction of Kadaltilla.	\$6,000
Charter	5.11	Kadaltilla's Annual Report is prepared detailing achievement of the aims and objectives of the Adelaide Park Lands Management Strategy, Strategic Plan, and Business Plan and Budget	Kadaltilla's Annual Report is prepared in accordance with legislative and Charter requirements Submitted to Council by 30 September in each Financial Year	Prepared by the Kadaltilla Advisor as part of internal administrative processes. Subject to consultation with, and approval from, the Council. Incorporated in the City of Adelaide's Annual Report. Copy provided to Minister responsible for the <i>Adelaide Park Lands Act 2005 (SA)</i> .	Board operational allocation

APLMS Outcome	Ref.	Performance Targets 2023–2028	Performance Measures 2023–2028	Activities 2025/26	Resources 2025/26
Charter	5.12	The Council provides administrative support to the Board for the purpose of undertaking day-to-day management of the Board including, but not limited to, the exercise of Kadaltilla's Functions, powers and duties and the preparation for and attendance at meetings of the Board and implementation of the decisions of the Board	Council ensures that a senior officer manages the business of the Board at a strategic level, and provides the Board with suitable administrative support	Annual progress reports on the Strategic Plan, Business Plan, Budget, and Annual Report will be provided. Coordinate and initiate key matters for Board consideration, ensuring timely implementation of decisions. Efficiently manage and maintain the Board's assets and resources. Perform duties and exercise powers in accordance with the <i>Local Government Act 1999 (SA)</i> and other legislative requirements, as directed by the Board. Financial outcomes to be achieved in alignment with the Board's adopted plans and budgets.	\$5,420
Charter	5.13	Kadaltilla is insured according to the requirements of the Local Government Mutual Liability Scheme	The Local Government Mutual Liability Scheme insures Kadaltilla	Insurance for Kadaltilla is maintained by the City of Adelaide.	\$27,318



Kadaltilla Budget Summary

Income Summary	2025/26 Budget	2024/25 Budget
City of Adelaide Contribution	\$322,609	\$328,402
Total Income	\$322,609	\$328,402
Income Summary		
Employee Costs	\$180,350	\$175,362
Kadaltilla/Park Lands Authority (sitting fees)	\$74,204	\$72,043
Brand and Marketing	\$26,317	\$25,550
Insurance, Audit and Legal	\$22,168	\$21,447
External Advice	\$5,150	\$5,000
Sponsorships (eg Adelaide Park Lands Art Prize)	\$0	\$15,000
Kadaltilla Operations	\$14,420	\$14,000
Total Expenditure	\$322,609	\$328,402





Kadaltilla®

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

Street Numbering Policy Review

Strategic Alignment - Our Corporation

Public

Tuesday, 17 June 2025

City Finance and Governance
Committee

Program Contact:

Nicole van Berkel, Acting
Associate Director, Finance &
Procurement

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

This report seeks Council adoption of the updated Street Numbering Policy.

The Street Numbering Policy (the Policy) establishes a systematic and consistent address formatting across the Council area, and enables alterations to existing street numbers. It ensures every address site within the boundaries of the Council area is clearly identified with a number or number range for all buildings and allotments.

This report was presented to the City Finance and Governance Committee on 18 March 2025, and was deferred to a future meeting of the City Finance and Governance Committee to allow for feedback to be included in the Policy.

The street numbering system has been designed to be orderly, logical, easily understood, and consistent.

Council adopted the current Policy in June 2022, and a scheduled review has been conducted. The current Policy is shown at [Link 1](#). A version of the proposed Street Numbering Policy with changes tracked is shown in [Link 2](#), and a no track changes version is shown in **Attachment A**.

Section 220 of the *Local Government Act 1999* (SA) gives Councils responsibility for the allocation of street numbers. For the City of Adelaide, the determination of street numbers has been delegated to the Chief Executive Officer through a 21 December 1992 Council resolution.

As a result of the review no substantive changes are proposed. A preamble was added to reflect the historical significance of the City of Adelaide street numbering system.

RECOMMENDATION

The following recommendation will be presented to Council on 24 June 2025 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL
THAT COUNCIL

1. Notes the updated Street Numbering Policy with amendments shown as tracked changes, as contained in Link 2 to the Item 7.7 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.
2. Adopts the updated Street Numbering Policy as contained in Attachment A to Item 7.7 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025.
3. Authorises the Chief Executive Officer (or delegate) to make minor, typographical, syntactical and technical updates to the Street Numbering Policy as contained in Attachment A to Item 7.7 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 June 2025 to finalise the document.

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 an updated Street Numbering Policy.
Consultation	Not as a result of this report.
Resource	Not as a result of this report.
Risk / Legal / Legislative	Section 220 of the <i>Local Government Act 1999</i> (SA) (the Act) requires Councils to be responsible for the allocation of street numbers.
Opportunities	Not as a result of this report.
24/25 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.
24/25 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. This report was presented to the City Finance and Governance Committee on 18 March 2025, and was deferred to a future meeting of the City Finance and Governance Committee to allow for feedback to be included in the Policy.
2. The Street Numbering Policy (the Policy) is scheduled to be reviewed every two years. The most recent review of the Policy was undertaken in 2022 (current policy at [Link 1](#)).
3. The Policy will now be scheduled for review every four years in line with the term of Council.
4. The general policy for the allocation of street numbers in the City of Adelaide was determined by Council on 11 November 1884. The general policy was reinforced by Council in 1919.
5. The system is based on the principles determined by Colonel William Light in designing the city and has been designed to ensure the orderly, logically sequenced, easily understood, and consistent allocation of street numbers within the city.
6. The numbering system, as set out in the Policy, was last amended on 14 June 2022 with Council removing the exclusion of street numbering for the Park Lands on North Terrace (Northern side).
7. The Policy has been reviewed with minor amendments made to wording and dates. A preamble was added to reflect the historical significance of the City of Adelaide street numbering system.
8. No substantive changes to the Policy are required. A table of the changes and comments is shown below.

Street Numbering Policy (2025) Table of Key Changes and Comments

No	Page	Item	Change/Comment
1	1	Preamble	A preamble was added to reflect the historical significance of the City of Adelaide street numbering system.
2	Multiple	Administrative	Re-ordering of the Policy in line with feedback from the City Finance and Governance Committee.
3	7	Administrative	Change the date of when the next policy review is required.
4	7	Roles and Responsibilities	Updated position name to reflect name change.
4	8	Review History	Update the review history table.
6	9	Figure 1	Updated image
7	10	Figure 2	Updated image
8	11	Figure 3	Updated images

9. The updated Policy showing tracked changes is at Link 2 (ACC2025/70386) with a copy of the Policy with no tracked changes contained in Attachment A.

DATA AND SUPPORTING INFORMATION

Link 1 – [Current Street Numbering Policy \(June 2022\)](#)

Link 2 – [Street Numbering Policy – Tracked changes](#)

ATTACHMENTS

Attachment A – Street Numbering Policy – No tracked changes

- END OF REPORT -

STREET NUMBERING POLICY

*June 2025**legislative*

PREAMBLE

Forming the foundation of Adelaide's urban character, our nationally heritage listed streets and grid layout were first envisioned in Colonel William Light's original 1837 plan. Designed with foresight and ambition, the plan introduced a bold grid layout of fifty-one generously wide streets, each a minimum of 66 feet (20 metres) wide, and many up to 98 feet (30 metres), forming the framework for a city surrounded by Park Lands that would prosper and grow. Reflecting both the natural topography and Light's commitment to harmony with the landscape, the city was thoughtfully divided into northern and southern sections, each framed by broad terraces and bordered by open Park Lands. Streets were laid out primarily in an east-west direction, with surrounding land divided into one-acre parcels known as Town Acres - structured spaces that would support a thriving community.

On 23 May 1837, a dedicated Street Naming Committee gave identity to these roads, naming them in honour of individuals who played pivotal roles in the colony's founding and development. This early act of place-making continues to shape the way we navigate and connect with our city today.

In the spirit of clarity and civic pride, a formal street numbering system was adopted by Council on 11 November 1884. This brought much-needed order to a growing city, replacing inconsistent and duplicated numbering with a methodical system that allocated ten numbers to every Town Acre frontage, a forward-thinking solution designed to support a connected, accessible Adelaide

PURPOSE

Section 220 of the *Local Government Act 1999* (SA) (the Act) requires Councils to be responsible for the allocation of street numbers. For the City of Adelaide, the determination of street numbers has been delegated to the Chief Executive Officer by virtue of a resolution of Council made on 21 December 1992. The general policy for the allocation of street numbers in the City was determined by Council on 11 November 1884 and reinforced by Council in 1919.

It is the intent of this Policy to establish a system for allocating street numbers in order to facilitate a consistent address format across the Council area, as well as providing for alterations to existing street numbers. The Policy will ensure that every address site within the boundaries of the Council area is clearly identified with a number or number range for all buildings and allotments.

STATEMENT

Principles

Each piece of land has a logical street number which:

- should be simple to manage, is logical to users, and uniform across all properties within the Council area.
- is based on the street frontage affording access to the premises thus clearly identifying the access point to a property and the location of the post box.
- provides clear and unambiguous information to emergency services recognising Council's responsibility to ensure the public safety of the community.
- facilitates the efficient delivery of goods and services.
- is compatible with adjoining Councils where roads cross council boundaries.
- is consistent with the Australian/New Zealand Standard "Rural and urban addressing" (AS/NZS 4819:2011).
- Is supportive of the heritage value of the Park Lands.

Application of this document

The policy is applicable to the whole organisation including any wholly owned subsidiaries.

General

A Council may adopt a numbering system for buildings and allotments adjoining a road.

Council assigns a number (as part of its primary street address) to all buildings or allotments adjoining a public road (excluding Park Lands) created after the commencement of any land division.

Direction of Flow of Street Numbers**South of the River Torrens**

In southern Adelaide, with the exception of the Terraces, street numbers generally flow outwards from King William Street in the case of east-west streets with the lowest street number commencing at the King William Street end.

In the case of north-south streets, the numbers generally flow southwards from the River Torrens (lowest number to the north).

A general exception to the above rule relates to dead-end streets which are numbered commencing with the lowest number at the open end.

In the case of the Terraces, North and South Terraces are numbered sequentially west to east commencing at West Terrace, whilst East and West Terraces are numbered sequentially north to south commencing at North Terrace.

The exception is numbering on the Park Lands side of the Terraces, for numbering methodology refer Odd and Even Street Numbers section above.

North of the River Torrens

In North Adelaide, all street numbers flow from east to west in east-west streets (lowest number at the eastern end) and from the River Torrens northwards, in the case of north-south streets (lowest number to the south).

A general exception to the above rule relates to dead-end streets which are numbered commencing with the lowest number at the open end.

Numbering of Streets

Street numbering in the City of Adelaide is based on the allocation of ten (10) numbers per Town Acre (64.008 metres) as originally laid out by Colonel William Light. (i.e. 1 number per 6.4 metres).

However, as few Town Acres are exactly 64.008 metres the policy has been adopted whereby the first nine (9) numbers are 6.4008 metres wide with the tenth (10th) number being smaller or greater than 6.4008 metres, depending on the actual width of the Town Acre.

In accordance with the above, street numbering is measured from each new Town Acre boundary nearest the lowest street number.

Every metre of street frontage contained within a Town Acre is allocated a street number whether such number is used or not. The only general exception to this rule relates to all Park Lands and the Park Lands portion of the Council's five (5) squares. The northern side of North Terrace is permitted to be allocated street numbering under this policy.

Allocation of Numbers

All requests and allocations of numbers will be assessed according to this Street Numbering Policy.

Street numbers will be allocated following Development Approval (DA) being granted for a new development application.

Property owners must submit a written request for a change of the street number attributed to their building or allotment (if the street number is within their range).

A property owner must not adopt a building or allotment street number that is inconsistent with the numbering system adopted by Council.

Odd and Even Street Numbers

With the exception of the Terraces (*refer attachment, Figure 3*) which are the boundaries between the "built city" and "Park Lands", street numbers are allocated on the basis of odd numbers on one side of the street and even numbers on the other.

Odd numbers are allocated to land on the south side of east-west streets and the land on the west side of north-south streets. Even numbers are on the north and east sides, respectively.

On the Terraces, street numbers are allocated sequentially to the inside or 'built city' side of the Terrace. The outer or Park Lands side has no street numbers allocated.

However, in the event numbers are required, the numbers will continue from the last number of the last Town Acre on 'built city' side of that Terrace, from the first Town Acre directly opposite on the Park Lands side and then continue to the other end of that Terrace.

Increments of less than 6.4 metres

Where there are insufficient street numbers for buildings or occupancies, 'A' numbers may be allocated.

These should be avoided where possible, however where necessary will be allocated following the main street number in the order of number followed by a letter (e.g. 210, 210A).

As a general rule, levels above and below ground level will only be allocated a separate unique street number where a separate street frontage doorway exclusively services the particular area.

Allocation of Street Numbers to Buildings with no Street Frontage

Where an allotment fronting a street contains a number of buildings some of which do not themselves have a street frontage (e.g. rear), where possible, the street number most applicable to the access to such buildings will be the street number applicable to those buildings.

For units and flats in buildings having no street frontage or no separate street level access for each unit or flat, the address for such units or flats will be the unit/flat number followed by the street address of the most likely perceived access to those units or flats.

In extreme circumstances, it may be desirable to allocate a street name to the access

roadway and issue a separate set of street numbers in respect to the newly created street (refer attachment, Figure 4).

Street naming is undertaken by the Strategic Property team within the Property Program.

Allocation of Street Numbers to Allotments having no Street Frontage

Where an allotment in separate ownership has no street frontage, that allotment should be allocated the street number applicable to the access roadway serving that allotment in conjunction with an identified "OFF".

Where such allotment contains multiple buildings requiring the allocation of separate numbers, application should be made to the Strategic Property team for allocation of a street name.

Park Lands Street Numbering

Given the existing development on certain areas of the Park Lands, allowance is provided by this policy to allocate street numbers to the northern side of North Terrace only. This is to facilitate the operations of the businesses occupying the existing development. This is the only area in the Park Lands where street numbers will be allocated. Any variation to this requires consultation and Council decision.

New Developments

For the majority of cases for new developments, individual street numbers will be allocated to each ground level occupancy.

Except in rare cases (refer to: Increments of less than 6.4 metres), upper and lower levels of a multi-level development will be allocated the full range of street numbers applicable.

Council will proactively assist developers in organising street numbering for the building or allotment per this policy.

Where a building or allotment is on the corner of two named streets, the owner should be offered the choice of street frontage and appropriate range of numbers they may wish to use.

The owner should be requested to respond to the Rates and Valuation team advising them of the preferred street frontage so that the valuation records can be correctly initiated.

However, as a minimum, the selected street frontage must have an entrance into the building allowing for public access and the letter box must be placed on the same street frontage and within the relevant Town Acre.

Street Numbering Amendment

Council may from time to time alter a numbering system or substitute a new numbering system.

Council reserves the right to direct owners to change the building or allotment street

Street Numbering Policy

numbers where the existing numbering is inappropriate or confusing.

Council must immediately notify the Valuer-General and Australia Post of a decision of the Council to adopt, alter or substitute a numbering system under this section.

Notification

Public notice must be given of the adopting, altering, or substituting of a numbering system of a public road.

Council will notify the applicant and any affected property owners in writing of any new or changed numbers.

Exceptions

Not all streets commence at a Town Acre boundary. In this case, the frontage of each address is to be as though the spacing for numbering frontages had commenced at the Town Acre boundary.

This may lead to a discrepancy in the length of a numbered frontage of the first address (*refer attachment, Figure 1*).

Where the length of the first number frontage is less than 500 millimetres, this frontage will be included with the adjacent frontage to which the first number will be allocated (*refer attachment, Figure 2*).

Where a street has a significant change of direction, the street number will increase incrementally at the point of change of direction. The same method noted in the paragraph above is used to determine the first street number in the new direction. It is acknowledged that this will have the effect of throwing out of alignment the normally regular demarcations of the street numbers for one side of the street as opposed to the other.

Previously, a number of dead-end streets were made through streets without amending the street numbering. This has resulted in the numbers in these streets running in the wrong direction.

Examples:

Adelaide – Byron Place (both sections)

North Adelaide – Marian Street

Key rule

Under no circumstances shall a street number overlap a Town Acre boundary.

Incidence of title boundaries

It will frequently be found that there is no coincidence between certificate of Title boundaries and street numbering demarcations.

Accordingly, street numbers are to be allocated in accordance with the best fit, having regard to both the unused known as numbers and relative locational co-ordinates

between street number demarcations and title boundaries.

OTHER USEFUL

Related documents

- Figure 1. Town Acre Boundary, and street number spacing.
- Figure 2. Numbering where boundary is less than 500mm.
- Figure 3. Terraces surrounding the City of Adelaide; and
- Figure 4. Numbering of buildings that do not have direct street frontage.

Relevant legislation

- *Local Government Act 1999 (SA)*
-

GLOSSARY

Throughout this document, the below terms have been used and are defined as:

Allotment – a defined allocation of land within the City of Adelaide.

Certificate of Title – is an official record of land ownership in South Australia and defines the boundary of ownership.

Terraces – the boundaries between the built city and Park Lands. Refers to North, West, South and East Terraces within Adelaide, and Barton, Lefevre, Kingston Terraces, McKinnon and Sir Edwin Parades, Pennington, Strangways, and Mills Terraces within North Adelaide. (*Refer map in attachment, Figure 3.*)

Town Acre – Is 64.008 metres squared. Colonel William Light divided city land into 1042 town acres; 700 in South Adelaide (City) and 342 in North Adelaide.

ADMINISTRATIVE

As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed as per legislative requirements or when there is no such provision a risk assessment approach is taken to guide the review timeframe.

This Policy document will be reviewed every **four** years in line with the term of Council unless legislative or operational change occurs beforehand. The next review is required in **June 2029**.

Roles and Responsibilities:

It is the responsibility of the Associate Director, Finance and Procurement to perform this review.

Review history:

Trim Reference	Authorising Body	Date/ Decision ID	Description of Edits
ACC2025/TBC	Council	24 June 2025	Preamble added, re-ordering of content, minor revisions made (review dates and title of responsible officer). Images updated.
ACC2023/157611	Council	14/06/2022	North side North Tce inclusion
ACC2020/102984	Council	11/08/2020/20411	Transfer to new template.
ACC2008/178358	Council	09/05/1994	Minor revisions made.

Contact:

For further information contact the Finance & Procurement Program

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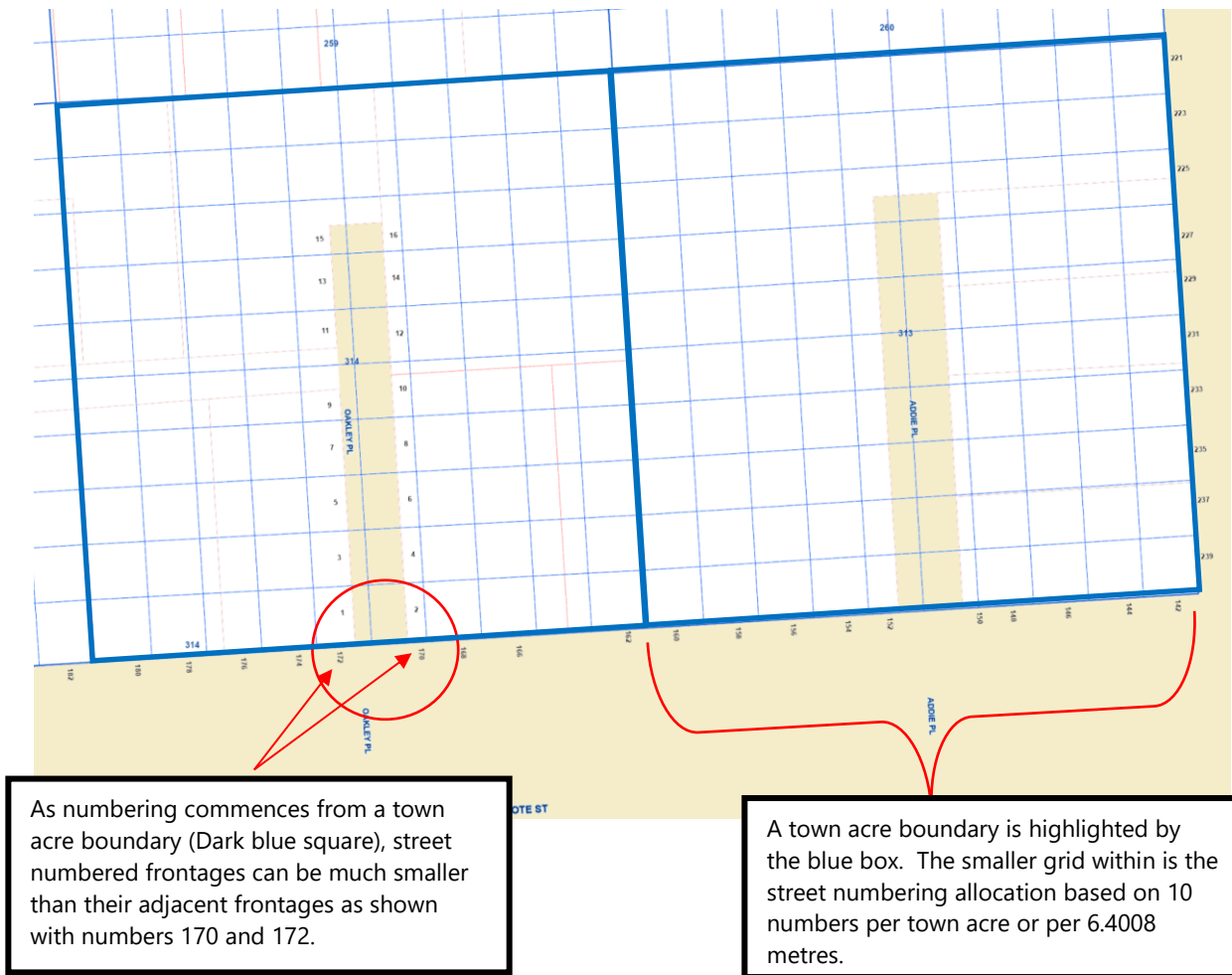
Figure 1. Town Acre Boundary, and street number spacing

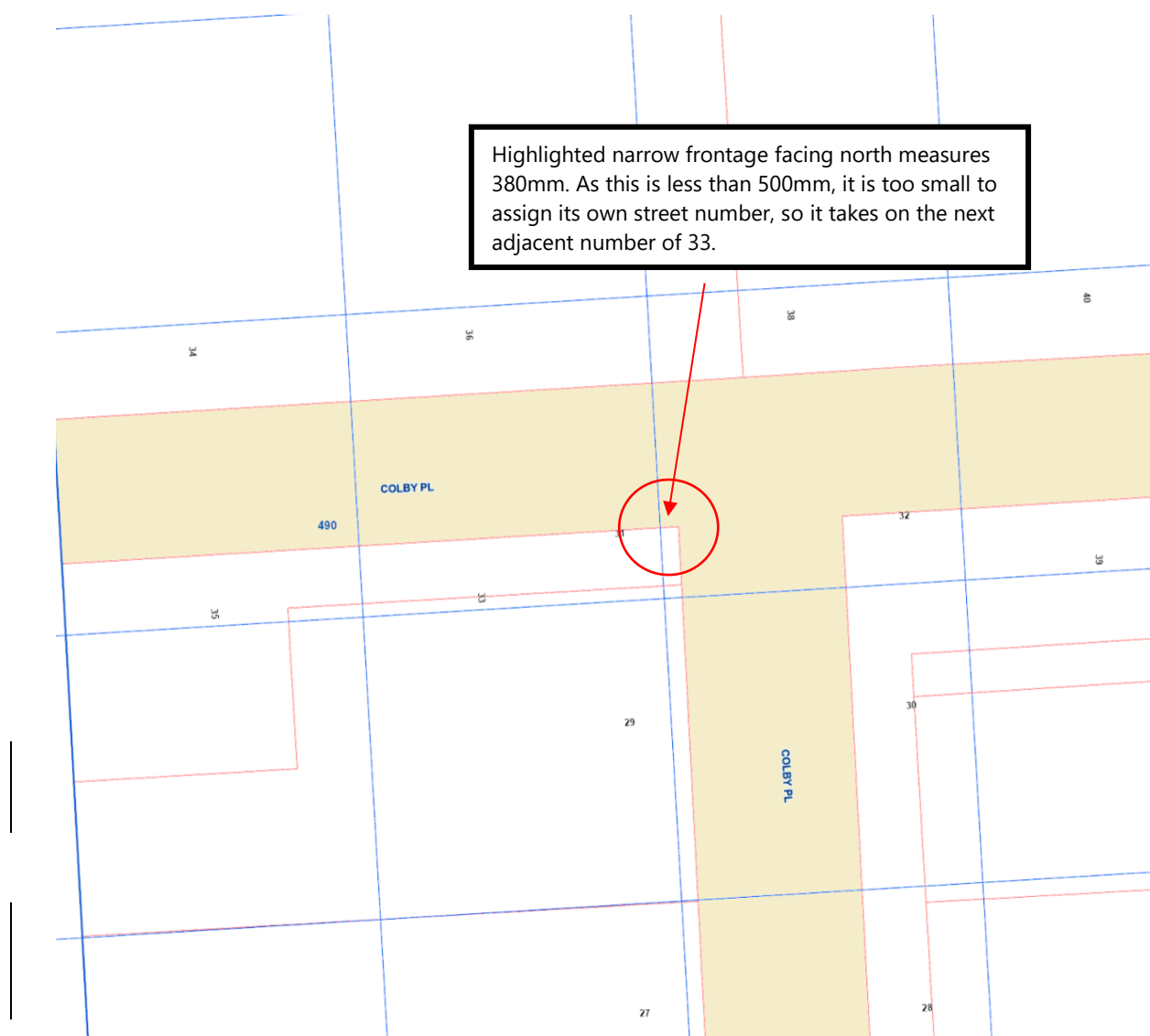
Figure 2. Numbering where boundary is less than 500mm.

Figure 3. Terraces surrounding the City of Adelaide.

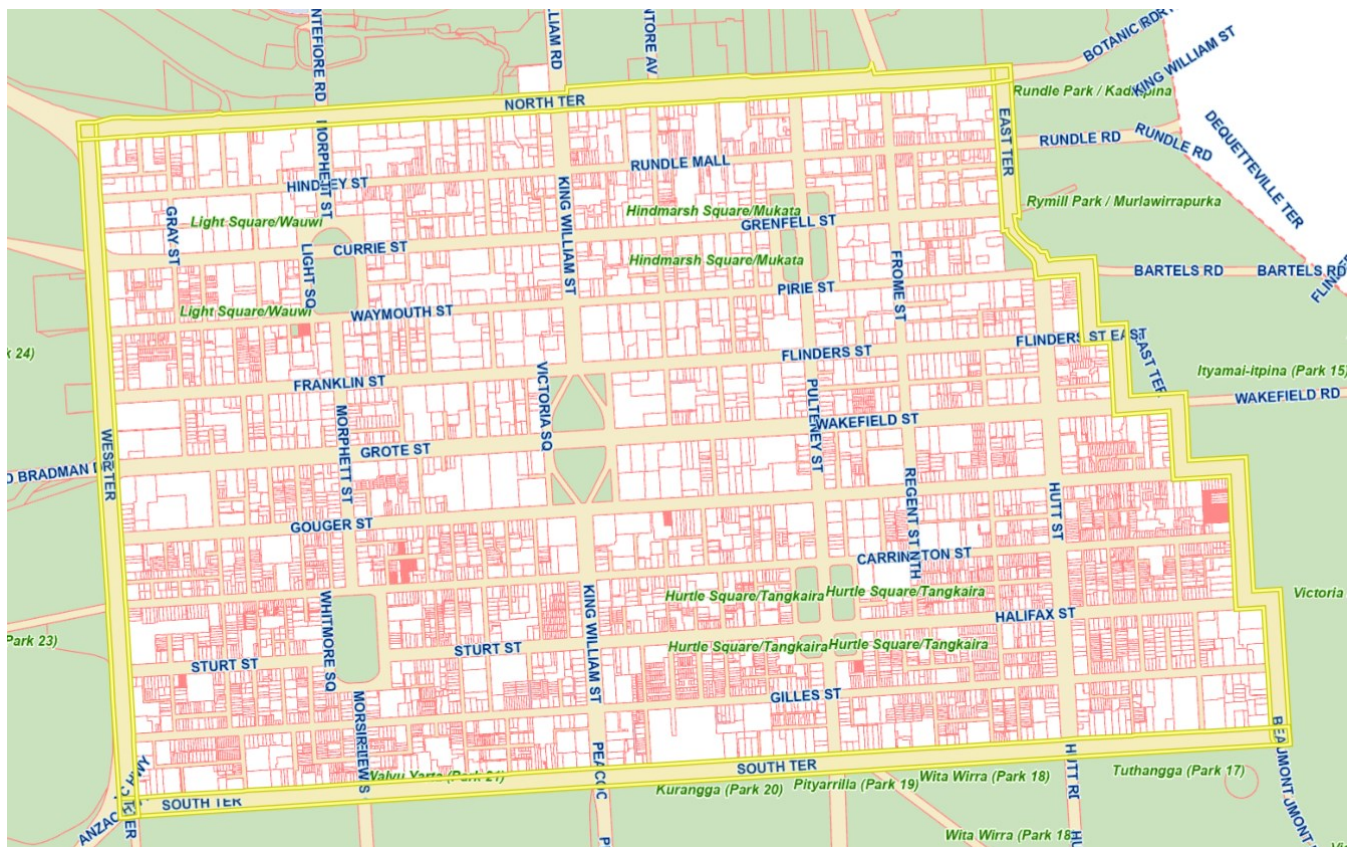


Figure 4. Numbering of buildings that do not have direct street frontage.



The main access to the units highlighted is from Hack Street via the access way.

Due to the number of premises along this access way it was appropriate to have it formally named, Barton Place.

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 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 City Finance and Governance Committee meeting for the consideration of information and matters contained in the Agenda.

For the following Chief Executive Officer's Report seeking consideration in confidence

10.1 Delegation to Award Contract [section 90(3) (b) & (d) of the Act]

The Order to Exclude for Item 10.1:

1. Identifies the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
2. Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
3. In addition, identifies for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

ORDER TO EXCLUDE FOR ITEM 10.1

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE:

1. Having taken into account the relevant consideration contained in section 90(3) (b) & (d) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the City Finance and Governance Committee dated 17 June 2025 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 10.1 [Delegation to Award Contract] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Basis

This Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to identify the proponent and to confer a commercial advantage on a person with whom the council is conducting business and prejudice the commercial position of the council, with the potential to confer a commercial advantage to a third party competitor of a person with whom the council is conducting business.

Public Interest

The Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information may result in release of information prior to the finalisation of 'commercial in confidence' negotiation with the proponent and because the disclosure of Council's commercial position may severely prejudice Council's ability to discuss/participate or influence a proposal for the benefit of the Council and the community in this matter and in relation to other contract negotiations.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the City Finance and Governance Committee dated 17 June 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 10.1 [Delegation to Award Contract] 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) (b) & (d) of the Act.
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DISCUSSION

1. Section 90(1) of the *Local Government Act 1999 (SA)* (the Act) directs that a meeting of Council must be conducted in a place open to the public.
2. Section 90(2) of the Act, states that a Council may order that the public be excluded from attendance at a meeting if Council 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 83(5) of the Act has been utilised to identify in the Agenda and on the Report for the meeting, that the following report is submitted seeking consideration in confidence.
 - 6.1 Information contained in Item 10.1 – Delegation to Award Contract
 - 6.1.1 Is not subject to an existing Confidentiality Order.
 - 6.1.2 The grounds utilised to request consideration in confidence is section 90(3) (b) & (d) of the Act
 - (b) information the disclosure of which –
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or prejudice the commercial position of the council; and
 - (ii) would, on balance, be contrary to the public interest.
 - (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - (ii) would, on balance, be contrary to the public interest.

ATTACHMENTS

Nil

- END OF REPORT -

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