



# AUDIT AND RISK COMMITTEE

## Agenda and Reports

for the meeting on

Friday, 22 May 2026

at 9.00 am

in the Colonel Light Room, Adelaide Town Hall

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Our Adelaide.  
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**Aspirational.**  
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6.3	Internal Audit Progress Report	316 - 320
6.4	Internal Audit Scopes	321 - 333
7.	<b>Emerging Key Risks</b>	
8.	<b>Independent Member Discussion</b>	
9.	<b>Other Business</b>	
10.	<b>Closure</b>	

## Draft 2026/27 Business Plan & Budget

Friday, 22 May 2026

Audit and Risk Committee

Strategic Alignment - Our Corporation

**Program Contact:**

Rebecca Hayes, Associate  
Director Governance & Strategy

Public

**Approving Officer:**

Anthony Spartalis, Chief  
Operating Officer

## EXECUTIVE SUMMARY

At its meeting on 28 April 2026, in accordance with the provisions of the *Local Government Act 1999* (SA), Council endorsed the Draft 2026/27 Business Plan and Budget (BP&B) for community consultation from 5 May 2026 to 26 May 2026.

Consultation is being undertaken for the required three-week period, seeking input on the proposed priorities, projects, rates and fees and charges, and to ensure our community understands the proposed expenditure and services to be delivered in 2026/27. The feedback will then be used to inform the final 2026/27 BP&B, due for Council consideration and adoption in June.

The BP&B outlines the priorities, programs, services and projects that we plan to deliver, our sources of revenue, financial levers, long term sustainability targets and how we propose to allocate our budget. It is the last BP&B for this term of Council and is set to continue to deliver on Council's Strategic Plan 2024-2028 and other endorsed strategies.

Highlights of the Draft 2026/27 BP&B include:

- Investing over \$29.7m into Capital new and upgrade projects - including a dedicated fund to ensure the right investment is provided to the future of our Community Sports and Park Lands facilities; delivering the revitalisation of our main streets; and continuing greening through the city
- Undertaking over \$68.8m in asset renewal - maintaining and improving the \$2 billion plus owned Council assets such as roads, buildings, footpaths, and the many hectares of Park Lands
- Co-delivering an investment in City living - working in partnership with the State Government and the community housing sector to progress the Flinders Street Housing Project to support housing supply, affordability and to deliver on our target of 50,000 residents
- Delivering \$11.3m of projects towards our Strategic Commitments - with funding to deliver on our strategies, including the Integrated Transport Strategy, Integrated Climate Strategy, Disability Access and Inclusion Plan, Stretch Reconciliation Action Plan, Homelessness Strategy, Property Strategy, Economic Development Strategy and our Strategic Plan
- Strengthening Community connection with Council - delivering best practices for awareness and participation in the upcoming Local Government Election and the implementation of our new Community Engagement Charter and Policy
- Opening the expanded Adelaide Central Market - strengthening the Market's diversity, vibrancy and strong sense of place through a once-in-a-generation expansion, including an additional 50 retail tenants, as part of Council's partnership with ICD Property to deliver the \$600m Market Square project, which also incorporates new residences, commercial offices and a hotel

- Building our Organisation's Digital Future - creating a high performing and customer centric organisation by investing \$2.7m in our Information Management Roadmap, as well as through spatial mapping, AI and cybersecurity enhancements
- Funding through responsible principles of financial sustainability incorporating a general rates revenue increase of 5.6%.

In 2026/27 Council will support the continuing 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 our subsidiaries the Adelaide Central Market Authority, Adelaide Economic Development Agency and Kadaltilla / Adelaide Park Lands Authority by funding their strategic management plans. Council proposes to do this through:

- A focus on delivery of key projects and infrastructure upgrades within the Strategic Plan 2024-2028
- 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 funding target of 100% asset renewals
- A moderate rate increase based on CPI that supports the community and businesses during this period of economic instability
- Prioritising our operational budget, grants and sponsorships and opportunities to partner with other levels of Government to seek co-funding.

The Draft 2026/27 BP&B delivers a surplus budget position of \$4.976 m. Total borrowings are projected to be \$82.295m at the end of the financial year, and Council's financially sustainable decisions provide a structured pathway to repaying the debt required to deliver the new and upgraded capital program.

## RECOMMENDATION

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Draft 2026/27 Business Plan & Budget documents as contained in Attachments A, B, C and D to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 22 May 2026.
2. Notes the Draft 2026/27 Business Plan & Budget is currently out for consultation, which concludes at 11:59PM Tuesday 26 May 2026.
3. Receives the Draft 2026/27 Business Plan & Budget documents as contained in Attachments A, B, C and D to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 22 May 2026 and provides the following advice:
  - 3.1. \_\_\_\_\_

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<a href="#">Strategic Alignment – Our Corporation</a> Focus on budget repair and ensure responsible financial management through the principle of intergenerational equity while delivering quality services.
Policy	The Draft 2026/27 BP&B has been prepared in accordance with Council's current Long Term Financial Plan (LTFP) assumptions and endorsed Financial Policies. The approved public consultation will be undertaken in accordance with Council's Community Engagement Policy <a href="#">Link 1</a> .
Consultation	A public consultation process on the Draft 2026/27 BP&B commenced on Tuesday 5 May 2026 and concludes at 11:59PM on Tuesday 26 May 2026.
Resource	The Draft 2026/27 BP&B identifies how Council's resources will be allocated in meeting the 2026/27 deliverables and objectives of the Strategic Plan and other related plans and strategies.
Risk / Legal / Legislative	Council's Draft 2026/27 BP&B is developed in accordance with section 123 of the <i>Local Government Act 1999</i> (SA), and sections 6 and 7 of the <i>Local Government (Financial Management) Regulations 2011</i> (the Regulations).
Opportunities	Community engagement is a key part of the BP&B providing the community with an opportunity to provide feedback on the draft. Community members can provide feedback on issues that affect them with the commitment of Council to provide pathways for their input.
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 Budget Allocation	The Draft 2026/27 BP&B provides the proposed budget for 2026/27 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

## Context

1. As the capital city council for all South Australians, the City of Adelaide plays a key role in ensuring that Adelaide continues to be a cultural, civic and economic hub where our residents, students, visitors, workers and businesses can thrive. To shape this future requires bold thinking, long-term planning and a vision. In December 2023, Council adopted the Strategic Plan 2024-2028 with a long-term vision of: “Our Adelaide. Bold. Aspirational. Innovative.”
2. The Draft 2026/27 Business Plan & Budget (BP&B) (**Attachment A**) has been developed to ensure that Council can deliver on this vision and the key actions outlined in the Strategic Plan 2024-2028.
3. Council’s suite of Strategic Management Plans – the Long Term Financial Plan, Asset Management Plans and City Plan, as well as recent Council decisions and endorsed Strategies, have also been taken into consideration in the development of the BP&B.
4. This is the last BP&B for this term of Council and is set to continue to deliver on Council’s Strategic Plan and other endorsed strategies.
5. Council Members participated in a series of CEO briefings and workshops to understand and discuss the projects, priorities and budget for 2026/27:
  - 5.1. Three City Finance and Governance Committee workshop discussions
  - 5.2. Six CEO briefings (including two Saturday sessions)
  - 5.3. Presentation documents and pre-reading for discussions.

## Consultation

6. In accordance with section 123(3)(b) of the *Local Government Act 1999* (SA) (the Act), Council will follow the relevant steps in our Community Engagement Policy to facilitate community feedback on the Draft 2026/27 BP&B.
7. The consultation process seeks feedback from the community including our residents, ratepayers, businesses and other key stakeholders.
8. Consultation opened on Tuesday 5 May 2026 and will conclude at 11:59pm on Tuesday 26 May 2026.
9. Notification of public consultation has been made through various channels, including a public notice in the Advertiser newspaper, advertisements through social media and in our Libraries, Community Centres and Customer Centre, and direct emails to key stakeholders and residents.
10. Feedback is received through Council’s Our Adelaide online engagement platform, email, post and facilitated through a range of in person (face-to-face) opportunities.
11. Any feedback from the Audit and Risk Committee will be incorporated into the report to Council in June 2026, alongside other submissions received during the consultation period.

## Priorities for 2026/27

12. The Act requires Council to articulate priorities for the financial year within an Annual Business Plan and Budget. The Draft BP&B proposes the following priorities for 2026/27:

### Our Community

- 12.1. Enable community-led services which increase wellbeing, social connections and participation in active lifestyles, leisure, recreation and sport.
- 12.2. 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.

### Our Environment

- 12.3. Continue the support for the Kadaltilla/ Adelaide Park Lands Authority Subsidiary and the delivery of the Kadaltilla Charter and Business Plans.
- 12.4. Lead and advocate for the environmental value, productivity, quality and biodiversity of the Park Lands, squares, open space and streetscapes.

### Our Economy

- 12.5. Continue the support for the Adelaide Central Market Authority (ACMA) Subsidiary and the delivery of the ACMA Charter and Business Plans.
- 12.6. Continue the support for the Adelaide Economic Development Agency (AEDA) Subsidiary and the delivery of the AEDA Charter and Business Plans.

#### Our Places

- 12.7. Maintain and improve disability, LGBTQIA+ and vulnerable or minority group access and inclusion.
- 12.8. Work with partners to support safer road user behaviour.

#### Our Corporation

- 12.9. Demonstrate bold capital city leadership and robust governance with our community at the heart of our decisions.
- 12.10. Work with local, national and international partners to deliver the outcomes of the Strategic Management Framework to move our city into the future.

### **Financial principles**

- 13. The Draft 2026/27 BP&B was built on an agreed set of financial principles to ensure that the projects, services and budget repair are accomplished in a financially sustainable, fair and equitable manner:
  - 13.1. Adopting fees and charges that are fair and equitable and reflect the cost of services provided.
  - 13.2. Continuing delivery of at least a minimum of the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI).
  - 13.3. Maintain the current rating system and operating surplus.
  - 13.4. 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 which require matched funding.
  - 13.5. Funding new or enhanced services, assets or maintenance that require an increase in operating costs from the adjustment of priorities, rate or other revenues, and/or through savings – not from borrowings.
  - 13.6. Capital renewal expenditure will be based on asset management plans and prioritised based on audit condition and risk.
  - 13.7. Borrowings will be used to fund new and upgrade projects (which include major projects) and will not be used to fund operations, expenses or renewal projects.
  - 13.8. Short-term borrowings will be used to fund the Asset Renewal Repair Fund, to ensure the increased spending required through the revised Asset Management Plans can be spread over a longer period to meet community expectation, and their capacity to pay is managed over time through sustainable rate increases.
  - 13.9. Capital enhancements (new and upgrade) in line with Council decisions to fund, main street revitalisations and upgrades to Park Lands buildings.

### **Proposed Budget Position**

- 14. Consistent with these principles of responsible financial management, the Draft 2026/27 BP&B delivers an operating surplus position of \$4.976m from our core operating budget, enabling the generation of sufficient cash flow from operations to fund our Asset Renewal Program at 94.5% of our Asset Management Plans, and allocating funding to upgrade Park Lands community buildings.
- 15. A proposed capital program of \$98.546m is outlined, inclusive of a \$68.825m asset renewal program, and \$29.721m on new and upgraded assets which will deliver on the priorities set by Council.
- 16. In order to fund the new and upgraded assets, additional borrowings of \$31.618m is required. The total projected borrowings to 30 June 2027 is \$82.295m.

### **Operational Budget 2026/27**

- 17. The operating surplus of \$4.976m is \$3.565m lower than the forecast 2025/26 operating surplus. This is representative of the need to generate adequate cash flow from operations to fund the upgrade to community buildings in the Park Lands, service new borrowings, and service increased maintenance in future years driven by growth from new developments.

Statement of Comprehensive Income (\$'000s)	2025/26 Q2	2026/27
<b>Income</b>		
Rates Revenues	154,908	165,626
Statutory Charges	18,854	21,049
User Charges	72,604	77,285
Grants, Subsidies and Contributions	5,641	4,717
Investment Income	171	165
Reimbursements	374	238
Other Income	731	701
<b>Total Income</b>	<b>253,282</b>	<b>269,781</b>
<b>Expenses</b>		
Employee Costs	90,868	97,796
Materials, Contracts and Other Expenses	88,707	98,155
Depreciation, Amortisation and Impairment	62,751	66,075
Finance Costs	2,416	2,779
<b>Total Expenses</b>	<b>244,741</b>	<b>264,805</b>
<b>Operating Surplus / (Deficit)</b>	<b>8,541</b>	<b>4,976</b>

18. Borrowings are projected to cap at \$82.295m for 2026/27 as a result of the capital program delivery. This remains within prudential limits articulated through the suite of ratios Council uses to attest prudential borrowings being:
- 18.1. Net Financial Liabilities below 80% (2026/27 budget 41%)
  - 18.2. Asset Test ratio below 50% (2026/27 budget 26.1%)
  - 18.3. Interest Expense ratio below 10% (2026/27 budget 1.9%)
  - 18.4. Leverage Test ratio below 1.5 years (2026/27 budget 0.50 years)
19. The projected borrowings of \$82.295m are \$3.077m lower than the 2025/26 to 2033/34 LTFP projections for the same period. A reconciliation of the movement has been provided in the following table.

Borrowings Reconciliation \$000's	2026/27 Draft budget	2026/27 LTFP	Movement
Opening Borrowings (2025/26 Forecast Position)	(50,677)	(50,074)	(603)
Operating Surplus	4,976	3,583	1,393
Net outlays on Renewal of Assets	(7,473)	(5,754)	(1,719)
Net outlays on New and Upgraded Assets	(27,916)	(31,922)	4,006
<b>Forecast Borrowings as at 30 June 2026</b>	<b>(81,091)</b>	<b>(84,167)</b>	<b>3,076</b>

#### Rates Revenue

20. Income from rates is forecast to increase by \$10.718m which equates to a 5.6% increase for existing properties, plus a further 1.5% from growth from new developments. This rate revenue will be generated through the revaluation of properties, combined with amendment to the Rate in the Dollar.
21. The Minimum Rate was introduced in 2025/26 at \$400. It is proposed within the 2026/27 BP&B to increase this to \$415, representing an inflation increase of 3.5%. This funding is within the overall forecast rates increase.

## Fees and charges

22. Council has reviewed its fees and charges consistent with increased costs to deliver services and meet inflation. As a base position, Council is increasing fees by 3.5% in 2026/27 to meet rising costs and inflation.
23. Total proposed fees and charges increases are expected to be \$6.876m in 2026/27, compared to the 2025/26 forecast of \$91.458m. This is driven by an increase in price and volume. In addition, the Central Market Arcade Redevelopment is forecast to complete with partial leasing revenue generated of \$2.5m compared to the 2025/26 budget.
24. A review has been undertaken, with a range of changes to, or introduction of, fees and charges. The fees and charges reviewed include:
  - 24.1. Introduction of a new fee for After Hours Security Callouts at City of Adelaide Libraries and Community Centres.
  - 24.2. Introduction of a permit fee for commercial advertising on static displays on approved low impact facilities.
  - 24.3. Introduction of Rundle Mall fee for static outdoor advertising.
  - 24.4. Introduction of a 12 month fee-free outdoor dining permit for new or spaces which have not been activated for 12 months.
  - 24.5. Introduction of a 12 month fee-free outdoor dining permit for businesses who converted fixed to moveable furniture (including screens).

## Capital Budget 2026/27

25. The draft budget includes a capital budget of \$98.546m (net \$96.741m after external funding), including:
  - 25.1. \$68.825m for asset renewal for the \$2 billion plus owned Council assets (roads, footpaths, parks, buildings etc).
  - 25.2. \$29.721m of new and upgrade capital projects.
  - 25.3. Grant funding confirmed to be received specifically for new and upgrade capital projects is \$0.295m, with a further \$1.510m in unconfirmed funding.

<b>\$'000s</b>		<b>Proposed Draft Position</b>
<b>Capital Expenditure</b>		
<b>1</b>	Capital Expenditure on Renewal & Replacement of Existing Assets	68,825
<b>2</b>	Capital Expenditure on New and Upgraded Assets	29,721
<b>Total Capital Expenditure</b>		<b>98,546</b>
<b>3</b>	Amounts received specifically for New and Upgraded Assets	1,805
<b>Net Capital Expenditure</b>		<b>96,741</b>

## Key Financial Indicators 2026/27

26. A suite of financial sustainability indicators (KFIs) is used to measure Council's financial performance, to guide decision-making on major projects and significant components in the LTFP, and to secure its continued financial sustainability. The KFIs for 2026/27 expressed in the table below are within target ranges, indicating the Council is financially sustainable for 2026/27.

	Target	2025/26 Q2 budget	2026/27
<b>OPERATING SURPLUS RATIO</b> Expresses the operating surplus as a percentage of operating revenue.	0%-20%	3.4%	1.8%
<b>NET FINANCIAL LIABILITIES</b> Expresses the financial liabilities as a percentage of operating income.	Less than 80%	35%	41%
<b>ASSET RENEWAL FUNDING RATIO</b> Expresses expenditure on asset renewals as a percentage of forecast expenditure required as per the asset management plans.	90%-110%	94.7%	94.6%
<b>ASSET TEST RATIO</b> Expresses borrowings as a percentage of saleable property assets.	Maximum 50%	16.0%	26.1%
<b>INTEREST EXPENSE RATIO</b> Interest expense as a percentage of General Rates Revenue (less Landscape Levy)	Maximum 10%	1.5%	1.9%
<b>LEVERAGE TEST RATIO</b> Expresses total borrowings relative to General Rates Revenue (less the Landscape Levy).	Maximum 1.5 years	0.34 years	0.50 years
<b>CASH FLOW FROM OPERATIONS RATIO</b> Expresses operating income as a percentage of operating expenditure plus expenditure on renewal/replacement of assets.	Greater than 100%	102%	101%
<b>BORROWINGS</b> Expresses borrowings as a percentage of the Prudential Borrowing Limit (50% of saleable property assets).	Less than 100% of Prudential Limit	32%	52%
<b>BORROWINGS</b> Expresses Borrowings (Gross of Future Fund) as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Less than 100% of Prudential Limit	52%	72%

## Opportunities and Risks

27. The Draft 2026/27 BP&B presents an investment program to deliver for our city and community. Appropriate consideration has been given to a range of delivery risks. A non-exhaustive list of risks includes:
- 27.1. Challenging procurement market
  - 27.2. Challenging recruitment market
  - 27.3. Materials and contractor availability
  - 27.4. Capacity of existing resources to address an infrastructure focus.
28. It is also important to note the Draft 2026/27 BP&B does not list every item Council will focus on in the coming year. To ensure effective delivery and community value, Council will continue to focus on:
- 28.1. Building strategic relationships and partnerships to improve access to funding opportunities that support community outcomes.
  - 28.2. Investing in community engagement to build trusting relationships.
  - 28.3. Continuous improvement and efficiencies in the planning and delivery of services, programs and assets and improve our procurement lifecycle.

- 28.4. Service reviews to identify service changes based on community need and meeting Council's strategic intent.
- 28.5. Pursuing revenue opportunities and grants which reduce the reliance on rates.
- 28.6. Attracting businesses, workers and visitors to the city through economic opportunities, arts, culture and events.
- 28.7. Encouraging investment and development through partnerships.

### Subsidiaries

29. Council owns and operates three subsidiaries as a part of its operations. They are included in the draft business plan and budget as follows:
  - 29.1. Adelaide Central Market Authority (ACMA) has prepared a budget with an overall operating deficit of \$3.383m. Further details on the activities and budget can be found in ACMA's Draft 2026/27 Business Plan and Budget (**Attachment B**).
  - 29.2. Adelaide Economic Development Agency (AEDA) has prepared a budget to deliver a range of programs designed to stimulate the city's economic growth. The income generated from Rundle Mall will be utilised specifically to support and promote the Rundle Mall Precinct. The remaining services delivered by AEDA are funded through the City of Adelaide through an appropriation of funds.
  - 29.3. The AEDA budget incorporates an appropriation of funds (effectively a contribution) from the City of Adelaide of \$10.088m. Further details on the activities and budget can be found in AEDA's Draft 2026/27 Business Plan and Budget (**Attachment C**).
  - 29.4. Kadaltilla / Adelaide Park Lands Authority has prepared a break-even budget, funded through a contribution from the City of Adelaide. Further details on the activities and budget can be found in Kadaltilla's Draft 2026/27 Business Plan and Budget (**Attachment D**).
  - 29.5. In addition to the owned and operated subsidiaries, contributions to the Brown Hill Keswick Creek Stormwater Board include minor operational \$0.140m and capital \$0.320m budgets.

### Next Steps

30. Council will receive copies of the community feedback on the Draft 2026/27 BP&B at its meeting scheduled for 9 June 2026. This report will also include any feedback provided by the Audit and Risk Committee.
31. At a Council meeting proposed for 23 June 2026 (and presented to the City Finance and Governance Committee 16 June 2026), Council will be asked to adopt:
  - 31.1. The City of Adelaide 2026/27 BP&B
  - 31.2. Adelaide Central Market Authority 2026/27 BP&B.
  - 31.3. Adelaide Economic Development Agency 2026/27 BP&B
  - 31.4. Kadaltilla 2026/27 BP&B
  - 31.5. Rating Policy, Valuations, Declaration of Rates and Rundle Mall Special Rate.

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## DATA AND SUPPORTING INFORMATION

Link 1- [Community Engagement Policy](#)

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## ATTACHMENTS

**Attachment A** – Draft 2026/27 Business Plan & Budget

**Attachment B** – Draft 2026/27 ACMA Business Plan & Budget

**Attachment C** – Draft 2026/27 AEDA Business Plan & Budget

**Attachment D** – Draft 2026/27 Kadaltilla / Park Lands Authority Business Plan & Budget

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- END OF REPORT -

# Draft 2026/27 Business Plan & Budget



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



## Kaurna Acknowledgement

City of Adelaide acknowledges the Kaurna People of the Adelaide Plains as the Traditional Custodians of the land on which we live, work and gather. We acknowledge and honour their spiritual and cultural stewardship of this Country and recognise the deep and enduring relationship with its lands, waters, the sky, and all living things. We pay our respects to Kaurna Elders past and present and recognise the important role of emerging leaders in sustaining and strengthening culture.

City of Adelaide tampinhi, ngadlu Kaurna yartangka panpapanpalyarrinhi (inparrinhi). Kaurna Miyurna yaitya mathanya Wama Tarntanyaku. Parnaku yailtya, parnaku tapa purruna, parnaku yarta, ngadlu tampinhi. Yalaka Kaurna miyurna ithu yailtya, tapa purruna, yarta, kawi, ngayirda kuma puru martinhi, puru warri-apinhi, puru tangka martulayinhi. Kumartarna yaitya miyurna iyangka yalaka ngadlu tampinhi.

## Our City

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 a liveable city that is progressive, resilient, bold, trailblazing and enterprising.

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

Our City is home to approximately 30,000 residents. From 2024 to 2025 the City of Adelaide had one of the highest residential population growth rates of any council in South Australia at 3.2%. This growth underpins Council's aspiration for a growing city population, targeting 50,000 residents by 2036 and is reflected by the ongoing confidence by government and private developers' pipeline of future residential and student housing developments proposed for the CBD and North Adelaide.

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, as reflected by the over 350,000 daily visitors.

Businesses continue to grow and thrive, with almost 13,000 enterprises in the City supporting over 172,000 local jobs. The City's reputation as the economic 'engine' and innovation capital of the State is reflected by the City's contribution of 18% to the state's economic prosperity. Reflecting the city's economic vitality and diversity, the largest employment industries are professional, scientific and technical services; public administration and safety; health care and social assistance and financial and insurance services.

### Our City at a glance:



## Our Adelaide

### **Bold. Aspirational. Innovative.**

The 2026/27 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 2026/27 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 our subsidiaries Kadaltilla / Adelaide Park Lands Authority, Adelaide Central Market Authority and the Adelaide Economic Development Agency.

This plan delivers on Year 3 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:

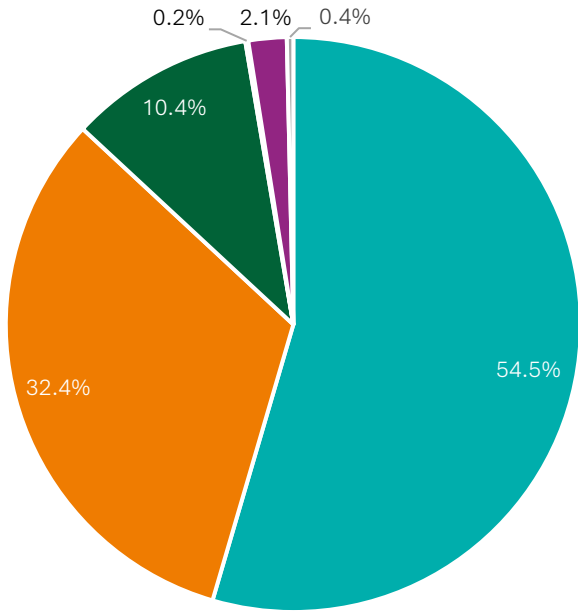
- A focus on delivery of the Strategic Plan 2024-2028 with key projects and infrastructure upgrades
- Delivery of core council services
- Delivery of a financially sustainable budget with an equitable approach to income generation, in line with our Long Term Financial Plan
- Delivery of an operating 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 the community and 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.

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 alignment to the Resource Plan 2024-2028, that underpins this plan, is provided at the end of this document (Our Resources and Budget).

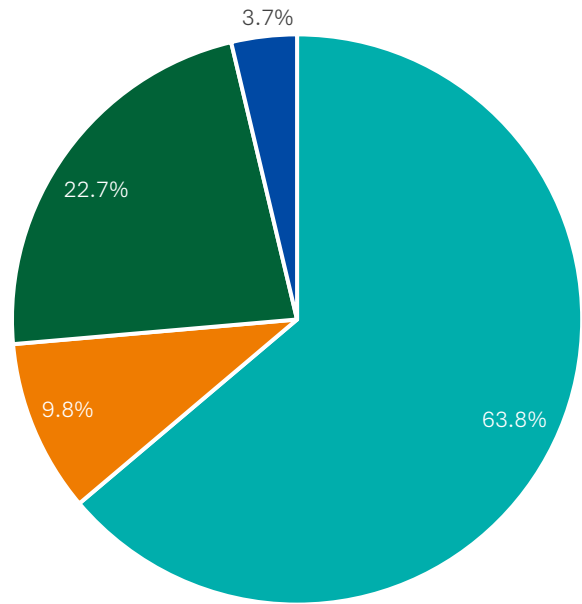
Further information, including a copy of Council's subsidiary plans and budgets, is available online at [cityofadelaide.com.au/budget](http://cityofadelaide.com.au/budget).

**Where our funds come from:**



	Budget (\$m)	
● Rates	\$ 165.626	54.5%
● Fees and charges (Statutory & User Charges)	\$ 98.334	32.4%
● Borrowings	\$ 31.618	10.4%
● Proceeds from the Sale of Assets	\$ 0.500	0.2%
● External Funding	\$ 6.522	2.1%
● Other	\$ 1.104	0.4%
<b>TOTAL</b>	<b>\$ 303.704</b>	

**How our funds are spent:**



	Budget (\$m)	
● Service Delivery	\$ 193.870	63.8%
● New and Upgraded Assets	\$ 29.721	9.8%
● Renewal/Replacement of Assets	\$ 68.825	22.7%
● Strategic Projects	\$ 11.288	3.7%
<b>TOTAL</b>	<b>\$ 303.704</b>	

## Key Investments

### **Investing over \$29.7m into capital new and upgrade projects**

including a dedicated fund to ensure the right investment is provided to the future of our Community Sports and Park Lands facilities, delivering the revitalisation of our main streets and continuing greening through the city.

### **Undertaking over \$68.8m in asset renewal**

maintaining and improving the \$2 billion plus owned Council assets such as our roads, buildings, footpaths, and the many hectares of Park Lands.

### **Co-delivering an investment in city living**

working in partnership with the State Government and the community housing sector to progress the Flinders Street Housing Project to support housing supply, affordability and to deliver on our target of 50,000 residents.

### **Delivering \$11.3m of projects towards our strategic commitments**

with funding to deliver on our strategies, including the Integrated Transport Strategy, Integrated Climate Strategy, Disability Access and Inclusion Plan, Stretch Reconciliation Action Plan, Homelessness Strategy, Property Strategy, Economic Development Strategy, and our Strategic Plan.

### **Strengthening Community connection with Council**

delivering best practices for awareness and participation in the upcoming Local Government Election and the implementation of our new Community Engagement Charter and Policy.

### **Opening the expanded Adelaide Central Market**

strengthening the Market's diversity, vibrancy and strong sense of place through a once in a generation expansion, including an additional 50 tenants, as part of Council's partnership with ICD Property to deliver the \$600m Market Square project, which also incorporates new residences, commercial office and hotel.

### **Building our organisation's digital future**

creating a high performing and customer centric organisation through investing \$2.7m in our Information Management Roadmap, as well through spatial mapping, AI and cybersecurity enhancements.

### **Funding through responsible principles of financial sustainability**

reflecting a general rates revenue increase of 5.6%.

## Lord Mayor Introduction

**Maintaining the essential services that keep Adelaide running while continuing to invest in the future of our city is the focus of this Council's 2026/27 Draft Annual Business Plan and Budget.**

This Budget has been developed in a period of global economic uncertainty that is driving up the cost of doing business for councils, just as it is for households and industry.

From fuel and materials to the cost of maintaining assets and caring for our Park Lands, these pressures are being felt across all areas of city operations.

In this environment, this Budget strikes a careful balance between discipline and ambition.

It is about ensuring we continue to deliver core services while making considered investments in the growth and liveability of our city.

This includes ongoing work to maintain and improve our roads, footpaths, waste services and the many hectares of Park Lands that we have been left to be custodians of for more than a century.

At the same time, we are continuing to progress key city-shaping projects, including upgrades to Gouger, Hindley, Hutt, O'Connell and Melbourne streets.

Funding is also proposed for concept planning to support big new housing opportunities in the East End, as well as investigations into a new pedestrian crossing on Franklin Street to improve safety and connectivity.

Importantly, while elected members will ultimately determine how the Budget is allocated, community feedback is critical to ensuring we strike the right balance.

While our financial position remains under pressure, this Budget continues a responsible and measured approach of carefully managing costs while continuing to invest in the services and infrastructure on which our community relies.

It is a practical Budget for uncertain times. It is also one that lays the groundwork for an ambitious future for Adelaide.

I encourage all residents, businesses and stakeholders to review the Draft Budget and have their say.

Your feedback will help shape the final plan and ensure it reflects the priorities of our community.

Dr Jane Lomax-Smith AM

Lord Mayor

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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 are 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 Strategies and Plans

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 and consider the range of essential services needed now and in the future 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.

### **Financial sustainability, infrastructure and resourcing**

Council recognises our past financial position and the need for continued financial discipline while investing in the City, however we have not been immune to local and global pressures on the physical and human resources required to deliver projects and asset renewals. Rising costs for service delivery, inflation pressures and access to resources, contractors and materials, combined with lower grant revenue requires Council to continue to prioritise financial sustainability for current and future generations. This has been reflected by the implementation of an Asset Renewal Repair Fund and 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 can be found on page 87 of this document.*

### **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 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. Driven by new housing developments, most of the population growth for the city is likely to come from migration, which is forecast to peak between 2027 and 2031.

### **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, sustainability, transport, and planning and development. The South Australian Labor Party was recently re-elected for a second term and has confirmed within Cabinet, a Minister for the City of Adelaide, highlighting the importance of the City's contribution to the State's vibrancy and prosperity. Recent State Government led developments such as the North Adelaide Golf Course, New Women's and Children's Hospital (WCH), housing developments on the City Fringe, and the addition of the MotoGP to the City centre in 2027, will bring a unique set of challenges and opportunities for the City.

### **Economic**

The City of Adelaide continues to experience local economic growth through low commercial vacancy rates and new and expanding commercial developments. This has been coupled with record breaking visitation levels due to the State Government's support and an increase in investment in our world renowned Fringe Festival, AFL Gather Round and LIV Golf. At a national level, inflation figures coupled with maintaining a low unemployment rate have resulted in some economists predicting a 'stagnation' for the Australian economy leading to the Reserve Bank of Australia increasing the cash rate and not ruling out future increases. The uncertainty around economic conditions presents an ongoing challenge to Council, particularly when it comes to building an annual budget and being able to appropriately finance these in the long-term.

There are likely to be ongoing challenges with retail spend in our City as a result of ‘cost of living’ pressures on our community. 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.

**Global**

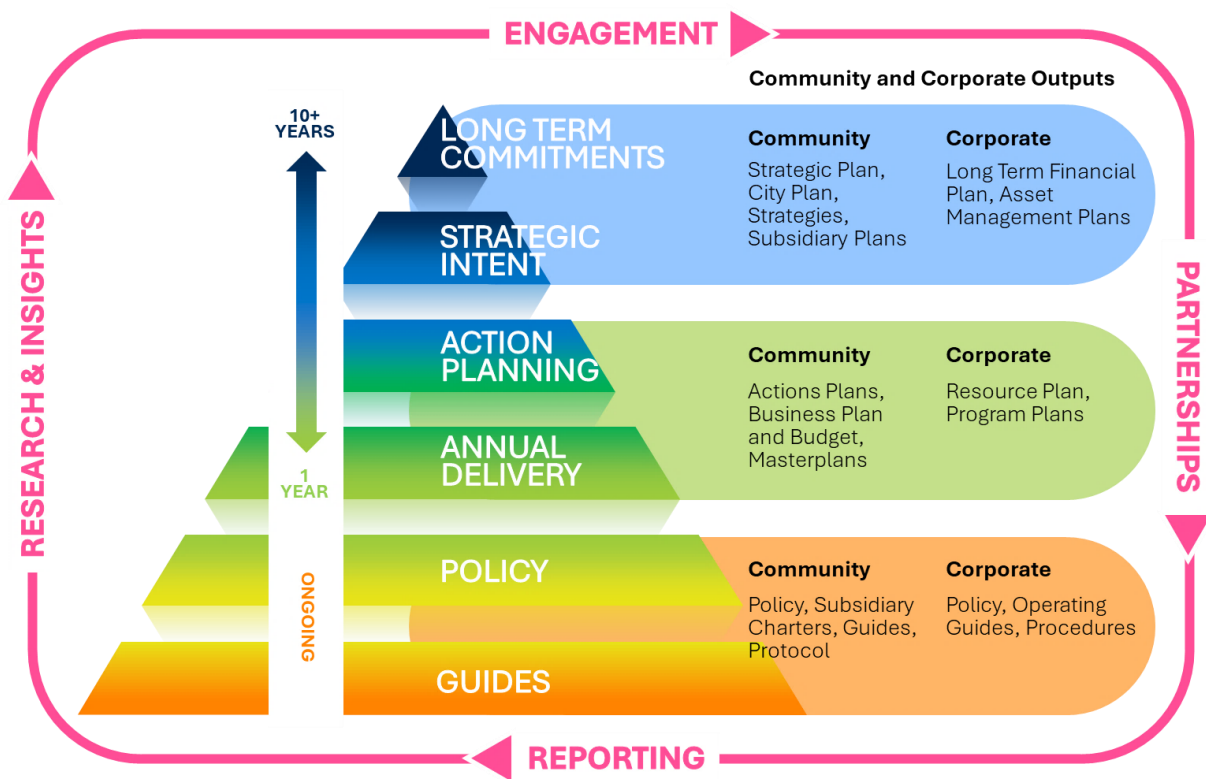
Recent political movements and trends and community sentiment around lack of government trust and in citizenship engagement and democracy are increasingly appearing in more local settings. Coupled with global instability particularly in North America and the Middle East, means Council is facing challenges not just around maintaining and growing trust, but also the ability to support community wellbeing, resilience and cost of living impacts.

## 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 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 (Towards 2036)	Our Environment
Asset Management Plans	Our Places
City Plan (2024 - 2036)	Our Places
Community Land Management Plans	Our Places
Cultural Policy	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
Integrated Transport Strategy	Our Places
International Relations Strategy	Our Community
Long Term Financial Plan	Our Corporation
(Stretch) Reconciliation Action Plan (2024-2027)	Our Community
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 2026/27 Business Plan and Budget in alignment with the Strategic Plan, community expectations and operational challenges and opportunities.

To support our planning, we will focus on:

- 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 2026/27 Business Plan, including Annual Priorities, aligned to the Strategic Plan aspirations, is presented on the following pages.**

## Our Community – Vibrant, connected and inclusive

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.

### Action to Prioritise

- Enable community-led services which increase wellbeing, social connections and participation in active lifestyles, leisure, recreation and sport
- 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

### Projects that deliver on this aspiration:

- Adelaide Central Market Expansion Operational Preparedness
- City Activation
- City Community Grants
- Flinders Street Housing – Concept Planning
- Implementation of City of Adelaide Housing Strategy
- Implementation of the City of Adelaide Community Charter
- Market Expansion Art Project (Internal Spaces)
- Melbourne Street Public Art Commission
- Public Art Action Plan Deliverables
- Reconciliation Action Plan 2024-2027 Implementation
- Social Planning Homelessness and Adelaide Zero Project Resourcing

### Measures within our Strategic Plan to deliver in 2026/27:

- Develop a target for increasing participation in arts, events and cultural experiences facilitated or supported by the City of Adelaide
- Develop a target to increase the number of Aboriginal and Torres Strait Islander-led community reconciliation activities
- Promote multicultural events and activities in our city
- Attract investment to deliver 600 affordable rental properties by 2028 in line with Council’s Housing Strategy
- Increase the diverse opportunities for volunteer participation in line with the Volunteer Australia national Standards
- Increase the use of the City of Adelaide or State Government incentive schemes or grants to increase diversity in housing, public realm, sustainability and community facilities in line with Council’s Housing Strategy
- Amplify Adelaide’s status as a UNESCO City of Music

## Our Environment – Resilient, protected and sustainable

Leads 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.

### Action to Prioritise

- Continue the support for the Kadaltilla/ Adelaide Park Lands Authority Subsidiary and the delivery of the Kadaltilla Charter and Business Plans
- Lead and advocate for the environmental value, productivity, quality and biodiversity of the Park Lands, squares, open space and streetscapes

### Projects that deliver on this aspiration:

- Brown Hill Keswick Creek (Financial Contribution)
- City Public Realm Greening Program
- Climate impact assessment for the Adelaide Park Lands
- Integrated Climate Strategy EV Charging
- Integrated Climate Strategy Food organics high-rise - pilot
- Kerbside waste audit
- National Heritage Management Plan First Nations Heritage
- Sustainability Design Prize
- SA Power Networks (SAPN) Luminaire Upgrades
- Torrens Lake Earth Retaining Structure

### Measures within our Strategic Plan to deliver in 2026/27:

- Achieve net increase in biodiversity, habitats, and ecosystems health within the City of Adelaide by 2030
- Deliver the Adelaide Park Lands Management Strategy
- Develop a target to increase green infrastructure in our assets to support and enhance our environment
- Develop a target to increase green spaces to support our environment
- Support 40% tree canopy cover by 2035
- Support the community to reduce their climate impact through the Integrated Climate Strategy

## Our Economy – Growing, innovative and responsive

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.

### Action to Prioritise

- Continue the support for the Adelaide Central Market Authority (ACMA) Subsidiary and the delivery of the ACMA Charter and Business Plans
- Continue the support for the Adelaide Economic Development Agency (AEDA) Subsidiary and the delivery of the AEDA Charter and Business Plans

### Projects that deliver on this aspiration:

- City Brand Development
- Economic Development Strategy Implementation
- Investment Attraction Program
- Rundle Mall 50th Anniversary
- Small Business Program

### Measures within our Strategic Plan to deliver in 2026/27:

- Support the delivery of the key actions of the AEDA Strategic Plan to support investors, emerging sectors, entrepreneurs and business owners to be successful, innovative and responsive to a changing business environment
- Council and AEDA to partner with key stakeholders to progress economic development and growth outcomes across all sectors in the City to increase city contribution to Gross State Product
- Increase spending across the city
- Support the delivery of key actions of ACMA
- Deliver marketing and promotion strategies to share Adelaide's unique attributes and emerging opportunities
- Increase the number of people who visit the City from 2.1 million to 2.5 million by 2028 through local, interstate and international visitation
- Increase the use of social enterprises and Aboriginal Torres Strait Islander owned businesses through City of Adelaide procurement

## Our Places – Interesting, purposeful and safe

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.

### Action to Prioritise

- Maintain and improve disability, LGBTQIA+ and vulnerable or minority group access and inclusion
- Work with partners to support safer road user behaviour

### Projects that deliver on this aspiration:

- Adaptive Reuse City Housing Initiative
- Bridge Maintenance Program
- Community Sports Building Redevelopment – Concept Design
- Community Sports Building Redevelopment – Mary Lee Park / Tulya Wardli (Park 27B)
- Delivering the Planning and Design Code Amendment Program 2023-26 (Year 2)
- Disability Access and Inclusion Plan 2024-2028 Implementation
- Franklin Street Pedestrian Crossing
- Integrated Transport Strategy
- Integrated Transport Strategy - Kerbside and Parking Management Policy
- Integrated Transport Strategy Implementation - Biketober
- Main Street Revitalisation – Gouger Street
- Main Street Revitalisation – Hindley Street
- Main Street Revitalisation – Hutt Street
- Main Street Revitalisation – Melbourne Street
- Main Street Revitalisation – O’Connell Street
- Market Expansion Technical Services & Site Management
- Resilient Flood Planning
- School Safety Implementation Project - Phase 1 & 2
- Strategic Property Investigations
- Threat and Risk Assessment - Rundle Mall Precinct
- Undergrounding of Powerlines
- Vehicle Safety Barriers - Pilot
- West Pallant Street Improvements

### Measures within our Strategic Plan to deliver in 2026/27:

- 15% of new dwellings are available as affordable purchase or rental to low and moderate income earners
- Achieve Disability Access compliance in all new and upgraded infrastructure
- Increase the number of people who agree that the city is a welcoming and dynamic place full of rich and diverse experiences from 82% to 90%
- No loss of local heritage places and consider options to increase the 1,850 places

## Our Corporation – High performing, customer-centric and bold

Effective Leadership and Governance

Exceptional Customer Experience

Financial Sustainability

People Engagement

Strategy, Value and Efficiency

Technology and Information

### Action to Prioritise

- Demonstrate bold capital city leadership and robust governance with our community at the heart of our decisions
- Work with local, national and international partners to deliver the outcomes of the Strategic Management Framework to move our city into the future

### Projects that deliver on this aspiration:

- AI-Driven Solutions for Enhanced City Services
- Archives Digitisation Project
- Corporate GIS and City Map service systems upgrade
- Council and Committee Support Officer
- Cyber Security Enhancement
- Digital Parking Improvements
- Election 2026
- Fleet Management Information System
- Fuel Management system upgrade
- Minor Works Building – Security Upgrades
- Nursery and Green Waste Recycling Facility
- UPark Central Market – Parking Guidance System
- Workforce Management Phase 3
- 2026/27 Project Delivery Costs

### Measures within our Strategic Plan to deliver in 2026/27:

- Achieve and maintain Voice of the Customer Survey scores for Customer Satisfaction and Customer Ease
- Deliver and maintain Business Systems Roadmap to support business efficiency
- Deliver Workforce Management Systems upgrades
- Grow the share of non-rates based revenue
- Increase awareness and engagement of staff through the use of better systems
- Reduce the number of items and Council decisions considered and held in confidence
- Review marketing and communications policies and practices to ensure website and social media content is reflective of current decisions, projects and services

## Performance

The Strategic Plan 2024-2028 includes a range of indicators of success to ensure Council is on the path to deliver our long-term vision. These were built based on conversations with Council and our community, as well as 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 2026/27.

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.

These include:

### **Capital City Committee**

The Capital City Committee is the main forum for the City of Adelaide and the 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 to 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 2026/27 (\$'000)	Operating	Capital	Total
<b>Federal Grant Funding</b>			
Financial Assistance – Roads to Recovery	485	-	485
Supplementary Local Road Funding	134	-	134
<b>State Government Funding</b>			
Adaptive Reuse City Housing Initiative	276	-	276
DHS Community Neighbourhood Development	107	-	107
Library Grant	221	-	221
Local Government Financial Assistance Grant	1,179	-	1,179
Main Street Revitalisation - Hindley Street	-	200	200
Place of Courage	-	95	95
Park Lands Related Activity	2,118	-	2,118
School Immunisation Program	110	-	110
School Safety Implementation Project - Phase 2 *		1,510	1,510
Vulnerable and Homeless People Project	47	-	47
<b>Other</b>			
Sponsorships and Donations	40	-	40
<b>TOTAL</b>	<b>4,717</b>	<b>1,805</b>	<b>6,522</b>

\*unconfirmed funding

## Our Programs and Projects

Our Organisation

2026/27 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

The City of Adelaide will deliver the 2026/27 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.

<p><b>City Community</b></p>	<ul style="list-style-type: none"> <li>▪ Director City Community</li> <li>▪ City Culture</li> <li>▪ Customer and Marketing</li> <li>▪ Regulatory Services</li> </ul>
<p><b>City Infrastructure</b></p>	<ul style="list-style-type: none"> <li>▪ Director City Infrastructure</li> <li>▪ Infrastructure</li> <li>▪ Strategic Property and Commercial</li> </ul>
<p><b>City Shaping</b></p>	<ul style="list-style-type: none"> <li>▪ Director City Shaping</li> <li>▪ City Operations</li> <li>▪ Park Lands, Policy and Sustainability</li> <li>▪ Kadaltilla / Adelaide Park Lands Authority</li> </ul>
<p><b>Corporate Services</b></p>	<ul style="list-style-type: none"> <li>▪ Chief Operating Officer</li> <li>▪ Finance and Procurement</li> <li>▪ Governance and Strategy</li> <li>▪ Information Management</li> <li>▪ People</li> <li>▪ Adelaide Central Market Authority (ACMA)</li> <li>▪ Adelaide Economic Development Agency (AEDA)</li> </ul>
<p><b>Offices</b></p>	<ul style="list-style-type: none"> <li>▪ Office of the Chief Executive</li> <li>▪ Office of the Lord Mayor</li> </ul>

### Notes for this section:

Where shown in finances tables, the below applies:

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

## 2026/27 Budget

The table below provides a snapshot of the City of Adelaide's Budget for 2026/27 compared against the previous financial year, across our organisational structure and outlining the proposed Strategic (non-Capital) Projects for each Portfolio:

	2025/ 26 Q2 Budget		2026/ 27	
	\$'000	Income	Expenditure	Income
<b>City Community</b>				
Director City Community	-	(685)	-	(727)
City Culture	5,524	(19,378)	5,675	(19,249)
Customer and Marketing	1	(7,231)	1	(8,143)
Regulatory Services	18,670	(11,171)	20,903	(12,202)
Strategic Projects	47	(1,367)	-	(1,060)
<b>City Infrastructure</b>				
Director City Infrastructure	-	(709)	-	(740)
Infrastructure	200	(51,404)	-	(55,329)
Strategic Property and Commercial	61,244	(34,500)	62,843	(36,082)
Strategic Projects	424	(3,223)	-	(2,265)
<b>City Shaping</b>				
Director City Shaping	-	(715)	-	(743)
City Operations	2,935	(47,184)	3,046	(50,211)
Park Lands, Policy and Sustainability	46	(7,889)	47	(8,249)
Kadaltilla / Adelaide Park Lands Authority	323	(323)	359	(359)
Strategic Projects	721	(2,499)	276	(2,492)
<b>Corporate Services</b>				
Chief Operating Officer	-	(974)	-	(1,018)
Finance and Procurement	142	(4,841)	150	(5,068)
Governance and Strategy	-	(6,054)	-	(6,642)
Information Management	38	(15,849)	35	(16,916)
People	-	(5,082)	20	(5,731)
Corporate Activities*	152,744	1,022	163,509	(90)
Adelaide Central Market Authority	5,645	(6,282)	8,305	(9,028)
Adelaide Economic Development Agency	4,528	(13,137)	4,612	(13,786)
Strategic Projects	50	(2,175)	-	(5,471)
<b>Offices</b>				
Office of the CEO	-	(1,501)	-	(1,554)
Office of the Lord Mayor	-	(1,590)	-	(1,650)
<b>Total</b>	<b>253,282</b>	<b>(244,741)</b>	<b>269,781</b>	<b>(264,805)</b>
<b>Operating Surplus/ (Deficit)</b>		<b>8,541</b>		<b>4,976</b>

\* 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: City Culture; Customer and Marketing; and Regulatory Services

### 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.

	2025/ 26 Q2 Budget					2026/ 27			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		24,242	-	24,242	-	26,579	-	26,579
Employee Costs	196.9		-	(25,512)	(25,512)	200.6	-	(27,538)	(27,538)
Materials	-		-	(11,794)	(11,794)	-	-	(11,272)	(11,272)
Sponsorships	-		-	(909)	(909)	-	-	(926)	(926)
Depreciation	-		-	(1,617)	(1,617)	-	-	(1,645)	(1,645)
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>196.9</b>		<b>24,242</b>	<b>(39,832)</b>	<b>(15,590)</b>	<b>200.6</b>	<b>26,579</b>	<b>(41,381)</b>	<b>(14,802)</b>
<b>Program Budget</b>									
Office of the Director		3.0	-	(685)	(685)		3.0	-	(727)
City Culture		68.8	5,524	(19,378)	(13,854)		70.5	5,675	(19,249)
Customer and Marketing		40.1	1	(7,231)	(7,230)		44.1	1	(8,143)
Regulatory Services		83.0	18,670	(11,171)	7,499		83.0	20,903	(12,202)
Strategic Projects		2.0	47	(1,367)	(1,320)		-	-	(1,060)
<b>TOTAL</b>		<b>196.9</b>	<b>24,242</b>	<b>(39,832)</b>	<b>(15,590)</b>		<b>200.6</b>	<b>26,579</b>	<b>(41,381)</b>

	2025/ 26 Q2 Budget			2026/ 27	
	\$'000	Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		3,918	(14,655)	95	(3,520)
Renewal		-	(456)	-	(1,810)
<b>TOTAL</b>		<b>3,918</b>	<b>(15,111)</b>	<b>95</b>	<b>(5,330)</b>

# City Culture

City Community Portfolio

**Strategic** Our Community,  
**Plan link** Our Places

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

## Functions supported:

- Adelaide Town Hall
- City Activation
- Community Centres
- Community Development & 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:

	2025/26 Q2 Budget				2026/27				
	\$'000	FTE	Inc.	Exp. Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>Operating Budget</b>									
Revenue	-		5,524	-	5,524	-	5,675	-	5,675
Employee Costs	68.8		-	(9,167)	(9,167)	70.5	-	(9,859)	(9,859)
Materials	-		-	(8,085)	(8,085)	-	-	(7,219)	(7,219)
Sponsorships	-		-	(509)	(509)	-	-	(526)	(526)
Depreciation	-		-	(1,617)	(1,617)	-	-	(1,645)	(1,645)
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>68.8</b>		<b>5,524</b>	<b>(19,378)</b>	<b>(13,854)</b>	<b>70.5</b>	<b>5,675</b>	<b>(19,249)</b>	<b>(13,574)</b>
<b>Activity View</b>									
Associate Director (office)	2.0		-	(381)	(381)	2.0	-	(394)	(394)
Adelaide Town Hall	5.0		3,482	(3,692)	(210)	5.0	3,987	(3,987)	-
City Experience	15.1		820	(4,381)	(3,561)	16.9	827	(4,738)	(3,911)
City Lifestyle	8.8		532	(3,005)	(2,473)	8.8	435	(3,177)	(2,742)
Creative City	12.4		155	(2,423)	(2,268)	12.4	165	(2,489)	(2,324)
Libraries	25.5		535	(5,496)	(4,961)	25.4	261	(4,464)	(4,203)
<b>TOTAL</b>	<b>68.8</b>		<b>5,524</b>	<b>(19,378)</b>	<b>(13,854)</b>	<b>70.5</b>	<b>5,675</b>	<b>(19,249)</b>	<b>(13,574)</b>

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

	2025/26 Q2 Budget					2026/27					
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
Aboriginal Protocol Grant	-	-	-	(41)	(41)	(41)	-	-	-	-	-
Adelaide's New Years Eve	-	-	65	-	(700)	(635)	-	40	-	(718)	(678)
ANZAC Day Service - March & Related Activities	-	-	-	-	(57)	(57)	-	-	-	(59)	(59)
Arts and Cultural Grants	0.2	-	-	(39)	-	(39)	-	-	-	-	-
Christmas Festival Action Plan	-	-	-	(109)	(424)	(533)	0.8	5	(103)	(532)	(630)
City Activation - West End Precinct	-	-	-	-	(53)	(53)	-	-	-	-	-
City Activation – East End Unleashed	-	-	41	-	(291)	(250)	-	-	-	-	-
City Activation - Gouger Street Precinct	-	-	-	-	(53)	(53)	-	-	-	-	-
City Activation - Hutt Street Precinct	-	-	-	-	(81)	(81)	-	-	-	-	-
City Activation - North Adelaide Precinct	-	-	-	-	(109)	(109)	-	-	-	-	-
City Activation - Precinct Support	1.0	-	-	(136)	-	(136)	1.0	42	(142)	(42)	(142)
Contestable Precinct Funding	-	-	-	-	-	-	-	-	-	(470)	(470)
Community Grants	1.0	-	-	(136)	(414)	(550)	1.0	-	(142)	(466)	(608)
DHS Community Neighbourhood Development Funding - Minor Works	0.8	99	-	(97)	(2)	-	0.8	107	(103)	(4)	-
Homelessness Social and Affordable Housing	2.0	-	-	(275)	(35)	(310)	2.0	-	(286)	(35)	(321)
International Relations (Sister Cities)	-	-	-	-	(98)	(98)	-	-	-	(99)	(99)
Live Music Industry and Venues Support	-	-	-	-	(59)	(59)	-	-	-	(61)	(61)
UNESCO Adelaide City of Music Ltd Partnership	-	-	-	-	(54)	(54)	-	-	-	(54)	(54)
Winter Weekends	-	-	-	-	-	-	-	-	-	(93)	(93)
<b>TOTAL</b>	<b>5.0</b>	<b>205</b>	<b>(792)</b>	<b>(2,471)</b>	<b>(3,058)</b>	<b>(3,058)</b>	<b>5.6</b>	<b>194</b>	<b>(776)</b>	<b>(2,633)</b>	<b>(3,215)</b>

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

	\$'000	FTE	2025/26 Q2 Budget			Total(N)	FTE	2026/27			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Strategic Projects</b>											
Australia Day Sponsorship	-	-	-	(100)	(100)	-	-	-	-	-	-
Bilingual Community Liaison Officer	1.0	-	(93)	-	(93)	-	-	-	-	-	-
City Activation	-	-	-	(300)	(300)	-	-	-	(450)	(450)	-
City Community Grants	-	-	-	-	-	-	-	-	(400)	(400)	-
Community Sports Building Redevelopment (Park 21 West)	-	-	-	(450)	(450)	-	-	-	-	-	-
DHS Grant - Volunteers Connectors Program	-	25	(25)	-	-	-	-	-	-	-	-
Future Libraries Business Case	-	-	-	(75)	(75)	-	-	-	-	-	-
Library Community Cohesion Programs	-	9	-	(9)	-	-	-	-	-	-	-
Positive Ageing Program –Pilot	-	-	(50)	-	(50)	-	-	-	-	-	-
Social Work in Libraries	-	13	-	(13)	-	-	-	-	-	-	-
Vehicle Safety Barriers - Pilot	-	-	-	-	-	-	-	-	(60)	(60)	-
<b>TOTAL</b>	<b>1.0</b>	<b>47</b>	<b>(168)</b>	<b>(947)</b>	<b>(1,068)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(910)</b>	<b>(910)</b>	<b>-</b>

	\$'000	2025/26 Q2 Budget		2026/27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	3,918	(14,655)	95	(3,520)	
Renewal	-	(456)	-	(1,810)	
<b>TOTAL</b>	<b>3,918</b>	<b>(15,111)</b>	<b>95</b>	<b>(5,330)</b>	

Note: Some of the new and upgrade budget from previous financial years income and expenditure has been retimed into 2026/27 and is incorporated in the 2026/27 income and expenditure.

# Customer and Marketing

City Community Portfolio

**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 and Advocacy
- Customer Service Process Review and Development
- Customer Sentiment Measurement
- Media and Public Relations
- Strategic Communications and Campaign Implementation

## Outputs for the year ahead

- Continuation and expansion of the strategic communication approach that engages, 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 proactive and engaging marketing and advertising approaches that strengthen CoA's reputation, informs our community on key CoA initiatives and celebrates our achievements
- Development of content that showcases our passionate staff and demonstrates 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 comprehensive customer surveying, consolidation of customer services processes and 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 expanded Voice of Customer and internal Service Level Agreement Programs
- 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:

	2025/26 Q2 Budget				2026/27				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	1	-	-	1	-	1	-	1
Employee Costs	40.1	-	(5,179)	(5,179)	(5,179)	44.1	-	(5,918)	(5,918)
Materials	-	-	(2,052)	(2,052)	(2,052)	-	-	(2,225)	(2,225)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>40.1</b>	<b>1</b>	<b>(7,231)</b>	<b>(7,230)</b>	<b>(7,230)</b>	<b>44.1</b>	<b>1</b>	<b>(8,143)</b>	<b>(8,142)</b>
<b>Activity View</b>									
Associate Director (office)	1.0	-	(225)	(225)	(225)	1.0	-	(253)	(253)
Customer Experience	28.1	1	(4,708)	(4,707)	(4,707)	31.1	1	(5,340)	(5,339)
Marketing & Communications	11.0	-	(2,298)	(2,298)	(2,298)	12.0	-	(2,550)	(2,550)
<b>TOTAL</b>	<b>40.1</b>	<b>1</b>	<b>(7,231)</b>	<b>(7,230)</b>	<b>(7,230)</b>	<b>44.1</b>	<b>1</b>	<b>(8,143)</b>	<b>(8,142)</b>

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

	\$'000	FTE	2025/26 Q2 Budget			Total(N)	FTE	2026/27			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Operating Activities</b>											
N/A		-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		-	-	-	-	-	-	-	-	-	-

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

	\$'000	FTE	2025/26 Q2 Budget			Total(N)	FTE	2026/27			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Strategic Projects</b>											
City of Adelaide website redevelopment		-	-	-	(100)	(100)	-	-	-	-	-
Digital Parking Improvements		-	-	-	-	-	-	-	-	(150)	(150)
<b>TOTAL</b>		-	-	-	(100)	(100)	-	-	-	(150)	(150)

	\$'000	2025/26 Q2 Budget		2026/27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
<b>TOTAL</b>		-	-	-	-

# Regulatory Services

City Community Portfolio

**Strategic** Our Environment,  
**Plan link** Our Places

**The Regulatory Services Program 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 State Commission Assessment Panel
- Provide safe and accessible spaces through delivering legislative obligations regarding public health, building compliance, permits, on-street parking and related legislation
- Enhance the use of data in making evidence-based decisions to improve regulatory service delivery
- Deliver proactive communication which educates the community and support public safety and compliance

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

	2025/ 26 Q2 Budget				2026/ 27					
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>Operating Budget</b>										
Revenue	-		18,670	-	18,670	-	20,903	-	20,903	
Employee Costs	83.0		-	(10,194)	(10,194)	83.0	-	(11,071)	(11,071)	
Materials	-		-	(977)	(977)	-	-	(1,131)	(1,131)	
Sponsorships	-		-	-	-	-	-	-	-	
Depreciation	-		-	-	-	-	-	-	-	
Finance Costs	-		-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>83.0</b>		<b>18,670</b>	<b>(11,171)</b>	<b>7,499</b>	<b>83.0</b>	<b>20,903</b>	<b>(12,202)</b>	<b>8,701</b>	
<b>Activity View</b>										
Associate Director (office)		3.0	-	(490)	(490)		3.0	-	(526)	(526)
City Development		24.9	3,852	(3,274)	578		24.9	3,987	(3,467)	520
City Safety		13.0	538	(1,902)	(1,364)		14.0	593	(2,393)	(1,800)
On-Street Parking Compliance		42.1	14,280	(5,505)	8,775		41.1	16,323	(5,816)	10,507
<b>TOTAL</b>		<b>83.0</b>	<b>18,670</b>	<b>(11,171)</b>	<b>7,499</b>		<b>83.0</b>	<b>20,903</b>	<b>(12,202)</b>	<b>8,701</b>

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

	2025/ 26 Q2 Budget					2026/ 27					
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
N/A	-		-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	\$'000	FTE	2025/26 Q2 Budget			Total(N)	FTE	2026/27			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Strategic Projects</b>											
On-Street Parking Compliance											
Technology and Customer Analytics Reform		1.0	-	(152)	-	(152)	-	-	-	-	-
<b>TOTAL</b>		<b>1.0</b>	<b>-</b>	<b>(152)</b>	<b>-</b>	<b>(152)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	\$'000	2025/26 Q2 Budget		2026/27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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: Infrastructure; and Strategic Property and Commercial

### Key Focus areas

- Capital Works Program, including New and Significant Upgrades and Renewals
- Main street revitalisation and improvements
- Deliver initiatives aligned with the Integrated Transport Strategy
- Deliver initiatives as defined in the City of Adelaide Property Strategy
- Progress with approved property development projects including Market Square, Tapangka (Former Bus Station Site), City East Housing Project

	2025/26 Q2 Budget					2026/27			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		61,868	-	61,868	-	62,843	-	62,843
Employee Costs	118.2		-	(12,706)	(12,706)	129.2	-	(13,337)	(13,337)
Materials	-		-	(26,468)	(26,468)	-	-	(27,344)	(27,344)
Sponsorships	-		-	(175)	(175)	-	-	(179)	(179)
Depreciation	-		-	(50,487)	(50,487)	-	-	(53,556)	(53,556)
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>118.2</b>		<b>61,868</b>	<b>(89,836)</b>	<b>(27,968)</b>	<b>129.2</b>	<b>62,843</b>	<b>(94,416)</b>	<b>(31,573)</b>
<b>Program Budget</b>									
Office of the Director	3.0		-	(709)	(709)	3.0	-	(740)	(740)
Infrastructure	66.5		200	(51,404)	(51,204)	70.5	-	(55,329)	(55,329)
Strategic Property and Commercial	46.7		61,244	(34,500)	26,744	54.7	62,843	(36,082)	26,761
Strategic Projects	2.0		424	(3,223)	(2,799)	1.0	-	(2,265)	(2,265)
<b>TOTAL</b>	<b>118.2</b>		<b>61,868</b>	<b>(89,836)</b>	<b>(27,968)</b>	<b>129.2</b>	<b>62,843</b>	<b>(94,416)</b>	<b>(31,573)</b>

	2025/26 Q2 Budget			2026/27	
	\$'000	Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade			4,100	(29,081)	200 (21,335)
Renewal			-	(57,912)	- (58,336)
<b>TOTAL</b>			<b>4,100</b>	<b>(86,993)</b>	<b>200 (79,671)</b>

# Infrastructure

City Infrastructure Portfolio

**Strategic** Our Environment  
**Plan link** 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:

	2025/26 Q2 Budget					2026/27				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>Operating Budget</b>										
Revenue	-		200	-	200	-	-	-	-	
Employee Costs	66.5		-	(3,713)	(3,713)	70.5	-	(4,250)	(4,250)	
Materials	-		-	(5,331)	(5,331)	-	-	(6,685)	(6,685)	
Sponsorships	-		-	(175)	(175)	-	-	(179)	(179)	
Depreciation	-		-	(42,185)	(42,185)	-	-	(44,215)	(44,215)	
Finance Costs	-		-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>66.5</b>		<b>200</b>	<b>(51,404)</b>	<b>(51,204)</b>	<b>70.5</b>	<b>-</b>	<b>(55,329)</b>	<b>(55,329)</b>	
<b>Activity View</b>										
Associate Director (office)		1.9	-	(651)	(651)		1.9	-	(684)	(684)
Infrastructure Planning and Delivery		44.8	200	(50,216)	(50,016)		46.8	-	(54,064)	(54,064)
Technical Services		19.8	-	(537)	(537)		21.8	-	(581)	(581)
<b>TOTAL</b>		<b>66.5</b>	<b>200</b>	<b>(51,404)</b>	<b>(51,204)</b>		<b>70.5</b>	<b>-</b>	<b>(55,329)</b>	<b>(55,329)</b>

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

	2025/26 Q2 Budget						2026/27					
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)	
<b>Operating Activities</b>												
Free City Connector		-	-	-	(1,364)	(1,364)		-	-	-	(1,239)	(1,239)
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,364)</b>	<b>(1,364)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,239)</b>	<b>(1,239)</b>

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

	\$'000	FTE	2025/26 Q2 Budget			Total(N)	FTE	2026/27			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Strategic Projects</b>											
Asset Condition Audit	-	-	-	(1,000)	(1,000)	-	-	-	-	-	-
Bridge Maintenance Program	-	-	-	-	-	-	-	-	-	(200)	(200)
Corporate GIS and City Map service systems upgrade	-	-	-	-	-	-	-	-	-	(700)	(700)
Gawler Place Ram Raid Bollard	-	-	10	-	(10)	-	-	-	-	-	-
Integrated Transport Strategy Implementation	-	-	-	-	-	-	-	-	-	(150)	(150)
Integrated Transport Strategy - Kerbside and Parking Management Policy	-	-	-	-	-	-	-	-	-	(80)	(80)
Integrated Transport Strategy Implementation - Biketober	-	-	-	-	-	-	-	-	-	(75)	(75)
Market Expansion Site Management	-	-	-	-	(80)	(80)	-	-	-	-	-
Resilient Flood Planning	1.0	-	100	(165)	(935)	(1,000)	1.0	-	-	(400)	(400)
SA Power Networks (SAPN) Luminaire Upgrades	-	-	-	-	-	-	-	-	-	(100)	(100)
School Safety Review	-	-	-	-	(11)	(11)	-	-	-	-	-
Undergrounding of Powerlines	-	-	-	-	-	-	-	-	-	(460)	(460)
<b>TOTAL</b>		<b>1.0</b>	<b>110</b>	<b>(165)</b>	<b>(2,036)</b>	<b>(2,091)</b>	<b>1.0</b>	<b>-</b>	<b>-</b>	<b>(2,165)</b>	<b>(2,165)</b>

	\$'000	2025/26 Q2 Budget		2026/27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		4,100	(24,423)	200	(20,485)
Renewal		-	(57,912)	-	(58,336)
<b>TOTAL</b>		<b>4,100</b>	<b>(71,021)</b>	<b>200</b>	<b>(78,821)</b>

Note: Some of the new and upgrade budget from previous financial years income and expenditure has been retimed into 2026/27 and is incorporated in the 2026/27 income and expenditure.

# Strategic Property and Commercial

City Infrastructure Portfolio

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

**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 and Tapangka (Former Bus Station site)
- Progress master planning and consortium arrangements for the City East Housing Project
- Effectively manage City of Adelaide's property leasing portfolio

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

	2025/26 Q2 Budget				2026/27				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		61,244	-	61,244	-	62,843	-	62,843
Employee Costs	46.7		-	(8,027)	(8,027)	54.7	-	(8,377)	(8,377)
Materials	-		-	(18,171)	(18,171)	-	-	(18,364)	(18,364)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	(8,302)	(8,302)	-	-	(9,341)	(9,341)
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>46.7</b>		<b>61,244</b>	<b>(34,500)</b>	<b>26,744</b>	<b>54.7</b>	<b>62,843</b>	<b>(36,082)</b>	<b>26,761</b>
<b>Activity View</b>									
Associate Director (office)	1.8		-	(444)	(444)	1.8	-	(464)	(464)
Commercial	4.0		-	(773)	(773)	3.0	-	(643)	(643)
Parking	17.8		47,821	(15,595)	32,226	19.8	49,281	(16,524)	32,757
North Adelaide Golf Course	13.1		5,455	(5,530)	(75)	20.1	5,186	(5,186)	-
Strategic Property Development	4.8		-	(966)	(966)	4.6	-	(973)	(973)
Strategic Property Management	5.2		7,968	(11,192)	(3,224)	5.4	8,376	(12,292)	(3,916)
<b>TOTAL</b>	<b>46.7</b>		<b>61,244</b>	<b>(34,500)</b>	<b>26,744</b>	<b>54.7</b>	<b>62,843</b>	<b>(36,082)</b>	<b>26,761</b>

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

	2025/26 Q2 Budget					2026/27					
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
N/A	-		-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	\$'000	FTE	2025/26 Q2 Budget			Total(N)	FTE	2026/27			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Strategic Projects</b>											
88 O'Connell St Redevelopment	-		144	-	(194)	(50)	-	-	-	-	-
Commercial Parking Internal Audit – System Consolidation	-		-	-	(450)	(450)	-	-	-	-	-
Review of Property	-		-	-	(50)	(50)	-	-	-	-	-
Strategic Property Investigations	-		-	-	(200)	(200)	-	-	-	(100)	(100)
Parking Coordinator - On Street Paid Parking Controls		1.0	170	(121)	(7)	42	-	-	-	-	-
		<b>1.0</b>	<b>314</b>	<b>(121)</b>	<b>(901)</b>	<b>(708)</b>	-	-	-	<b>(100)</b>	<b>(100)</b>

	\$'000	2025/26 Q2 Budget		2026/27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	(4,658)	-	(850)
Renewal		-	-	-	-
<b>TOTAL</b>		-	<b>(4,658)</b>	-	<b>(850)</b>

## 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: City Operations; and Park Lands, Policy and Sustainability

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, including the City of Adelaide Code Amendment Program
- Implementing the Integrated Climate Strategy, including a climate impact assessment of the Adelaide Park Lands
- Implementing the Stretch Reconciliation Action Plan 2024-2027, including delivery of National Reconciliation Week and NAIDOC Week activities
- Heritage promotion and protection, including implementing the National Heritage Management Plan for the Adelaide Park Lands and City Layout
- Manage approaches to urban biodiversity including the seasonal migration of Tree Martins
- Initiatives and projects included or associated with the Disability Access and Inclusion Plan, Economic Development Strategy, Housing Strategy and Homelessness Strategy
- Delivery of the Adaptive Re-use City Housing Initiative (ARCHI)
- Maintenance of public realm and city presentation

	2025/ 26 Q2 Budget					2026/ 27			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		4,025	-	4,025	-	3,728	-	3,728
Employee Costs	274.2		-	(32,825)	(32,825)	278.5	-	(34,953)	(34,953)
Materials	-		-	(21,755)	(21,755)	-	-	(22,939)	(22,939)
Sponsorships	-		-	(1,902)	(1,902)	-	-	(1,981)	(1,981)
Depreciation	-		-	(2,128)	(2,128)	-	-	(2,181)	(2,181)
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>274.2</b>		<b>4,025</b>	<b>(58,610)</b>	<b>(54,585)</b>	<b>278.5</b>	<b>3,728</b>	<b>(62,054)</b>	<b>(58,326)</b>
<b>Program Budget</b>									
Office of the Director	3.0		-	(715)	(715)	3.0	-	(743)	(743)
Park Lands, Policy & Sustainability	36.6		46	(7,889)	(7,843)	36.9	47	(8,249)	(8,202)
City Operations	230.3		2,935	(47,184)	(44,249)	235.3	3,046	(50,211)	(47,165)
Kadaltilla / Park Lands Authority	1.3		323	(323)	-	1.3	359	(359)	-
Strategic Projects	3.0		721	(2,499)	(1,778)	2.0	276	(2,492)	(2,216)
<b>TOTAL</b>	<b>274.2</b>		<b>4,025</b>	<b>(58,610)</b>	<b>(54,585)</b>	<b>278.5</b>	<b>3,728</b>	<b>(62,054)</b>	<b>(58,326)</b>
<b>Capital Projects</b>									
New and Upgrade						-	(768)	-	-
Renewal						-	(1,988)	-	(3,749)
<b>TOTAL</b>						-	<b>(2,756)</b>	-	<b>(3,749)</b>

# City Operations

City Shaping Portfolio

**Strategic** Our Environment  
**Plan link** Our Places

**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

- Optimise and deliver planned and responsive maintenance programs across all Council assets including infrastructure, buildings, urban elements, horticulture, arboriculture, cleansing, waste and fleet, ensuring service reliability, efficiency and asset longevity
- Support the achievement of increased canopy cover by delivering the operational components of the accelerated greening program
- Enhance safety, compliance and service standards across cleansing, waste collection and processing, building compliance, tree risk management and community lighting, ensuring legislative obligations are met and community expectations exceeded
- Embed and implement the Plant and Fleet Asset Management Plan, progressing next-stage actions that support Integrated Climate Strategy targets and operational efficiency
- Scale and evaluate innovative city trials to improve customer experience, using data and feedback to inform permanent service improvements
- Strengthen out-of-hours service capability to respond effectively to emerging issues, emergencies and community needs across the City of Adelaide
- Deliver Minor Capital Works in alignment with Council's capital works program, ensuring seamless coordination, quality outcomes and minimal disruption to the community
- Advance operational data capture and asset intelligence, ensuring future operational impacts of capital projects are accurately forecast, resourced and sustainably managed
- Implement suites of Maintenance Service Standards that align with the organisation's Asset Management Plans

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

	2025/26 Q2 Budget				2026/27				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		2,935	-	2,935	-	3,046	-	3,046
Employee Costs	230.3		-	(26,000)	(26,000)	235.3	-	(27,903)	(27,903)
Materials	-		-	(19,056)	(19,056)	-	-	(20,122)	(20,122)
Sponsorships	-		-	-	-	-	-	(5)	(5)
Depreciation	-		-	(2,128)	(2,128)	-	-	(2,181)	(2,181)
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>230.3</b>		<b>2,935</b>	<b>(47,184)</b>	<b>(44,249)</b>	<b>235.3</b>	<b>3,046</b>	<b>(50,211)</b>	<b>(47,165)</b>
<b>Activity View</b>									
Associate Director (office)	2.0		-	(403)	(403)	2.0	-	(447)	(447)
Manager, City Maintenance	1.0		-	(202)	(202)	1.0	-	(210)	(210)
Manager, City Presentation	1.0		-	(213)	(213)	1.0	-	(221)	(221)
Cleansing	47.0	10		(7,434)	(7,424)	47.5	28	(8,249)	(8,221)
Facilities	5.0		-	(3,408)	(3,408)	5.0	-	(3,554)	(3,554)
Horticulture	87.1	2,596		(16,432)	(13,836)	87.1	2,666	(17,193)	(14,527)
Infrastructure Maintenance	33.0		-	(6,164)	(6,164)	35.0	-	(6,703)	(6,703)
Operations Support	24.0	18		(2,929)	(2,911)	25.0	19	(3,036)	(3,017)
Trades	14.8	261		(5,722)	(5,461)	14.8	268	(5,916)	(5,648)
Waste	4.0	50		(3,599)	(3,549)	5.5	65	(3,917)	(3,852)
Workshops	11.4		-	(678)	(678)	11.4	-	(765)	(765)
<b>TOTAL</b>	<b>230.3</b>		<b>2,935</b>	<b>(47,184)</b>	<b>(44,249)</b>	<b>235.3</b>	<b>3,046</b>	<b>(50,211)</b>	<b>(47,165)</b>

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

	2025/26 Q2 Budget					2026/27					
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
Safer City Program	-		-	(95)	-	(95)	-	-	(172)	-	(172)
<b>TOTAL</b>	<b>-</b>		<b>-</b>	<b>(95)</b>	<b>-</b>	<b>(95)</b>	<b>-</b>	<b>-</b>	<b>(172)</b>	<b>-</b>	<b>(172)</b>

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

	2025/26 Q2 Budget					2026/27					
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
Fleet Management Information System	-		-	-	-	-	-	-	-	(300)	(300)
Fuel Management system upgrade	-		-	-	-	-	-	-	-	(100)	(100)
Nursery and Green Waste Recycling Facility	-		-	-	-	-	-	-	-	(115)	(115)
<b>TOTAL</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(515)</b>	<b>(515)</b>

	2025/26 Q2 Budget			2026/27	
	\$'000	Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	-		(219)	-	-
Renewal	-		(1,559)	-	(3,749)
<b>TOTAL</b>	<b>-</b>		<b>(1,778)</b>	<b>-</b>	<b>(3,749)</b>

# Park Lands, Policy and Sustainability

City Shaping Portfolio

**Strategic  
Plan link**

Our Community, Our  
Environment, Our  
Economy, Our Places

**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 Strategy
- Heritage Management and Promotion
- Housing and Homelessness Strategies
- 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 Kurna 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:

	2025/ 26 Q2 Budget				2026/ 27				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		46	-	46	-	47	-	47
Employee Costs	36.6		-	(5,549)	(5,549)	36.9	-	(5,868)	(5,868)
Materials	-		-	(903)	(903)	-	-	(907)	(907)
Sponsorships	-		-	(1,437)	(1,437)	-	-	(1,474)	(1,474)
Depreciation	-		-	-	-	-	-	-	-
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>36.6</b>		<b>46</b>	<b>(7,889)</b>	<b>(7,843)</b>	<b>36.9</b>	<b>47</b>	<b>(8,249)</b>	<b>(8,202)</b>
<b>Activity View</b>									
Associate Director (office)	3.0		-	(502)	(502)	3.0	-	(528)	(528)
City Planning and Heritage	15.2		46	(3,917)	(3,871)	15.5	47	(3,996)	(3,949)
Low Carbon & Circular Economy	7.8		-	(1,745)	(1,745)	7.8	-	(1,772)	(1,772)
Park Lands & Sustainability	7.6		-	(1,279)	(1,279)	7.6	-	(1,346)	(1,346)
Reconciliation	3.0		-	(446)	(446)	3.0	-	(607)	(607)
<b>TOTAL</b>	<b>36.6</b>		<b>46</b>	<b>(7,889)</b>	<b>(7,843)</b>	<b>36.9</b>	<b>47</b>	<b>(8,249)</b>	<b>(8,202)</b>

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

	2025/ 26 Q2 Budget					2026/ 27					
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
Annual Delivery of Kuarna Initiatives	-	-	-	-	(27)	(27)	-	-	-	(28)	(28)
City of Adelaide Prize	-	-	-	-	-	-	-	-	-	(31)	(31)
Heritage Incentive Scheme	-	-	-	-	(1,163)	(1,163)	-	-	-	(1,162)	(1,162)
Heritage Promotion Program	1.1	-	-	(132)	(55)	(187)	1.1	-	(140)	(56)	(196)
History Festival	-	-	-	-	(33)	(33)	-	-	-	(33)	(33)
Homelessness - Social and Affordable Housing	1.0	-	-	(165)	-	(165)	1.0	-	(172)	-	(172)
Homeless and Vulnerable People Project	-	46	-	-	(46)	-	-	47	-	(47)	-
Integrated Climate Strategy - SIS	-	-	-	-	(233)	(233)	-	-	-	(238)	(238)
Integrated Climate Strategy - Carbon Neutral	2.8	-	-	(380)	(104)	(484)	2.8	-	(385)	(121)	(506)
Integrated Climate Strategy - Sustainability	-	-	-	-	(124)	(124)	-	-	-	(126)	(126)
NAIDOC Week Celebrations	-	-	-	-	(54)	(54)	-	-	-	(57)	(57)
Noise Management Program Incentive Scheme	-	-	-	-	(48)	(48)	-	-	-	(48)	(48)
Safer City Program	1.4	-	-	(222)	(32)	(254)	1.6	-	(263)	(32)	(295)
<b>TOTAL</b>	<b>6.2</b>	<b>46</b>	<b>(899)</b>	<b>(1,919)</b>	<b>(2,772)</b>	<b>(2,772)</b>	<b>6.4</b>	<b>47</b>	<b>(960)</b>	<b>(1,979)</b>	<b>(2,892)</b>

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

	\$'000	FTE	2025/26 Q2 Budget			Total(N)	FTE	2026/27			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Strategic Projects</b>											
Adaptive Reuse City Housing Initiative		2.0	303	(234)	(372)	(303)	2.0	276	(291)	(265)	(280)
Annual Cultural Burn in the Park Lands		-	-	-	(25)	(25)	-	-	-	-	-
City Plan Digital Tool		-	-	-	(101)	(101)	-	-	-	-	-
COP31		-	-	(53)	(70)	(123)	-	-	-	-	-
Climate impact assessment for the Adelaide Park Lands		-	-	-	-	-	-	-	-	(100)	(100)
Planning and Design Code Amendment Program Delivery		-	-	-	(100)	(100)	-	-	-	(150)	(150)
Disability Access and Inclusion Plan 2024-2028		-	-	-	(130)	(130)	-	-	-	(212)	(212)
Economic Development Strategy Implementation		-	-	-	-	-	-	-	-	(100)	(100)
Homelessness Strategy Implementation		-	-	-	-	-	-	-	-	(22)	(22)
Housing Strategy Implementation		-	-	-	(200)	(200)	-	-	-	-	-
Integrated Climate Strategy EV Charging		-	-	-	-	-	-	-	-	(75)	(75)
Integrated Climate Strategy Food organics high-rise - pilot		-	-	-	-	-	-	-	-	(150)	(150)
Kerbside waste audit		-	-	-	-	-	-	-	-	(100)	(100)
Key Biodiversity Area Management Plans		-	-	-	(75)	(75)	-	-	-	-	-
Master Plan for Helen Mayo Park		-	250	-	(250)	-	-	-	-	-	-
National Heritage Management Plan First Nations Heritage		-	168	-	(207)	(39)	-	-	-	(190)	(190)
National Heritage Management Plan Implementation		-	-	-	(139)	(139)	-	-	-	-	-
Stretch Reconciliation Action Plan 2024-2027		-	-	-	-	-	-	-	-	(60)	(60)
Social Planning Homelessness and Adelaide Zero Project Resourcing		-	-	-	(215)	(215)	-	-	-	(222)	(222)
Sustainability Design Prize		-	-	-	-	-	-	-	-	(40)	(40)
Tree Martin Management - 2026 Migratory Season		-	-	-	(150)	(150)	-	-	-	-	-
World Heritage Bid for the Park Lands		1.0	-	(136)	(42)	(178)	-	-	-	-	-
<b>TOTAL</b>		<b>3.0</b>	<b>721</b>	<b>(423)</b>	<b>(2,076)</b>	<b>(1,778)</b>	<b>2.0</b>	<b>276</b>	<b>(291)</b>	<b>(1,686)</b>	<b>(1,701)</b>

	\$'000	2025/26 Q2 Budget		2026/27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	(574)	-	-
Renewal		-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>(574)</b>	<b>-</b>	<b>-</b>

# Kadaltilla / Adelaide Park Lands Authority

City Shaping Portfolio

**Strategic Plan link** Our Environment

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

**Functions supported:**

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

**Outputs for the year ahead**

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

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

	2025/26 Q2 Budget				2026/27				
	\$'000	FTE	Inc.	Exp. Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>OperatingBudget</b>									
Revenue	-		323	-	323	-	359	-	359
Employee Costs		1.3	-	(180)	(180)	1.3	-	(189)	(189)
Materials		-	-	(143)	(143)	-	-	(155)	(155)
Sponsorships		-	-	-	-	-	-	(15)	(15)
Depreciation		-	-	-	-	-	-	-	-
Finance Costs		-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>1.3</b>	<b>323</b>	<b>(323)</b>	<b>-</b>	<b>1.3</b>	<b>359</b>	<b>(359)</b>	<b>-</b>
<b>Activity View</b>									
Kadaltilla		1.3	323	(323)	-	1.3	359	(359)	-
<b>TOTAL</b>		<b>1.3</b>	<b>323</b>	<b>(323)</b>	<b>-</b>	<b>1.3</b>	<b>359</b>	<b>(359)</b>	<b>-</b>

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

	2025/26 Q2 Budget						2026/27				
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>OperatingActivities</b>											
N/A	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-	-

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

	2025/26 Q2 Budget					2026/27					
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
N/A	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-	-

	2025/26 Q2 Budget			2026/27	
	\$'000	Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	-	-	-	-	-
Renewal	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-

# Corporate Services Portfolio

## (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: Finance and Procurement; Governance and Strategy; Information Management; and People Programs.

This Portfolio includes Council subsidiaries: Adelaide Central Market Authority; and the Adelaide Economic Development Agency.

### 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

	\$'000	2025/ 26 Q2 Budget			2026/ 27				
		FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	163,147	-	163,147	-	176,631	-	176,631	
Employee Costs	164.5	-	(17,959)	(17,959)	171.5	-	(20,016)	(20,016)	
Materials	-	-	(21,102)	(21,102)	-	-	(28,478)	(28,478)	
Sponsorships	-	-	(3,376)	(3,376)	-	-	(3,784)	(3,784)	
Depreciation	-	-	(8,519)	(8,519)	-	-	(8,693)	(8,693)	
Finance Costs	-	-	(2,416)	(2,416)	-	-	(2,779)	(2,779)	
<b>TOTAL</b>	<b>164.5</b>	<b>163,147</b>	<b>(53,372)</b>	<b>109,775</b>	<b>171.5</b>	<b>176,631</b>	<b>(63,750)</b>	<b>112,881</b>	
<b>Program Budget</b>									
Office of the COO	5.0	-	(974)	(974)	5.0	-	(1,018)	(1,018)	
Finance and Procurement	28.8	142	(4,841)	(4,699)	28.8	150	(5,068)	(4,918)	
Governance and Strategy	23.3	-	(6,054)	(6,054)	24.2	-	(6,642)	(6,642)	
Information Management	33.0	38	(15,849)	(15,811)	32.0	35	(16,916)	(16,881)	
People <sup>^</sup>	28.8	-	(5,082)	(5,082)	31.0	20	(5,731)	(5,711)	
Corporate Activities <sup>+</sup>	3.0	152,744	1,022	153,766	3.0	163,509	(90)	163,419	
ACMA	9.8	5,645	(6,282)	(637)	10.9	8,305	(9,028)	(723)	
AEDA	31.6	4,528	(13,137)	(8,609)	32.6	4,612	(13,786)	(9,174)	
Strategic Projects	1.2	50	(2,175)	(2,125)	4.0	-	(5,471)	(5,471)	
<b>TOTAL</b>	<b>164.5</b>	<b>163,147</b>	<b>(53,372)</b>	<b>109,775</b>	<b>171.5</b>	<b>176,631</b>	<b>(63,750)</b>	<b>112,881</b>	

<sup>+</sup>includes Rates Revenue, Corporation grants (e.g. Financial Assistance Grants), vacancy management Target, and capital overhead.

<sup>^</sup> includes 10.0 FTE Graduates allocated in business units across the Administration

	\$'000	2025/26 Q2 Budget		2026/27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	-	(6,351)	-	-	-
Renewal	-	(1,940)	-	(1,237)	-
<b>TOTAL</b>	<b>-</b>	<b>(8,291)</b>	<b>-</b>	<b>(1,237)</b>	<b>-</b>

# Finance and Procurement

Corporate Services Portfolio

**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 the 2026/27 Business Plan and Budget
- Update the Long Term Financial Plan for the period 2026/27 to 2035/36
- Support the 2026 Council Election and onboarding of newly elected Council Members
- Review of Finance and Procurement systems
- Review of Rates and Debtor Management

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

	\$'000	2025/26 Q2 Budget			2026/27				
		FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	142	-	142	-	150	-	150	
Employee Costs	28.8	-	(4,090)	(4,090)	28.8	-	(4,296)	(4,296)	
Materials	-	-	(751)	(751)	-	-	(772)	(772)	
Sponsorships	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	
Finance Costs	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>28.8</b>	<b>142</b>	<b>(4,841)</b>	<b>(4,699)</b>	<b>28.8</b>	<b>150</b>	<b>(5,068)</b>	<b>(4,918)</b>	
<b>Activity View</b>									
Associate Director	1.0	-	(271)	(271)	1.0	-	(283)	(283)	
Financial Planning & Reporting	13.0	-	(2,044)	(2,044)	13.0	-	(2,135)	(2,135)	
Procurement & Contract Management	7.8	-	(1,103)	(1,103)	7.8	-	(1,160)	(1,160)	
Rates & Receivables	7.0	142	(1,423)	(1,281)	7.0	150	(1,490)	(1,340)	
<b>TOTAL</b>	<b>28.8</b>	<b>142</b>	<b>(4,841)</b>	<b>(4,699)</b>	<b>28.8</b>	<b>150</b>	<b>(5,068)</b>	<b>(4,918)</b>	

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

	\$'000	FTE	2025/26 Q2 Budget			2026/27				
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.
<b>Operating Activities</b>										
N/A	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	\$'000	FTE	2025/26 Q2 Budget			Total(N)	FTE	2026/27			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Strategic Projects</b>											
N/A		-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		-	-	-	-	-	-	-	-	-	-

	\$'000	2025/26 Q2 Budget		2026/27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
<b>TOTAL</b>		-	-	-	-

# Governance and Strategy

Corporate Services Portfolio

**Strategic  
Plan link** Our Corporation

**The Governance and Strategy program is responsible for 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 advice and coordination on risk, legal services, insurance, council and corporate governance, emergency management, strategic and corporate planning, policy, research, project and grant management and community engagement
- Provide high-level support and advice to ensure Council Members fulfill their roles and responsibilities
- Monitor and maintain an appropriate suite of insurance and perform claims management
- Coordinate the delivery of the Business Plan and Budget and Strategic Plan
- Coordinate development and implementation of Community Engagement Toolkit
- Coordinate and support organisational research
- Deliver initiatives which support an organisational approach to risk management, internal audits and controls and legislative compliance, including the strategic internal audit plan
- Deliver Council's Business and City User Profile Surveys
- Deliver Council and Corporate reporting services
- Deliver agenda management for Council and Committee meetings

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

	2025/ 26 Q2 Budget				2026/ 27				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	-	-	-	-	-	-	-	-
Employee Costs	23.3	-	(3,010)	(3,010)	(3,010)	24.2	-	(3,298)	(3,298)
Materials	-	-	(3,044)	(3,044)	(3,044)	-	-	(3,344)	(3,344)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>23.3</b>	<b>-</b>	<b>(6,054)</b>	<b>(6,054)</b>	<b>(6,054)</b>	<b>24.2</b>	<b>-</b>	<b>(6,642)</b>	<b>(6,642)</b>
<b>Activity View</b>									
Associate Director	1.0	-	(255)	(255)	(255)	1.0	-	(270)	(270)
Corporate Governance	5.2	-	(3,203)	(3,203)	(3,203)	6.3	-	(3,587)	(3,587)
Council Governance	5.1	-	(1,133)	(1,133)	(1,133)	4.9	-	(1,199)	(1,199)
Project Management Office	5.0	-	(262)	(262)	(262)	5.0	-	(292)	(292)
Strategy & Insights	7.0	-	(1,201)	(1,201)	(1,201)	7.0	-	(1,294)	(1,294)
<b>TOTAL</b>	<b>23.3</b>	<b>-</b>	<b>(6,054)</b>	<b>(6,054)</b>	<b>(6,054)</b>	<b>24.2</b>	<b>-</b>	<b>(6,642)</b>	<b>(6,642)</b>

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

	\$'000	FTE	2025/ 26 Q2 Budget			Total(N)	FTE	Inc.	2026/ 27		Total(N)
			Inc.	Emp.	Ext.				Emp.	Ext.	
<b>Operating Activities</b>											
N/A		-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		-	-	-	-	-	-	-	-	-	-

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

	\$'000	FTE	2025/ 26 Q2 Budget			Total(N)	FTE	Inc.	2026/ 27		Total(N)
			Inc.	Emp.	Ext.				Emp.	Ext.	
<b>Strategic Projects</b>											
Council and Committee Support Officer		-	-	-	-	-	-	-	-	(110)	(110)
Election 2026		-	-	-	(275)	(275)	-	-	-	(995)	(995)
City of Adelaide Community Charter Implementation		-	-	-	-	-	-	-	-	(40)	(40)
2025 Resident Survey Analysis		-	-	-	(20)	(20)	-	-	-	-	-
Supplementary Election 2025		-	-	-	(102)	(102)	-	-	-	-	-
Threat and Risk Assessment - Rundle Mall Precinct		-	-	-	-	-	-	-	-	(30)	(30)
<b>TOTAL</b>		-	-	-	(397)	(397)	-	-	-	(1,175)	(1,175)

	\$'000	2025/ 26 Q2 Budget		2026/ 27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
<b>TOTAL</b>		-	-	-	-

# Information Management

Corporate Services Portfolio

**Strategic  
Plan link** Our Corporation

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

**Functions supported:**

- Archives and Civic Collection Management
- Corporate Records Management
- 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
- 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 (Salesforce) and data analytics roadmap

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

	\$'000	2025/ 26 Q2 Budget			2026/ 27				
		FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	38	-	38	-	35	-	35	
Employee Costs	33.0	-	(4,896)	(4,896)	32.0	-	(4,915)	(4,915)	
Materials	-	-	(9,100)	(9,100)	-	-	(10,096)	(10,096)	
Sponsorships	-	-	-	-	-	-	-	-	
Depreciation	-	-	(1,853)	(1,853)	-	-	(1,905)	(1,905)	
Finance Costs	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>33.0</b>	<b>38</b>	<b>(15,849)</b>	<b>(15,811)</b>	<b>32.0</b>	<b>35</b>	<b>(16,916)</b>	<b>(16,881)</b>	
<b>Activity View</b>									
Associate Director	13.0	8	(2,056)	(2,048)	10.0	-	(1,633)	(1,633)	
Project Delivery	7.0	-	(2,576)	(2,576)	8.0	-	(3,088)	(3,088)	
Service Desk	6.0	30	(9,899)	(9,869)	7.0	35	(10,972)	(10,937)	
Technology, Infrastructure and Platforms	7.0	-	(1,318)	(1,318)	7.0	-	(1,223)	(1,223)	
<b>TOTAL</b>	<b>33.0</b>	<b>38</b>	<b>(15,849)</b>	<b>(15,811)</b>	<b>32.0</b>	<b>35</b>	<b>(16,916)</b>	<b>(16,881)</b>	

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

	\$'000	FTE	2025/ 26 Q2 Budget			Total(N)	FTE	Inc.	2026/ 27		Total(N)
			Inc.	Emp.	Ext.				Emp.	Ext.	
<b>Operating Activities</b>											
Business Systems Roadmap		1.0	-	(100)	(1,500)	(1,600)	-	-	-	(1,600)	(1,600)
<b>TOTAL</b>		<b>1.0</b>	<b>-</b>	<b>(100)</b>	<b>(1,500)</b>	<b>(1,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,600)</b>	<b>(1,600)</b>

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

	\$'000	FTE	2025/ 26 Q2 Budget			Total(N)	FTE	Inc.	2026/ 27		Total(N)
			Inc.	Emp.	Ext.				Emp.	Ext.	
<b>Strategic Projects</b>											
AI-Driven Solutions for Enhanced City Services		-	-	-	-	-	-	-	-	(250)	(250)
Archives Digitisation Project		-	-	-	-	-	-	-	-	(100)	(100)
Clipper Ship City of Adelaide		-	-	-	(30)	(30)	-	-	-	-	-
Cyber Security Enhancement		-	-	-	(110)	(110)	-	-	-	(125)	(125)
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(140)</b>	<b>(140)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(475)</b>	<b>(475)</b>

	\$'000	2025/ 26 Q2 Budget		2026/ 27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	(172)	-	-
Renewal		-	(1,660)	-	(1,237)
<b>TOTAL</b>		<b>-</b>	<b>(1,832)</b>	<b>-</b>	<b>(1,237)</b>

# People

Corporate Services Portfolio

**Strategic  
Plan link** Our Corporation

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

### Functions supported:

- Human Resource Management
- Internal Communications and Connection
- Organisational Development
- Payroll
- Safety and Wellbeing

### Outputs for the year ahead

- Provide a customer centric business partnering service which provides expert advice and guidance consistent with terms and conditions of employment and applicable work health and safety, payroll and industrial relations legislation
- Design and implement initiatives which support a diverse organisational environment and culture which is high performing, engaged, 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 enable the identification of future workforce needs and
- Support organisational and employee development
- 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 sharing 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:

	2025/ 26 Q2 Budget				2026/ 27				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	-	-	-	-	-	20	-	20
Employee Costs	28.8	-	(3,846)	(3,846)	(3,846)	31.0	-	(4,395)	(4,395)
Materials	-	-	(1,236)	(1,236)	(1,236)	-	-	(1,336)	(1,336)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>28.8</b>	<b>-</b>	<b>(5,082)</b>	<b>(5,082)</b>	<b>(5,082)</b>	<b>31.0</b>	<b>20</b>	<b>(5,731)</b>	<b>(5,711)</b>
<b>Activity View</b>									
Associate Director	3.0	-	(596)	(596)	(596)	4.0	-	(832)	(832)
People Experience	15.8	-	(2,613)	(2,613)	(2,613)	16.0	20	(2,807)	(2,787)
People Safety and Wellbeing	4.0	-	(774)	(774)	(774)	4.0	-	(812)	(812)
People Services	6.0	-	(1,099)	(1,099)	(1,099)	7.0	-	(1,280)	(1,280)
<b>TOTAL</b>	<b>28.8</b>	<b>-</b>	<b>(5,082)</b>	<b>(5,082)</b>	<b>(5,082)</b>	<b>31.0</b>	<b>20</b>	<b>(5,731)</b>	<b>(5,711)</b>

People Experience FTE count includes 10.0 FTE Graduates allocated in business units across the Administration

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

	\$'000	FTE	2025/ 26 Q2 Budget			Total(N)	FTE	Inc.	2026/ 27		Total(N)
			Inc.	Emp.	Ext.				Emp.	Ext.	
<b>Operating Activities</b>											
Graduate Employment Program	10.6		-	(1,105)	(17)	(1,122)	10.6	-	(1,177)	(20)	(1,197)
<b>TOTAL</b>	<b>10.6</b>		<b>-</b>	<b>(1,105)</b>	<b>(17)</b>	<b>(1,122)</b>	<b>10.6</b>	<b>-</b>	<b>(1,177)</b>	<b>(20)</b>	<b>(1,197)</b>

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

	\$'000	FTE	2025/ 26 Q2 Budget			Total(N)	FTE	Inc.	2026/ 27		Total(N)
			Inc.	Emp.	Ext.				Emp.	Ext.	
<b>Strategic Projects</b>											
Aboriginal Employment and Inclusion Coordinator		0.2	-	(34)	-	(34)	-	-	-	-	-
Talent Acquisition Advisor		1.0	-	(121)	-	(121)	-	-	-	-	-
Workforce Management Phase 3		-	-	-	-	-	2.0	-	(247)	-	(247)
<b>TOTAL</b>		<b>1.2</b>	<b>-</b>	<b>(155)</b>	<b>-</b>	<b>(155)</b>	<b>2.0</b>	<b>-</b>	<b>(247)</b>	<b>-</b>	<b>(247)</b>

	\$'000	2025/ 26 Q2 Budget		2026/ 27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Adelaide Central Market Authority

Corporate Services Portfolio

**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 (including 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**

- Operational preparedness and transition activities to lead to Market Expansion opening
- 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 Subsidiary's budget by both operations and activity:

	\$'000	2025/ 26 Q2 Budget			2026/ 27				
		FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	5,645	-	5,645	-	8,305	-	8,305	
Employee Costs	9.8	-	(1,776)	(1,776)	10.9	-	(2,090)	(2,090)	
Materials	-	-	(4,461)	(4,461)	-	-	(6,899)	(6,899)	
Sponsorships	-	-	-	-	-	-	-	-	
Depreciation	-	-	(42)	(42)	-	-	(38)	(38)	
Finance Costs	-	-	(3)	(3)	-	-	(1)	(1)	
<b>TOTAL</b>	<b>9.8</b>	<b>5,645</b>	<b>(6,282)</b>	<b>(637)</b>	<b>10.9</b>	<b>8,305</b>	<b>(9,028)</b>	<b>(723)</b>	
<b>Activity View</b>									
ACMA Operations	6.8	5,558	(5,449)	109	10.9	8,230	(8,819)	(589)	
Market Expansion	3.0	-	(600)	(600)	-	-	-	-	
Online Market Platform	-	87	(233)	(146)	-	75	(209)	(134)	
<b>TOTAL</b>	<b>9.8</b>	<b>5,645</b>	<b>(6,282)</b>	<b>(637)</b>	<b>10.9</b>	<b>8,305</b>	<b>(9,028)</b>	<b>(723)</b>	

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

	\$'000	FTE	2025/ 26 Q2 Budget			Total(N)	FTE	2026/ 27			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Operating Activities</b>											
N/A	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-	-

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

	\$'000	FTE	2025/ 26 Q2 Budget			Total(N)	FTE	2026/ 27			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Strategic Projects</b>											
ACMA Traders Sustainability Program Stage 2	-	-	50	-	(50)	-	-	-	-	-	-
Adelaide Central Market Expansion Operational Preparedness	-	-	-	-	(859)	(859)	2.0	-	(217)	(2,048)	(2,265)
Market Expansion Art Project (Internal Spaces)	-	-	-	-	-	-	-	-	-	(100)	(100)
Market Expansion Technical Services & Site Management	-	-	-	-	-	-	-	-	-	(295)	(295)
<b>TOTAL</b>	-	-	<b>50</b>	-	<b>(909)</b>	<b>(859)</b>	<b>2.0</b>	-	<b>(217)</b>	<b>(2,443)</b>	<b>(2,660)</b>

	\$'000	2025/26 Q2 Budget		2026/ 27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	-	-	(1,215)	-	-
Renewal	-	-	(1)	-	-
<b>TOTAL</b>	-	-	<b>(1,216)</b>	-	-

# Adelaide Economic Development Agency

Corporate Services Portfolio

**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**

- Market and activate Rundle Mall, promote the precinct to new brands, continue work to reposition the Mall in response to changes in retail trends and consumer behaviour and celebrate the Mall’s 50<sup>th</sup> anniversary
- Support visitation to the City by directly investing into a program of events and festivals
- Work with partner organisations such as Business Events Adelaide, Study Adelaide, Renew Adelaide, Festival City Adelaide, MTP Connect and ThinkLab to build the city’s economy
- Deliver initiatives that increase the number of workers in the City by supporting businesses to grow or locate in Adelaide
- Market and promote the city with a consistent brand that underpins AEDA’s marketing activities, supporting investment and visitor attraction
- Ensuring people visiting Adelaide receive advice and information that exceeds their expectations, both on the digital platform and in the new Visitor Experience Centre.
- Support precinct groups
- Provide events and data that stimulate thinking about the City’s economy and can underpin business decision making

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

	\$'000	2025/ 26 Q2 Budget			2026/ 27				
		FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	4,528	-	4,528	-	4,612	-	4,612	
Employee Costs	31.6	-	(4,769)	(4,769)	32.6	-	(5,346)	(5,346)	
Materials	-	-	(4,943)	(4,943)	-	-	(4,881)	(4,881)	
Sponsorships	-	-	(3,346)	(3,346)	-	-	(3,477)	(3,477)	
Depreciation	-	-	(72)	(72)	-	-	(77)	(77)	
Finance Costs	-	-	(7)	(7)	-	-	(5)	(5)	
<b>TOTAL</b>	<b>31.6</b>	<b>4,528</b>	<b>(13,137)</b>	<b>(8,609)</b>	<b>32.6</b>	<b>4,612</b>	<b>(13,786)</b>	<b>(9,174)</b>	
<b>Activity View</b>									
General Manager AEDA	2.0	-	(547)	(547)	2.0	-	(569)	(569)	
Business and Investment	7.0	-	(2,787)	(2,787)	8.0	-	(3,066)	(3,066)	
Marketing	8.0	-	(2,144)	(2,144)	8.0	-	(2,213)	(2,213)	
Rundle Mall Management	9.6	4,518	(4,520)	(2)	9.6	4,612	(4,612)	-	
Visitor Economy	5.0	10	(3,139)	(3,129)	5.0	-	(3,326)	(3,326)	
<b>TOTAL</b>	<b>31.6</b>	<b>4,528</b>	<b>(13,137)</b>	<b>(8,609)</b>	<b>32.6</b>	<b>4,612</b>	<b>(13,786)</b>	<b>(9,174)</b>	

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

	\$'000	FTE	2025/ 26 Q2 Budget			Total(N)	FTE	Inc.	2026/ 27		Total(N)
			Inc.	Emp.	Ext.				Emp.	Ext.	
<b>Operating Activities</b>											
Adelaide Fashion Week	-	-	-	(489)	(489)	-	-	-	(502)	(502)	
Business Growth - Business Support	-	-	-	(232)	(232)	-	-	-	(241)	(241)	
Data and Insights	2.0	-	(286)	(126)	(412)	3.0	-	(443)	(119)	(562)	
Event and Festival Sponsorship	-	-	-	(1,990)	(1,990)	-	-	-	(2,039)	(2,039)	
General Marketing	-	-	-	(420)	(420)	-	-	-	(431)	(431)	
Main Streets Development Grants / Precinct Activation	-	-	-	(190)	(190)	-	-	-	(280)	(280)	
Strategic Partnerships	-	-	-	(1,142)	(1,142)	-	-	-	(1,137)	(1,137)	
Visitor Growth - Tourism Projects	-	-	-	(198)	(198)	-	-	-	(203)	(203)	
<b>TOTAL</b>		<b>2.0</b>	<b>-</b>	<b>(286)</b>	<b>(4,787)</b>	<b>(5,073)</b>	<b>3.0</b>	<b>-</b>	<b>(443)</b>	<b>(4,952)</b>	<b>(5,395)</b>

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

	\$'000	FTE	2025/ 26 Q2 Budget			Total(N)	FTE	Inc.	2026/ 27		Total(N)
			Inc.	Emp.	Ext.				Emp.	Ext.	
<b>Strategic Projects</b>											
Black Friday	-	-	-	(50)	(50)	-	-	-	-	-	
City Brand Development	-	-	-	(100)	(100)	-	-	-	(150)	(150)	
Investment Attraction Program	-	-	-	(100)	(100)	-	-	-	(200)	(200)	
Partner Marketing- Winter Focus	-	-	-	(75)	(75)	-	-	-	-	-	
Rundle Mall 50th Anniversary	-	-	-	-	-	-	-	-	(257)	(257)	
Rundle Mall Live Music Program	-	-	-	(100)	(100)	-	-	-	-	-	
Small Business Program	-	-	-	-	-	-	-	-	(307)	(307)	
Tourism and Business	-	-	-	(150)	(150)	-	-	-	-	-	
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(575)</b>	<b>(575)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(914)</b>	<b>(914)</b>

	\$'000	2025/ 26 Q2 Budget		2026/ 27	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	-	-	(4,964)	-	-
Renewal	-	-	(279)	-	-
<b>TOTAL</b>		<b>-</b>	<b>(5,243)</b>	<b>-</b>	<b>-</b>

## Office of the Chief Executive / Office of the Lord Mayor

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:

- 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:

	2025/ 26 Q2 Budget				2026/ 27				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	-	-	-	-	-	-	-	-
Employee Costs	10.3	-	(1,866)	(1,866)	10.3	-	(1,952)	(1,952)	(1,952)
Materials	-	-	(1,225)	(1,225)	-	-	(1,252)	(1,252)	(1,252)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>10.3</b>		<b>(3,091)</b>	<b>(3,091)</b>	<b>10.3</b>	<b>-</b>	<b>(3,204)</b>	<b>(3,204)</b>	<b>(3,204)</b>
<b>Program Budget</b>									
Office of the Chief Executive	4.0	-	(1,501)	(1,501)	4.0	-	(1,554)	(1,554)	(1,554)
Civic Event, Partnerships, and Other Events	-	-	(385)	(385)	-	-	(393)	(393)	(393)
Lord Mayor's Office Administration	6.3	-	(1,205)	(1,205)	6.3	-	(1,257)	(1,257)	(1,257)
<b>TOTAL</b>	<b>10.3</b>		<b>(3,091)</b>	<b>(3,091)</b>	<b>10.3</b>	<b>-</b>	<b>(3,204)</b>	<b>(3,204)</b>	<b>(3,204)</b>

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

	2025/ 26 Q2 Budget						2026/ 27				
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
N/A	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-	-

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

	2025/ 26 Q2 Budget						2026/ 27				
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
N/A	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-	-

	2025/26 Q2 Budget			2026/ 27	
	\$'000	Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	-	-	-	-	-
Renewal	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-

## Capital Projects

**Council owns and is responsible for the management, operation 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)	2025/ 26 Q2 Budget	2026/ 27
New and Upgrades	54,356	29,721
Renewal	67,937	68,825
<b>Total</b>	<b>122,293</b>	<b>98,546</b>

*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 previous financial years and will continue to be delivered into 2026/27*

### **RENEWALS**

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.

## MAIN STREETS

Council remains committed to the long-term revitalisation of our five main streets, recognising their importance as centres of economic activity, community life and cultural expression. Significant groundwork has already been undertaken to support this goal, including developing design concepts, engaging with the community, contractor procurement, and actively pursuing external grant funding opportunities.

Council's approach to the timing of main street projects is guided by a clear principle - delivering high-quality outcomes while maintaining the day-to-day functionality of the city during construction and it is recognised that upgrading all main streets at once would place significant pressure on traffic movement, local access and business activity.

Instead, Council has adopted a carefully sequenced rollout of staged revitalisation projects that minimises disruption, supports continued access to businesses and services, and ensures the city remains accessible and operational throughout the works program.

A considered and balanced approach has been taken to determining the sequencing of main street revitalisation projects, ensuring each stage can deliver the strongest benefit to the community. This includes aligning project timing with construction industry capacity, State and Commonwealth funding opportunities to maximise external investment and reduce pressure on ratepayers, coordinating works with major private developments to minimise disruption and deliver cohesive outcomes, and prioritising upgrades that improve public safety and accessibility.

Together, these factors guide well-timed, high-quality improvements that enhance the usability, comfort and overall experience of each main street while ensuring efficient and responsible use of public funds.

A staged program of detailed design, procurement and capital works has been incorporated within this 2026/27 Business Plan and Budget and will continue across future budget cycles. The following work will be progressed on our five main streets this financial year:

Main Street	2026/27 Planned Work	Target Project Completion
<b>O'Connell Street</b>	<ul style="list-style-type: none"> <li>▪ Completion of detailed design work</li> <li>▪ Contractor procurement</li> <li>▪ Commencement of capital works</li> </ul>	Q3 2028/29
<b>Gouger Street</b>	<ul style="list-style-type: none"> <li>▪ Finalise detailed design and contractor procurement</li> <li>▪ Commencement of capital works</li> </ul>	Q1 2028/29
<b>Melbourne Street</b>	<ul style="list-style-type: none"> <li>▪ Installation of wombat crossings</li> <li>▪ Commence detailed design work</li> </ul>	Q3 2029/30
<b>Hutt Street</b>	<ul style="list-style-type: none"> <li>▪ Finalise detailed design work</li> <li>▪ Contractor procurement</li> <li>▪ Commencement of capital works</li> </ul>	Q1 2028/29
<b>Hindley Street</b>	<ul style="list-style-type: none"> <li>▪ Pursue grant funding opportunities</li> <li>▪ Commence detailed design work</li> </ul>	Q4 2029/30

Through this logical staged delivery approach, Council is reinforcing our commitment to revitalising City and North Adelaide main streets - delivering enduring benefits for businesses, residents and visitors, while ensuring value for money and a city that continues to function and thrive throughout the transformation.

## New and Upgrade

<b>Past FY(s) Budget</b>	Expenditure on projects including, New and Upgrade, and Renewal components that occurred in previous financial years up to 2026/27. <i>Actual spend for financial years prior to 2025/26 and budgeted allocation for 2025/26, inclusive of project delivery cost incurred against each project.</i>
<b>New and Upgrade</b>	2026/27 New and Upgrade budget component.
<b>Renewal</b>	2026/27 Renewal budget component. These are also included in the Renewal table on the following page.
<b>WoP Budget</b>	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. <i>Inclusive of project delivery cost incurred against each project. Project delivery cost forecasts are not included per project for 2026/27 and beyond.</i>

	\$'000	Past FY(s) Budget	2026/27 Budget		WoP Budget
			New and Upgrade	Renewal	
<b>City Community</b>					
<b>City Culture</b>					
Community Sports Building Redevelopment – Mary Lee Park / Tulya Wardli (Park 27B)* <sup>&gt;</sup>		1,898	2,800	1,130	5,828
Community Sports Building Redevelopment – Concept Design		106	100	-	15,418
Public Art Action Plan Deliverables		125	150	-	275
Melbourne Street Public Art Commission *		-	180	-	180
Minor Works Building – Security Upgrades		55	100	-	455
Place of Courage * <sup>&gt;</sup>		36	190	-	226
<b>City Infrastructure</b>					
<b>Infrastructure</b>					
Brown Hill Keswick Creek (Financial Contribution)		2,595	320	-	5,609
City Public Realm Greening Program <sup>&gt;</sup>		7,021	2,000	-	9,066
Franklin Street Pedestrian Crossing		128	500	-	628
Main Street Revitalisation – Gouger Street <sup>&gt;</sup>		2,928	7,499	7,150	28,659
Main Street Revitalisation – Hindley Street <sup>&gt;</sup>		2,712	511	33	26,776
Main Street Revitalisation – Hutt Street <sup>&gt;</sup>		1,304	972	357	24,464
Main Street Revitalisation – Melbourne Street * <sup>&gt;</sup>		1,602	1,300	232	16,854
Main Street Revitalisation – O’Connell Street		3,519	3,335	1,906	24,481
School Safety Implementation Project - Phase 1		288	1,510	-	1,798
School Safety Implementation Project - Phase 2 **		-	1,510	-	1,510
West Pallant Street Improvements		205	60	575	840
Torrens Lake Earth Retaining Structure <sup>&gt;</sup>		603	968	-	1,571
<b>Strategic Property and Commercial</b>					
Flinders Street Housing – Concept Planning		740	250	-	1,490
UPark Central Market – Parking Guidance System		300	600	-	900
<b>Corporate Activities</b>					
2026/27 Project Delivery Costs <sup>&gt;</sup>			4,866		4,866
<b>Total New and Upgrade Program</b>		<b>26,165</b>	<b>29,721</b>	<b>11,383</b>	<b>171,894</b>

\*partially grant funded | \*\*fully grant funded | ^income generating | <sup>></sup>some/all budget retimed from previous financial years

## Renewals

	\$'000	2026/27 Budget
Buildings		13,541
Lighting & Electrical		5,363
Park Lands & Open Space		1,578
Transport		23,659
Urban Elements		4,435
Water Infrastructure *		7,653
Plant, Fleet & Equipment Replacement		4,986
Delivery Resources		7,610
<b>Total Renewal Program</b>		<b>68,825</b>

\* Includes funding for the Torrens Weir Structure (Significant Renewal)

## Our Resources and Budget

Resource Plan 2024-2028

How we Budget

Financial Framework and Indicators

Rates, Borrowings, Fees and Charges

Detailed Financial Overview

Financial Statements

## Resource Plan 2024-2028

**Council’s Strategic Plan 2024 – 2028 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 1.0% 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 2026/27 Business Plan and Budget the core assumptions from the LTFP were:

- 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, in line with forecast inflation
- 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 Main Street upgrades (\$15m per year) in addition to other items identified as a priority.

For 2026/27, 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 2025/26 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 2026/27 year. This effectively sets the required 2026/27 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 \$98.546m of which \$29.721m will deliver new and upgraded infrastructure. To do so, Council may have to utilise borrowings.

Council is budgeting to generate an operating surplus of \$4.976m in the 2026/27 financial year. This operating surplus enables funding of Council's commitment of 1.5% rates revenue for renewal and 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	
<b>Operations (\$000's)</b>			
Rates	165,626	Services	193,870
Fees and Charges	98,334	Strategic Projects	11,288
Grants and Subsidies	4,717	Renewal or replacement of existing assets	68,825
Other	1,104		
<b>Net Capital (\$000's)</b>			
Borrowings	31,618	New income generating assets	250
Capital Grants and Proceeds	1,805	New Community assets	29,471
Proceeds from the sale of assets	500		

### **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 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 2025/26 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 2026/27 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 2026/ 27	Target	2025/ 26 Q2	2026/ 27
<b>Operating Surplus Ratio</b> The ratio expresses the Operating Surplus as a percentage of Total Operating Revenue.	0%-20%	3.4%	1.8%
<b>Net Financial Liabilities</b> The ratio expresses the Financial Liabilities as a percentage of Operating Income.	Less than 80%	35%	41%
<b>Asset Renewal Funding Ratio</b> The ratio expresses the expenditure on Asset Renewals as a percentage of forecast required expenditure according to the Asset Management Plans.	90%-110%	94.7%	94.6%
<b>Asset Test Ratio</b> The ratio expresses Borrowings as a percentage of Saleable Property Assets.	Maximum 50%	16.0%	26.1%
<b>Interest Expense Ratio</b> Interest expense as a percentage of General Rates Revenue (less Landscape Levy).	Maximum 10%	1.5%	1.9%
<b>Leverage Test Ratio</b> The ratio expresses total Borrowings relative to General Rates Revenue (less the Landscape Levy).	Maximum 1.5 years	0.34 years	0.50 years
<b>Cash Flow From Operations Ratio</b> The ratio expresses Operating Income as a percentage of Operating Expenditure plus expenditure on Renewal/Replacement of assets.	Greater than 100%	102%	101%
<b>Borrowings</b> The ratio expresses Borrowings as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Less than 100% of Prudential Limit	32%	52%
<b>Borrowings</b> The ratio expresses Borrowings (Gross of Future Fund) as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Less than 100% of Prudential Limit	52%	72%

## 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 2026/27, and consistent with prior years, it is expected non-residential rates will represent approximately 75% of general rates revenue
- A minimum rate of \$415
- 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 pensioners

Differential rates are allocated through varied Rates in the Dollar by the following categories: Residential, Non-Residential and Vacant Land. Further to this, separate rates will continue to be levied for the purposes of managing and marketing the Rundle Mall Precinct, and to recover funds on behalf of Landscape SA.

**The Rating Policy by which Council raises rates and information on our rate in the dollar, is available at [cityofadelaide.com.au/rates](http://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 40% of the City of Adelaide's rateable properties are non-residential (i.e., commercial), which results in a skewed average rateable amount, when compared to suburban and regional Local Governments.

***Please note:*** *These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of adoption of the 2026/27 Business Plan and Budget. This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the 2026/27 Business Plan and Budget.*

Expected Rates Revenue (\$'000)	2025/26 (as adopted)	2026/27 (estimated)	Change
<b>General Rates Revenue</b>			
General Rates (existing properties)	156,002	166,772	5.6%
General Rates (new properties)	1,926	2,369	1.5%
<b>General Rates (GROSS)</b>	<b>157,928</b>	<b>169,141</b>	<b>7.1%</b>
Less: Mandatory Rebates (a)	(6,435)	(6,641)	
<b>General Rates (NET)</b>	<b>151,493</b>	<b>162,500</b>	

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 (i.e. individual rates will not necessarily change by this figure).

Other Rates (inc. service charges) (\$'000)	2025/26 (as adopted)	2026/27 (estimated)	Change
Regional Landscape Levy	1,881	1,893	
<i>The Regional Landscape Levy is a State tax, it is not retained by council.</i>			
Rundle Mall Management Levy	4,188	4,232	
<i>The Rundle Mall Management Levy is collected for the advertising and promotion of the Rundle Mall precinct.</i>			
	<b>157,562</b>	<b>168,625</b>	
Less: Discretionary Rebates	(3,093)	(3,607)	
<b>Expected Total Rates Revenue (b)</b>	<b>152,588</b>	<b>163,125</b>	<b>6.9%</b>

Reconciliation to the Financial Statements (\$'000)	2025/26 (as adopted)	2026/27 (estimated)	Change
Expected Total Rates Revenue	152,588	163,125	
Fines and Interest on overdue rates	398	567	
Building Upgrade Finance	41	41	
Regional Landscape Levy	1,881	1,893	
<b>Total Rates Revenue</b>	<b>154,908</b>	<b>165,626</b>	

Summary of rateable properties	2025/26 (as adopted)	2026/27 (estimated)	Change
Number of rateable properties	27,375	27,758	1.4%
	<i>Actual</i>	<i>Estimate</i>	
Estimated average General Rates per rateable property	\$5,769	\$6,094	5.6%

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).

(b) Expected Total Rates Revenue excluding the Regional Landscape Levy as per the Local Government (Financial Management) Regulations 2011.

Expected Rate Revenue	Total expected revenue (\$'000s)			Rateable properties		Average per rateable property				Rate in the \$ 26/27
	2025/26	2026/27	Change	2025/26	2026/27	2025/26	2026/27		Change	
Land Use (General Rates - GROSS)										
Residential	\$38,913	\$41,676	7.1%	17,216	17,457	\$2,260	\$2,387	(c)	\$127	TBC
Commercial - Shop	\$22,758	\$24,374	7.1%	2,430	2,464	\$9,365	\$9,891	(c)	\$526	
Commercial - Office	\$51,250	\$54,889	7.1%	3,921	3,976	\$13,070	\$13,804	(c)	\$735	
Commercial - Other	\$39,084	\$41,859	7.1%	3,491	3,540	\$11,196	\$11,826	(c)	\$629	
Industry - Light	\$597	\$639	7.1%	101	103	\$5,888	\$6,225	(c)	\$337	
Industry - Other	\$4	\$4	7.1%	1	1	\$4,221	\$4,171	(c)	-\$50	
Vacant Land	\$1,051	\$1,126	7.1%	52	52	\$20,340	\$21,487	(c)	\$1,147	
Other	\$4,271	\$4,574	7.1%	163	164	\$26,369	\$27,828	(c)	\$1,459	
<b>Total Land Use</b>	<b>\$157,928</b>	<b>\$169,141</b>	<b>7.1%</b>	<b>27,375</b>	<b>27,758</b>	<b>\$5,769</b>	<b>\$6,094</b>	<b>(c)</b>	<b>\$325</b>	
<b>Grand Total (GROSS)</b>	<b>\$157,928</b>	<b>\$169,141</b>	<b>7.1%</b>	<b>27,375</b>	<b>27,758</b>	<b>\$5,769</b>	<b>\$6,094</b>	<b>(c)</b>	<b>\$325</b>	

The general rate increase is based on net rates, which is gross rates less rebates applied.

### Notes

(c) Average per rateable property calculated as General Rates for each category, including the minimum rate but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.

### 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.

### 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, like any other organisation or household, has experienced a significant increase in costs in recent years and needs to respond accordingly.

Council recognises the need to repair its budget position 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 1 fee type, and increased and introduced 4 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 3.5% in 2026/27 to meet rising costs and inflation. Fees reviewed include:

- Introduction of a new fee for After Hour Security Callouts at City of Adelaide Libraries and Community Centres
- Introduction of a permit fee for commercial advertising on static displays on approved low impact facilities
- Introduction of Rundle Mall fee for static outdoor advertising
- Changes to outdoor dining fees:
  - Removal of the permit transfer fee
  - 12 month fee-free for new locations or locations that have not had outdoor dining for over 12 months
  - 12 month fee-free for businesses which transition to movable furniture (consistent with the outdoor dining transition policy)
  - 50% discount of the standard outdoor dining rate for businesses located in lower pedestrian areas.

*A complete list of Council's fees and charges for 2026/27 will be available online from July 2026.*

## Detailed Financial Overview

Income \$000's	2025/ 26 Q2 Budget	2026/ 27	Variance
Rates Revenue	154,908	165,626	10,718
Statutory Charges	18,854	21,049	2,195
User Charges	72,604	77,285	4,681
Grants, Subsidies and Contributions - Capital	886	485	(401)
Grants, Subsidies and Contributions - Operating	4,755	4,232	(523)
Investment Income	171	165	(6)
Reimbursements	374	238	(136)
Other Income	731	701	(30)
<b>Total Income</b>	<b>253,282</b>	<b>269,781</b>	<b>16,499</b>

### Rates revenue - \$165.626m

In 2026/27 Council has determined that rates revenue increase of 5.6% is required (plus growth) compared to 2025/26. This increase incorporates an inflation assumption of 3.5%, 2.1% 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 0.5% to fund the gradual return of the Asset Renewal Funding Ratio (ARFR) to 100% over an 8 year period. Offsetting this is an imputed rate relief of (0.5%) generated by expected efficiencies within Program Budgets.

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 1.5% 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 2026/27 will, on average, increase by 2.5%.

### Statutory charges - \$21.049m

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 - \$77.285m

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 3.5%.

The Central Market Arcade Redevelopment is forecast to complete with partial leasing revenue generated of \$2.5m.

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 overlaid with current market conditions and projections of activity.

**Grants, subsidies and contributions – Capital  
- \$0.485m**

Grants, subsidies and contributions are income received from Federal and State governments for capital projects. This income has decreased due to a higher level of once-off grants received in 2025/26. In addition to these grants recognised within operating income, 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.

**Grants, subsidies and contributions –  
Operating - \$4.232m**

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 2025/26 associated with Strategic Projects of \$0.642m.

**Investment Income - \$0.165m**

Investment income is income derived from an asset, such as interest on bank accounts and investment properties.

**Reimbursement - \$0.238m**

Reimbursement income consists of all reimbursements paid to Council by insurance companies, ratepayers, developers and other tiers of government.

**Other income - \$0.701m**

Other income is comprised of income from commissions, and other miscellaneous receipts, and varies from year to year.

<b>Expenses \$000's</b>	<b>2025/ 26 Q2 Budget</b>	<b>2026/ 27</b>	<b>Variance</b>
Employee Costs	90,868	97,796	(6,928)
Materials, Contracts and Other Expenses	82,344	91,285	(8,941)
Sponsorships, Contributions and Donations	6,362	6,870	(508)
Depreciation, Amortisation and Impairment	62,751	66,075	(3,324)
Interest Cost on borrowings	-	317	(317)
Finance Costs - ROU Assets	2,416	2,462	(46)
<b>Total Expenses</b>	<b>244,741</b>	<b>264,805</b>	<b>(20,064)</b>

### **Employee costs - \$97.796m**

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 \$97.796. The comparative increase of \$6.928m primarily results from assumed Enterprise Agreement increases as well as an increase to FTE.

There is an additional FTE of 13.2 resulting from the expansion of services delivered to our community, and 12.8 FTE converting fixed-term and casual FTE to ongoing.

### **Materials, contracts and other - \$91.285m**

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 increase by \$8.941m from \$82.344m.

This is largely due to extra costs provided for the expansion of services delivered to our community, including those incurred for the operating and maintenance of the expanded Adelaide Central Market, increased greening and maintenance, and the implementation of new strategies.

The existing expenditure base is generally indexed by 3.5% (forecast CPI) with additional increases for expenditure imposed on Council such as waste management, gas, security services and operating leases.

### **Sponsorships, Contributions and Donations - \$6.870m**

Sponsorships, contributions and donations are paid to community groups and organisations. As Council considers a strategic view to partnerships, our funding allocation for 2026/27 has increased by \$0.508m due to the introduction of a City Community Grant program of \$0.400m and Small Business Program of \$0.307m, offset by once-off funding allocated in 2025/26.

### **Depreciation - \$66.075m**

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 \$3.324m from the 2025/26 budgeted depreciation. This is a result of the revaluation of assets and the completion of key projects.

### **Finance costs on borrowings - \$0.317m**

Finance costs include interest payable on borrowings and other banking charges. Council is budgeting for an increase of \$0.317m in line with the forecast increase in borrowings.

### **Finance costs on ROU Assets - \$2.462**

Finance costs include interest payable on finance leases in line with Australian Accounting Standards.

*Note – Borrowings associated with the construction of new assets are capitalised against the assets during the construction phase.*

## Financial Statements

### Cash flow statement

Proceeds from borrowings (new drawdowns) show \$31.618m to be provided in 2026/27. This is a result of the delivery of new and upgraded capital program in 2026/27 offset by proceeds from surplus assets.

### Balance sheet

Total Assets are projected to rise to \$2,311.832m in 2026/27. This is an increase of \$138.737m, largely the result of the capital expenditure program, contributed assets and revaluation of assets.

Total borrowings are projected to increase by \$31.618m to \$82.295m as at June 2027. 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 \$31.521m in 2026/27 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

	2025/ 26 Q2 Budget	2026/ 27
<b>Income</b>		
Rates Revenue	154,908	165,626
Statutory Charges	18,854	21,049
User Charges	72,604	77,285
Grants, Subsidies and Contributions - Capital	886	485
Grants, Subsidies and Contributions - Operating	4,755	4,232
Investment Income	171	165
Reimbursements	374	238
Other Income	731	701
<b>TOTAL INCOME</b>	<b>253,282</b>	<b>269,781</b>
<b>Expenses</b>		
Employee Costs	90,868	97,796
Materials, Contracts and Other Expenses	88,707	98,155
Depreciation, Amortisation and Impairment	62,751	66,075
Finance Costs	2,416	2,779
<b>TOTAL EXPENSES</b>	<b>244,741</b>	<b>264,805</b>
<b>Operating Surplus (Deficit)</b>	<b>8,541</b>	<b>4,976</b>
Asset Disposal & Fair Value Adjustments	-	-
Amounts Received Specifically for New or Upgraded Assets	14,121	1,805
<b>Net Surplus / (Deficit)</b>	<b>22,662</b>	<b>6,781</b>
Changes in Revaluation Surplus – I, PP&E	-	74,972
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>22,662</b>	<b>81,753</b>

## Statement of Financial Position

\$'000s

2025/ 26 Q2 Budget

2026/ 27

**ASSETS**Current Assets

Cash and Cash Equivalents	800	800
Trade & Other Receivables	20,847	31,804
Inventories	741	750
Other Current Assets	-	

**Total Current Assets****22,388**      **33,354**Non-Current Assets

Trade & Other Receivables	755	755
Equity Accounted Investments in Council Businesses	4,706	5,705
Investment Property	3,197	4,870
Infrastructure, Property, Plant and Equipment	2,142,049	2,267,148
Other Non-Current Assets	-	
Non-Current Receivable	-	

**Total Non-Current Assets****2,150,707**      **2,278,478****TOTAL ASSETS****2,173,095**      **2,311,832****LIABILITIES**Current Liabilities

Trade and Other Payables	24,884	30,884
Provisions	17,381	14,363
Borrowings (Lease Liabilities)	5,264	3,314

**Total Current Liabilities****47,529**      **48,561**Non-Current Liabilities

Trades and Other Payables	15,732	15,398
Borrowings	50,677	82,295
Provisions	2,109	2,183
Borrowings (Lease Liabilities)	22,658	47,252

**Total Non-Current Liabilities****91,176**      **147,128****TOTAL LIABILITIES****138,705**      **195,689****Net Assets****2,034,390**      **2,116,143****EQUITY**

Accumulated Surplus	830,624	837,655
Asset Revaluation Reserves	1,171,995	1,246,967
Future Reserve Fund	31,771	31,521

**TOTAL COUNCIL EQUITY****2,034,390**      **2,116,143**

**Statement of Changes in Equity**

<b>\$'000s</b>	<b>2025/ 26 Q2 Budget</b>	<b>2026/ 27</b>
Balance at the end of previous reporting period	2,011,728	2,034,390
a. Net Surplus / (Deficit) for Year	22,662	6,781
b. Other Comprehensive Income	-	74,972
Total Comprehensive Income	22,662	81,753
<b>Balance at the end of period</b>	<b>2,034,390</b>	<b>2,116,143</b>

**Statement of Cashflows**

<b>\$'000s</b>	<b>2025/ 26 Q2 Budget</b>	<b>2026/ 27</b>
<b><u>Cash Flows from Operating Activities</u></b>		
<b><u>Receipts</u></b>		
Rates - general & other	154,042	154,987
Fees & other charges	18,860	21,055
User charges	72,764	77,446
Investment receipts	171	165
Grants utilised for operating purposes	4,755	4,232
Reimbursements	374	238
Other revenues	731	701
<b><u>Payments</u></b>		
Employee costs	(90,301)	(96,172)
Materials, contracts & other expenses	(87,669)	(92,488)
Finance Payments	(2,913)	(317)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>70,815</b>	<b>69,847</b>
<b><u>Cash Flows from Investing Activities</u></b>		
<b><u>Receipts</u></b>		
Amounts Received Specifically for New/Upgraded Assets	7,805	1,805
Grants utilised for capital purposes	477	-
Proceeds from Surplus Assets	18,500	-
Sale of Replaced Assets	500	500
<b><u>Payments</u></b>		
Expenditure on Renewal/Replacement of Assets	(68,780)	(68,825)
Expenditure on New/Upgraded Assets	(51,563)	(29,401)
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(93,381)</b>	<b>(96,241)</b>
<b><u>Cash Flows from Financing Activities</u></b>		
<b><u>Receipts</u></b>		
Proceeds from Borrowings	26,857	31,618
<b><u>Payments</u></b>		
Repayment from Borrowings		
Repayment of Lease Liabilities	(4,291)	(5,224)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>22,566</b>	<b>26,394</b>
<b>Net Increase (Decrease) in Cash Held</b>	<b>-</b>	<b>-</b>
plus: Cash and Cash Equivalents at beginning of period	800	800
<b>Cash &amp; Cash Equivalents at end of period</b>	<b>800</b>	<b>800</b>

**Uniform Presentation of Finances**

<b>\$'000s</b>	<b>2025/ 26 Q2 Budget</b>	<b>2026/ 27</b>
<b><u>Income</u></b>		
Rates Revenue	154,908	165,626
Statutory Charges	18,854	21,049
User Charges	72,604	77,285
Grants, Subsidies and Contributions - Capital	886	485
Grants, Subsidies and Contributions - Operating	4,755	4,232
Investment Income	171	165
Reimbursements	374	238
Other Income	731	701
<b>TOTAL INCOME</b>	<b>253,282</b>	<b>269,781</b>
<b><u>Expenses</u></b>		
Employee Costs	90,868	97,796
Materials, Contracts and Other Expenses	88,707	98,155
Depreciation, Amortisation and Impairment	62,751	66,075
Finance Costs	2,416	2,779
<b>TOTAL EXPENSES</b>	<b>244,741</b>	<b>264,805</b>
<b>Operating Surplus / (Deficit)</b>	<b>8,541</b>	<b>4,976</b>
Net Timing adjustment for General Purpose Grant Funding		
Less Grants, subsidies and contributions - Capital	(886)	(485)
Add Roads to Recovery funding	409	485
<b>Adjusted Operating Surplus / (Deficit)</b>	<b>8,064</b>	<b>4,976</b>
<b><u>Net Outlays on Existing Assets</u></b>		
Capital Expenditure on Renewal and Replacement of Existing	(68,780)	(68,825)
Finance lease payments for right of use assets on existing assets	(4,291)	(5,224)
add back Depreciation, Amortisation and Impairment	62,751	66,075
Grants, Subsidies and Contributions - Capital Renewal	477	-
Proceeds from Sale of Replaced Assets	500	500
<b>Net Outlays on Existing Assets</b>	<b>(9,343)</b>	<b>(7,473)</b>
<b><u>Net Outlays on New and Upgraded Assets</u></b>		
Capital Expenditure on New and Upgraded Assets	(51,883)	(29,721)
Amounts received specifically for New and Upgraded Assets	7,805	1,805
Grants, Subsidies and Contributions - Capital New/Upgrade	-	-
Proceeds from Sale of Surplus Assets	18,500	-
<b>New Outlays on New and Upgraded Assets</b>	<b>(25,578)</b>	<b>(27,916)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(26,857)</b>	<b>(30,413)</b>

# 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](https://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
<p><b>Analyse</b> 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.</p>	
<p><b>Improve</b> 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.</p>	<p><b>Existing Council Practice.</b> Already managed through existing Council practices for strategic planning, developing the annual business plan and budget and quarter review processes.</p>
<p><b>Consider</b> 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.</p>	
<p><b>Upgrade</b> 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.</p>	
<p><b>Consider</b> 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.</p>	<p><b>Existing Council Practice.</b> Already managed through existing Council practices for strategic planning, developing the annual business plan and budget and quarter review processes.</p>
<p><b>Consider</b> 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.</p>	<p><b>Contrary to Council policy.</b> The Future Fund is used to offset debt, and fund purchase of income generating assets which increase City of Adelaide revenues</p>
<p><b>Develop</b> 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).</p>	<p><b>Existing commercial in confidence.</b> 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.</p>

# ESCOSA Findings Report

OFFICIAL



Advice

## Local Government Advice

The Corporation of the City of Adelaide

February 2025

OFFICIAL

**OFFICIAL****Enquiries concerning this advice should be addressed to:**

Essential Services Commission  
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Adelaide SA 5001

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**OFFICIAL**

## 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](http://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.<sup>1</sup>

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.

<sup>1</sup> 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.<sup>2</sup>

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.

<sup>2</sup> 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.<sup>3</sup>

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**).<sup>4</sup> 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.<sup>5</sup> Financial sustainability encompasses intergenerational equity,<sup>6</sup> program (service level) and rates stability in this context.<sup>7</sup> The other main purpose is for the Commission to consider ratepayer contributions in the context of all revenue sources, as outlined in the LTFP.<sup>8</sup> 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.<sup>9</sup>

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.<sup>10</sup> 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**).<sup>11</sup>

<sup>3</sup> 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).

<sup>4</sup> Commonly referred to as asset management plans.

<sup>5</sup> 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.

<sup>6</sup> 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

<sup>7</sup> Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at [www.escosa.sa.gov.au/advice/advice-to-local-government](http://www.escosa.sa.gov.au/advice/advice-to-local-government).

<sup>8</sup> LG Act s122(1f)(a) and (1g)(a)(ii).

<sup>9</sup> LG Act s122(1f)(b) and (1g)(b).

<sup>10</sup> LG Act s122(1h).

<sup>11</sup> Commission, *Framework and Approach – Final Report*, August 2022, available at [www.escosa.sa.gov.au/advice/advice-to-local-government](http://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**).<sup>12</sup> Analysis of these three indicators captures financial and service sustainability, in addition to cost control and affordability risk.<sup>13</sup>

- ▶ 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,<sup>14</sup> it has also considered the Council's

<sup>12</sup> 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).

<sup>13</sup> 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.

<sup>14</sup> *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,<sup>15</sup> 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.<sup>16 17</sup> 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 ratepayers<sup>18</sup>).

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

<sup>15</sup> As required under s122(1b) of the LG Act.

<sup>16</sup> The Council's results for the 2023-24 financial year, relied on at the time of preparing this advice, were audited.

<sup>17</sup> Sourced from the Local Government Grants Commission (including data reported by the Office of the Valuer-General) and the Council's data.

<sup>18</sup> 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'.<sup>19</sup> 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)<sup>20</sup> and approximately 26,725 rateable properties (at 30 June 2023).<sup>21</sup> The Council was formed in 1840 and was the first municipality authority in Australia.<sup>22</sup>

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.<sup>23</sup> 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 residents<sup>24</sup>
- ▶ An established commercial and residential area, covering 15.6 square kilometres and a population density of 1,792 person per square kilometre<sup>25</sup>
- ▶ Its largest employment sector is Health Care and Social Assistance, followed by Professional, Scientific and Technical Services<sup>26</sup>, and Accommodation and Food Services.

<sup>19</sup> 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.

<sup>20</sup> Refer to Australian Bureau of Statistics, Data by region, available at <https://dbr.abs.gov.au/region.html?lga&rgn=40070>

<sup>21</sup> 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>

<sup>22</sup> Refer to the City of Adelaide website available at <https://www.cityofadelaide.com.au/about-council/your-council/past-lord-mayors-and-mayors/>

<sup>23</sup> City of Adelaide, 2023-24 Annual Report, page 8.

<sup>24</sup> City of Adelaide, 2022 City User Profile Survey, page 5 <https://d31atr86jnqrq2.cloudfront.net/docs/12279-CoA-City-User-Profile-2022-Full-Report.PDF>

<sup>25</sup> Footnote 19 applies.

<sup>26</sup> Footnote 19 applies.

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- ▶ 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.<sup>27</sup>

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<sup>27</sup> Footnote 19 applies.

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## 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).<sup>28</sup>

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 <sup>29</sup>	594.0	795.2	+201.1	+33.9

<sup>28</sup> 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.

<sup>29</sup> 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.<sup>30</sup> 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.<sup>31</sup>

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.<sup>32</sup> The 2023-24 LTFP uses Deloitte Access Economics as the source data for its projected CPI 2.5 percent<sup>33</sup>. The 2024-25 LTFP forecast is higher than the previous year's CPI forecast as shown in the following table:

<sup>30</sup> City of Adelaide Council, *2023-24 to 2032-33 Long-Term Financial Plan*, page 15.

<sup>31</sup> City of Adelaide Council, *2024-25 to 2033-34 Long-Term Financial Plan*, page 14.

<sup>32</sup> City of Adelaide Council, *2024-25 to 2033-34 Long-Term Financial Plan*, page 11.

<sup>33</sup> 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 <sup>34</sup>
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,<sup>35</sup> 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 estimates<sup>36</sup>).

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.<sup>37</sup>

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).<sup>38</sup>

Those forecast costs were derived prior to COVID-19 and have since been escalated to reflect 2024-25 dollars,<sup>39</sup> however, the Council has advised that it has a low-medium confidence level in its estimates<sup>40,41</sup> and the Commission is concerned that even the escalated costs could be underestimated.

The 2024-25 LTFP has also allocated \$15.0 million<sup>42</sup> 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

<sup>34</sup> City of Adelaide Council, *2024-25 to 2033-34 Long-Term Financial Plan*, page 37.

<sup>35</sup> The set of nine years forecast in both the 2023-24 and 2024-25 LTFP projections.

<sup>36</sup> Based on the overlapping forecast period in both LTFPs (2023-24 to 2032-33 and 2024-25 to 2033-34).

<sup>37</sup> City of Adelaide, *2024-25 to 2033-34 Long-Term Financial Plan*, page. 5.

<sup>38</sup> City of Adelaide, *2024-25 to 2033-34 Long-Term Financial Plan*, page. 14.

<sup>39</sup> 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.

<sup>40</sup> City of Adelaide, Email to the Commission, 11 November 2024.

<sup>41</sup> Footnote 2 applies.

<sup>42</sup> 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:  $\text{Operating Surplus (Deficit)} \div \text{Total Operating Income}$ . 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).<sup>43</sup> The rate of growth in operating expenses averaged 2.8 percent per annum (see Figure 3).

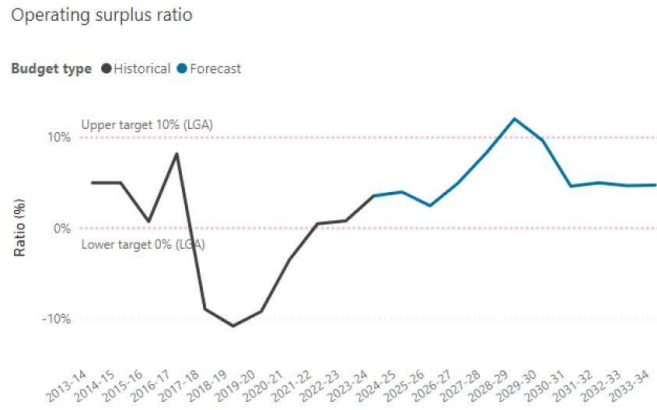
The OSR<sup>44</sup> fluctuated over the historical period and was negative (below the LGA-suggested target range) in four of the 10 years to 2022-23 (see Figure 2). On average, the OSR was negative 1.2 percent

<sup>43</sup> 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>

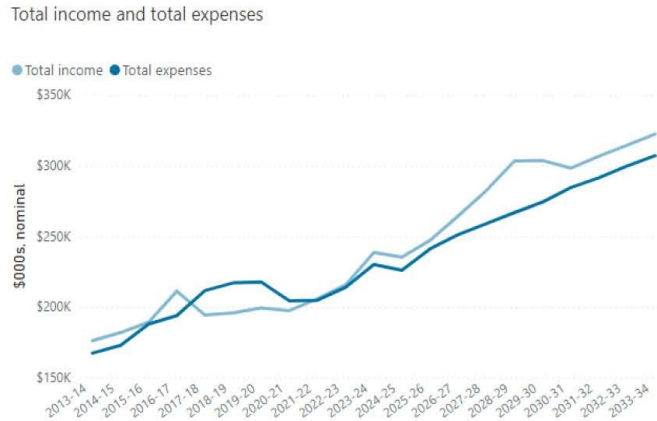
<sup>44</sup> Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019, p. 6.

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,<sup>45</sup> four of these services contributed 81.8 percent of the user charges income.<sup>46</sup> 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).

<sup>45</sup> 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.

<sup>46</sup> 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.<sup>47</sup>

The Commission also notes that the Council has stated that debt may be required to fund significant renewals, such as the Rundle UPark.<sup>48</sup> 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.<sup>49</sup>

### 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.<sup>50</sup> The fees associated with permits

<sup>47</sup> 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](#)

<sup>48</sup> City of Adelaide, *2024-25 to 2033-34 Long-Term Financial Plan*, p. 26.

<sup>49</sup> City of Adelaide, *2024-25 to 2033-34 Long-Term Financial Plan*, p. 16.

<sup>50</sup> City of Adelaide, *2024-25 Business Plan and Budget*, April 2024, p. 7, available at: <https://d31atr86jnqrq2.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.<sup>51</sup>

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.<sup>52</sup> 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.<sup>53</sup>

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.<sup>54</sup> 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,<sup>55</sup> 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.

<sup>51</sup> City of Adelaide, *2023-24 Business Plan and Budget*, April 2024, p. 59.

<sup>52</sup> 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>

<sup>53</sup> Based on the annual average growth rate between 2013-14 and 2022-23.

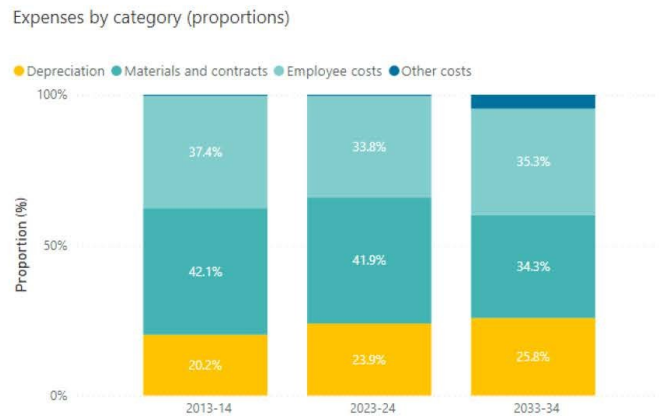
<sup>54</sup> The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

<sup>55</sup> 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.<sup>56</sup> 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.

<sup>56</sup> 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.<sup>57</sup>

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.<sup>58</sup> 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.<sup>59</sup>

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.<sup>60</sup> The main driver of this is a near four-fold rise in borrowings to \$225.7 million by 2033-34 (see Figure 9).

<sup>57</sup> LGA SA Financial Indicators Paper, pp. 7-8.

<sup>58</sup> The Council's NFLR was 21.7 percent in its reported 2023-24 financial results

<sup>59</sup> 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.

<sup>60</sup> The Council's lease liabilities have been included in the net financial liabilities figure.

Figure 7: Net financial liabilities ratio – historical and forecast

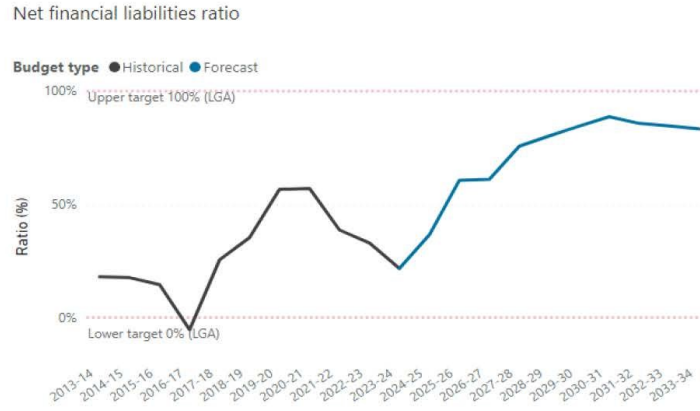
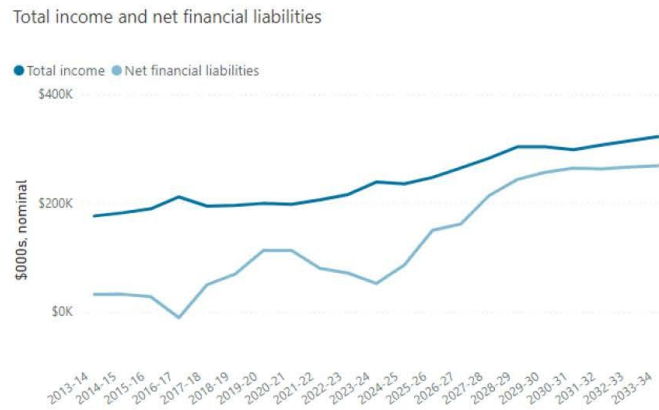


Figure 8: Total income and net financial liabilities – historical and forecast

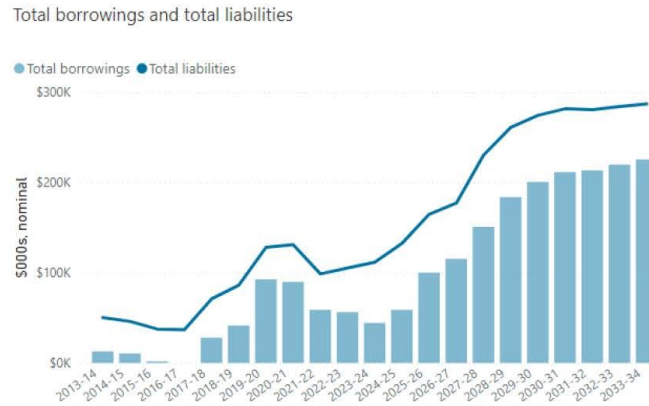


The steady increase in borrowings in the Council's 10-year forecast (see Figure 9) is partly associated with its \$14.9 million per annum capital expenditure for new and upgraded projects.<sup>61</sup> In addition, the Council has stated that significant renewals (Torrens Weir, Adelaide Bridge and Rundle UPark) are likely to be funded by a component of debt.<sup>62</sup>

<sup>61</sup> 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>

<sup>62</sup> 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.<sup>63 64</sup>

The Council has advised the Commission that it has a low to medium confidence level in these estimates.<sup>65</sup> 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.<sup>66</sup> The remainder proposed to be funded by yet-to-be-secured grants.<sup>67</sup>

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.<sup>68</sup> That is, the Council has no contingency, while operating close to what it considers, its financial limits, despite the clear risks.

<sup>63</sup> City of Adelaide, *2024-25 to 2033-34 Long-Term Financial Plan*, p. 14.

<sup>64</sup> 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*.

<sup>65</sup> City of Adelaide, Email to the Commission, 11 November 2024.

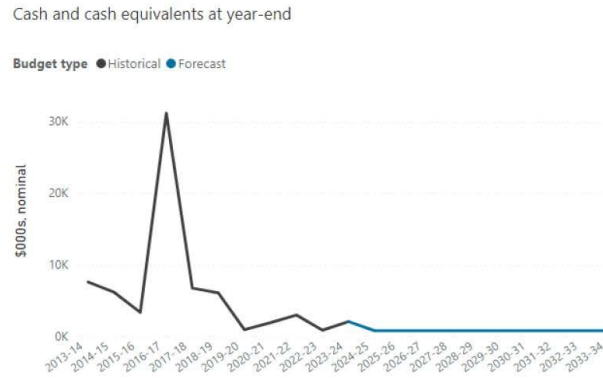
<sup>66</sup> City of Adelaide, *2024-25 to 2033-34 Long-Term Financial Plan*, p. 14.

<sup>67</sup> City of Adelaide, *2024-25 to 2033-34 Long-Term Financial Plan*, p. 14.

<sup>68</sup> 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.<sup>69</sup> 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.




<sup>69</sup> 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

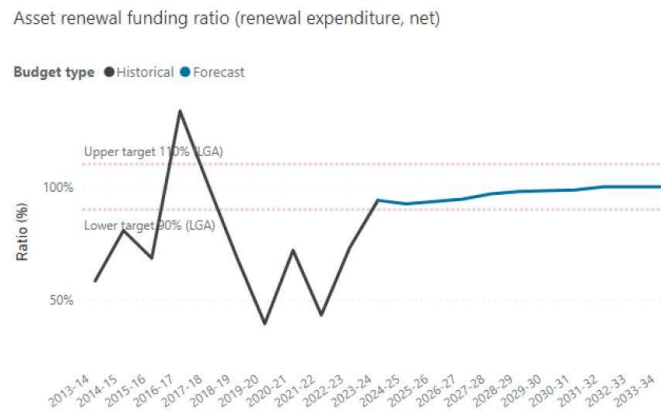
-  Between 2013-14 and 2022-23, the net ARFR averaged 73.9 percent, with an average annual spend of \$26.8 million per annum (below its asset renewal requirements).
-  The Council's forecast \$150.0 million funding requirement required to implement its recently adopted AMPs is being addressed at a time 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 ARFR<sup>70</sup> (under the 'IAMP-based' net expenditure approach),<sup>71</sup> (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.

<sup>70</sup> 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).

<sup>71</sup> 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's<sup>72</sup> 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.

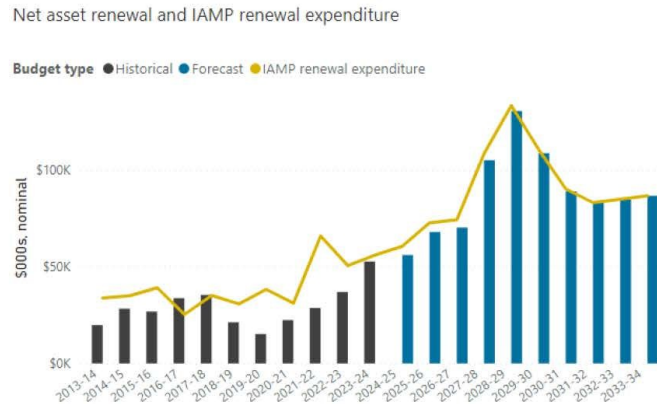
Going forward, from 2024-25 to 2033-34, the ARFR (under the 'IAMP-based' net expenditure approach) is forecast to be within the appropriate range, at an average of 97.2 percent (see Figure 11). Average annual spending on renewal or replacement of assets is projected to increase to \$88.2 million (in 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).

<sup>72</sup> 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 ago<sup>73</sup>, 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 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.

<sup>73</sup> 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.

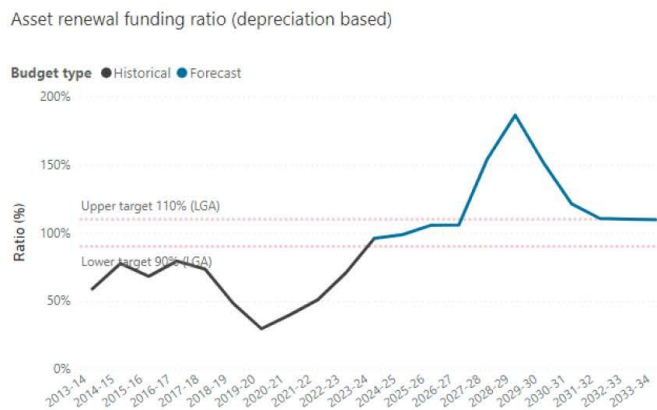
The Council also confirmed that up until 2023-24, its asset valuations were not indexed through desktop valuations on an annual basis between revaluations. The Commission notes that the Council is implementing this strategy going forward, which is a positive step. The Commission also considers that undertaking 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.

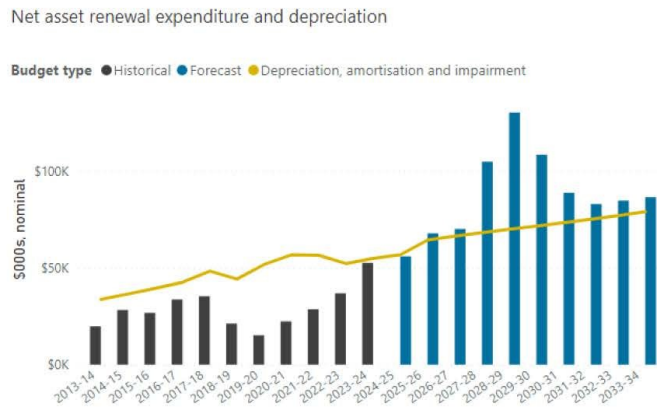
The Council's approach to asset valuation and condition results regarding the depreciation charges, both historically and forecast, could also impact the reliability of the depreciation-based ARFR.<sup>74</sup> Historically (between 2013-14 to 2022-23) the annual average value was 59.4 percent which 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**



<sup>74</sup> 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

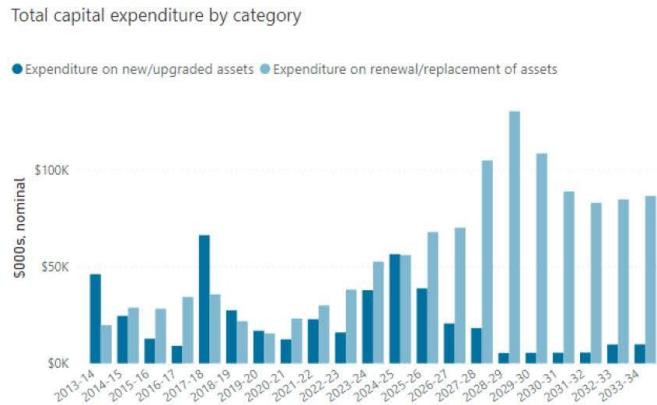


Figure 16: Value of asset stock per rateable property – historical and projected



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).

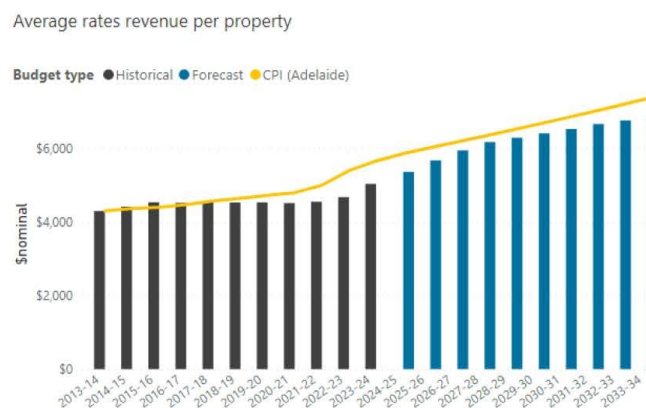
## 6 Advice on current and projected rate levels

### 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,<sup>75</sup> 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,<sup>76</sup> 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).

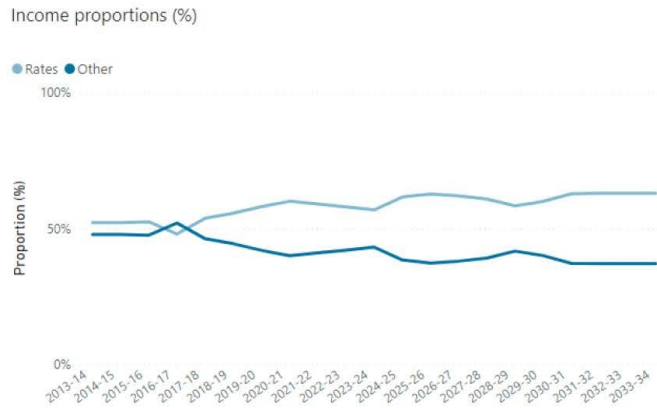
<sup>75</sup> From 2013-14 to 2022-23.

<sup>76</sup> 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.<sup>77</sup>

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.<sup>78</sup>

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.<sup>79</sup>

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

<sup>77</sup> 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.

<sup>78</sup> City of Adelaide, 2024-25 Long-Term Financial Plan road map, slide 32.

<sup>79</sup> 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.<sup>80</sup> 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 \$6,862<sup>81</sup> 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.<sup>82</sup>

### 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.<sup>83</sup> 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.<sup>84</sup> 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).

<sup>80</sup> City of Adelaide, *2024-25 Business Plan & Budget*, p. 85.

<sup>81</sup> This includes rates growth of 3.8 percent expected each year.

<sup>82</sup> 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.

<sup>83</sup> See City of Adelaide, *Public Consultation Policy*, available at <https://d31atr86jngq2.cloudfront.net/docs/policy-public-communication-consultation.pdf>

<sup>84</sup> 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.<sup>85</sup> 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.

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<sup>85</sup> The Corporation of the City of Adelaide area is ranked 5<sup>th</sup> 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	<a href="#">Local Government Advice: Framework and Approach – Final Report</a>
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: $\text{Total Operating Income} \text{ LESS } \text{Total Operating Expenses}$

## OFFICIAL

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 or the Scheme	Local Government Advice Scheme



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# Adelaide Central Market Authority

Page 145

**Draft 2026/27**  
Business Plan and Budget



Adelaide Central  
Market Authority

Attachment B

# 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
<p><b>1.1.1 Customer Experience Tracker</b></p> <p>Regularly update quantitative understanding of customer perception, barriers, pain points and delights.</p>	<ul style="list-style-type: none"> <li>Identify and report on customer experience trends and satisfaction level through surveys.</li> </ul>	<ul style="list-style-type: none"> <li>Monthly CX tracker and biannual reporting.</li> <li>Action feedback as needed.</li> <li>82% or more Market satisfied visitors.</li> <li>Sharing information when relevant with traders.</li> </ul>
<p><b>1.1.2 Customer Insights</b></p> <p>Leverage customer feedback from socials and Market Stall to drive customer advocacy.</p>	<ul style="list-style-type: none"> <li>Monthly report from customer feedback and enquiries at Market Stall.</li> </ul>	<ul style="list-style-type: none"> <li>Record, respond to or escalate customer complaints in timely manner.</li> <li>Inform traders when feedback is relevant to their stall.</li> </ul>
	<ul style="list-style-type: none"> <li>Track visitation to The Market Stall.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly report to Board.</li> </ul>
<p><b>1.1.3 Trading Hours</b></p> <p>Align trading hours to customer preferences.</p>	<ul style="list-style-type: none"> <li>Advertise One Market trading hours, incorporate in marketing and communication plan.</li> <li>Resource planning (DM role and Market Stall, security and cleaning).</li> <li>Support traders during transition.</li> </ul>	<ul style="list-style-type: none"> <li>Market is adequately resourced for Sunday operations.</li> <li>Positive media report for Sunday trade.</li> </ul>



# 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
<b>1.2.1 Market Vibrancy</b> Elevate events and activations to drive Market vibrancy and celebrate cultural diversity.	<ul style="list-style-type: none"> <li>Incorporate multicultural celebrations into event program.</li> </ul>	<ul style="list-style-type: none"> <li>Minimum 3 events or activations with multicultural focus per annum.</li> </ul>
	<ul style="list-style-type: none"> <li>Manage and promote Producer in Residence stall as an incubator program for a diverse range of new and emerging food businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Producer in Residence occupancy &gt;95% and minimum of 40% new businesses activating PIR.</li> <li>80% Response to survey by PIR businesses.</li> </ul>
	<ul style="list-style-type: none"> <li>Expand weekly program of entertainment into the Market Expansion.</li> </ul>	<ul style="list-style-type: none"> <li>Minimum 100 family entertainment activations per year.</li> </ul>
	<ul style="list-style-type: none"> <li>Live music program reviewed and expanded.</li> </ul>	<ul style="list-style-type: none"> <li>Minimum 150 performances per year.</li> </ul>
	<ul style="list-style-type: none"> <li>Delivery of Christmas decorations as One Market.</li> </ul>	<ul style="list-style-type: none"> <li>Deliver prior to opening and on budget.</li> </ul>
<b>1.2.2 Connected Customer</b> Develop roadmap to connect with customers for entire journey, home to Market to home.	<ul style="list-style-type: none"> <li>Continue to work with CoA to improve car park experience and precinct wayfinding.</li> </ul>	<ul style="list-style-type: none"> <li>Customer Experience survey results.</li> </ul>
	<ul style="list-style-type: none"> <li>Grow direct marketing database to 'own' customer data.</li> </ul>	<ul style="list-style-type: none"> <li>Market Lovers database growth 5%.</li> </ul>
<b>1.2.3 Customer Service</b> Expand Customer Service Desk offerings.	<ul style="list-style-type: none"> <li>Market Stall staff training and development.</li> <li>Merchandise development.</li> </ul>	<ul style="list-style-type: none"> <li>100% attendance at CoA courses and Quarterly team meetings.</li> <li>Merchandise gifts ready for launch.</li> </ul>



# 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
<b>1.3.1 In Market</b> Create compelling common areas for customers to play and stay.	<ul style="list-style-type: none"> <li>Build parents room &amp; storeroom subject to FY26/37 CoA Capital works.</li> </ul>	<ul style="list-style-type: none"> <li>Completed project by Q2.</li> <li>Improve accessibility and functionality.</li> </ul>
	Placemaking: <ul style="list-style-type: none"> <li>Market Hall Furniture &amp; Playroom Equipment including kids' furniture.</li> <li>Investigate opportunities to add flexible / communal seating, lighting, heating, cooling and greening.</li> <li>Art opportunities: Mural project delivered by launch.</li> </ul>	<ul style="list-style-type: none"> <li>Install by launch.</li> </ul>
<b>1.3.2 Unique Experiences</b> Create an enjoyable and unique shopping experience.	<ul style="list-style-type: none"> <li>Events and activations to be reviewed and delivered as per the annual Marketing Plan.</li> <li>Expand on existing school holiday program and Market events (Expansion).</li> </ul>	<ul style="list-style-type: none"> <li>20 unique traders per annum participate in Market Trail.</li> <li>90% ticket sales achieved per event.</li> <li>Community Kitchen activated at least 15 times per year.</li> </ul>
<b>1.3.3 Online Market</b> 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"> <li>Annual Marketing plan developed and implemented.</li> <li>Investigate potential sale of online program to private entity.</li> <li>Commence the structured wind-down of the program, including communication plan.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly activity analysis included in GM report.</li> <li>Customer retention over 60%.</li> <li>Traders and customers receive clear timely communications.</li> </ul>



# 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
<p><b>2.1.1 Unique Product</b></p> <p>Traders to identify unique products and showcase provenance stories.</p>	<ul style="list-style-type: none"> <li>Trader improvement on social media focusing on unique products. Share content with ACMA to enable media and PR opportunities.</li> <li>Work with traders to present vibrant and abundant food displays (Placemaking).</li> </ul>	<ul style="list-style-type: none"> <li>Feature one unique product a month through ACMA social media and Market Lovers newsletter.</li> </ul>
<p><b>2.1.2 Unique Experiences</b></p> <p>Traders to treat each customer as special, every time and share expert produce knowledge with Customers.</p>	<ul style="list-style-type: none"> <li>Focus on customer service included in trader induction program.</li> </ul>	<ul style="list-style-type: none"> <li>Minimal complaints escalated to ACMA.</li> </ul>
<p><b>2.1.3 Customer Experience</b></p> <p>Encourage 'story telling' at point of sale, highlighting the stalls history and tradition.</p>	<ul style="list-style-type: none"> <li>Provide traders with an opportunity to spend time with a retail visual merchandiser to identify key areas for improvement, when required.</li> </ul>	<ul style="list-style-type: none"> <li>Positive Trader and customer feedback.</li> </ul>
<p><b>2.1.4 Visitor Revenue</b></p> <p>Encourage traders to find opportunities to cater for tourists. Promote trader connection with event customers.</p>	<ul style="list-style-type: none"> <li>Include trader in event programs to encourage conversion of event customers to shoppers.</li> </ul>	<ul style="list-style-type: none"> <li>Surveys from Event participation.</li> <li>Trader involvement - Minimum 5 per event.</li> </ul>
	<ul style="list-style-type: none"> <li>Support trader after hours events.</li> </ul>	<ul style="list-style-type: none"> <li>4 traders events supported in kind by up to 20 hours per trader of staff time and promotion support.</li> </ul>



# 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
<p><b>2.2.1 Trader Skills</b></p> <p>Support trader engagement in business trends, retail and commercial business skills including marketing training needs as identified by traders.</p>	<ul style="list-style-type: none"> <li>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.</li> <li>Induction program for new tenants (general operations)</li> </ul>	<ul style="list-style-type: none"> <li>90% of new traders and those renewing leases successfully complete the online module.</li> </ul>
<p><b>2.2.2 Profile Leaders</b></p> <p>Utilise traders as ambassadors for general marketing activity.</p>	<ul style="list-style-type: none"> <li>Create opportunities through ACMA's creative, PR agencies and digital channels</li> <li>Existing traders profiled as mentors for Market Expansion traders.</li> </ul>	<ul style="list-style-type: none"> <li>Min media coverage featuring traders 2 per quarter.</li> </ul>



# 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
<b>3.1.1 Financial</b> Work with CoA Finance to update ACMA Long Term Financial Plan. Identify cost efficiencies and revenue generating opportunities.	<ul style="list-style-type: none"> <li>Annual financial results meet budget.</li> </ul>	<ul style="list-style-type: none"> <li>As per budget and business plan.</li> </ul>
	<ul style="list-style-type: none"> <li>Financial audit performed at least once per year.</li> <li>Transition to One Market Marketing Levy.</li> </ul>	<ul style="list-style-type: none"> <li>Financially self-sufficient operationally.</li> </ul>
	<ul style="list-style-type: none"> <li>Implementation of contracts and services through community corporation, including Waste, loading management etc</li> </ul>	<ul style="list-style-type: none"> <li>New waste contractor to be awarded by August 2026.</li> </ul>
<b>3.1.2 Governance</b> Manage Market and oversight of ACMA Strategic Plan in accordance with Charter, Council's Strategic Plan and Headlease.	<ul style="list-style-type: none"> <li>AGM.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with Charter.</li> </ul>
	<ul style="list-style-type: none"> <li>Administer Board of Management and Committees.</li> <li>Annual Board Performance evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>Governance plan reviewed annually.</li> <li>Min biannual Governance subcommittee meeting.</li> </ul>
	<ul style="list-style-type: none"> <li>Regular reporting to CoA CEO and Council.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly reports on time+ SRIA report.</li> </ul>
<b>3.1.3 Lease Revenue</b> Perform annual market rent reviews. Reduce close to open time for stalls during renovations Maintain strong leasing occupancy	<ul style="list-style-type: none"> <li>10 renewals FY 26/27.</li> <li>2-4 fit outs (delivered through CoA Infrastructure).</li> <li>Deliver the ME leasing strategy and secure tenancies.</li> </ul>	<ul style="list-style-type: none"> <li>Leasing occupancy across existing market at 96%, Market expansion at 80% tenancies occupied at launch.</li> <li>Total income generated as per budget.</li> <li>Existing fit outs: Reduce close to open time for stalls during renovations: 6 weeks for structural renewals, 4 weeks for fit outs.</li> </ul>



# 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
<p><b>3.2.1 Retail Mix</b></p> <p>Establish a holistic market review and future strategy to solidify the market as the destination for food and produce. Attract and retain traders.</p>	<ul style="list-style-type: none"> <li>• Continue to contribute significantly to total volume of spend in the city.</li> <li>• Seek options to support and attract fresh produce and fruit and vegetable traders.</li> <li>• Expand Incubator program with short term licences to attract innovative unique or artisanal offers with the view to transition to permanency.</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver Market Expansion Stage 2 Leasing Campaign as per Leasing Strategy.</li> <li>• High satisfaction rate in customer survey (diversity/variety criteria).</li> <li>• Pop-up stall policy completed, with Market Expansion included.</li> <li>• Pop-up stands, fittings and equipment ready for Market Expansion for up to 10% of tenancies.</li> </ul>
<p><b>3.2.2 Fitout Upgrades</b></p> <p>Develop design and display guidelines for tenancies, Producer in Residence and casual leasing. Encourage tenancy upgrades through incentive program</p>	<ul style="list-style-type: none"> <li>• Work with Market Lane traders to encourage:               <ul style="list-style-type: none"> <li>◦ Indoor / outdoor shop-fronts (ie coffee serving window / outdoor cooking).</li> <li>◦ Comfortable and welcoming indoor / outdoor seating (mix of high and low).</li> </ul> </li> <li>• Upgrade Producer in Residence Stall.</li> </ul>	<ul style="list-style-type: none"> <li>• Retail Design Guidelines adhered to.</li> <li>• Producer and customer feedback.</li> </ul>



# 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
<p><b>3.3.1 Marketing Purpose</b></p> <p>Ensure the market is recognised locally and internationally as a leading, vibrant, diverse and unique fresh produce market community.</p>	<ul style="list-style-type: none"> <li>Develop an annual comprehensive, multi-channel, cost effective and actionable Marketing Plan.</li> <li>Deliver One Market Communication and Launch campaign, including events</li> </ul>	<ul style="list-style-type: none"> <li>Exceed \$1.5M ASR media coverage.</li> <li>Customer insights and trader feedback.</li> <li>Full allocation of CMMF funds.</li> <li>Reach interstate and international audience.</li> </ul>
<p><b>3.3.2 Tourism</b></p> <p>Identify opportunities to drive tourist visitations.</p>	<ul style="list-style-type: none"> <li>Collaboration with AEDA and SATC to engage with tourism visitors and operators.</li> <li>Investigate tourism offer and product development.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate on 2 major city events (ie Illuminate Adelaide, Adelaide Fringe, Tasting Australia, Tour Down Under).</li> <li>Business case delivered to Board in Q3.</li> </ul>

## 3.4 ENSURE THE MARKET REMAINS A SAFE AND SECURE ENVIRONMENT

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
<p><b>3.4.1 Security</b></p> <p>Maintain market security standards and seek opportunities for improvement.</p>	<ul style="list-style-type: none"> <li>Monitor performance of security provider to contract.</li> <li>Expand contract and security resourcing to market Expansion, including training</li> </ul>	<ul style="list-style-type: none"> <li>Number of incident reports (reported quarterly).</li> <li>Security call outs reduced.</li> <li>Training for staff.</li> </ul>
<p><b>3.4.2 Partnerships</b></p> <p>Collaborate with CoA to identify security trends in the city.</p>	<ul style="list-style-type: none"> <li>Proactively share security, health and best practice trends.</li> </ul>	<ul style="list-style-type: none"> <li>Attendance CoA Safety and risk Committee meetings - monthly.</li> </ul>



# 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
<b>3.5.1 Trader Groups</b> Continue to develop representative committee formats to deliver best outcome for market, including traders.	<ul style="list-style-type: none"> <li>Meetings in line with ACMA Charter.</li> <li>Seek regular feedback from traders post events.</li> </ul>	<ul style="list-style-type: none"> <li>Regular TRC meetings and 2 all trader meetings p/a, 2 TRC and Board meeting per year.</li> </ul>

## 3.6 DELIVER BRILLIANT BASICS

Initiatives (as per Strategic Plan 2023/28)	Actions/Milestones	Measures
<b>3.6.1 General Cleanliness</b> Maintain market cleanliness standards and seek opportunities for improvement.	<ul style="list-style-type: none"> <li>Lease inspections upon renewals.</li> <li>Adapt cleaning resources to One Market.</li> </ul>	<ul style="list-style-type: none"> <li>100% lease inspections completed.</li> <li>6 big cleans per year.</li> </ul>
<b>3.6.2 Brilliant Basics</b> Ensure traders comply with lease conditions including cleaning and waste management, maintenance and repair and pest control.	<ul style="list-style-type: none"> <li>Review Market rules annually.</li> <li>Ongoing weekly inspections and remedial activities undertaken.</li> <li>Actively liaise with traders and ensure compliance.</li> <li>Deliver preventative and reactive (as required) pest control program.</li> </ul>	<ul style="list-style-type: none"> <li>Minimal or no negative customer feedback.</li> <li>Decrease in pest and related feedback.</li> <li>Contractors' compliance with contract conditions.</li> </ul>



# 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
<p><b>3.7.1 Employee Experience</b></p> <p>Retain and attract key talent. Maintain and grow employee engagement.</p>	<ul style="list-style-type: none"> <li>Performance &amp; Development Conversations (PDC) feedback.</li> </ul>	<ul style="list-style-type: none"> <li>Employee retention.</li> <li>Maintain and grow culture survey results.</li> </ul>
<p><b>3.7.2 Team Capability</b></p> <p>Develop Workforce Plan for Market Expansion. Embed role and decision clarity.</p>	<ul style="list-style-type: none"> <li>Access to professional development and upskilling.</li> <li>Implement appropriate resourcing to manage increase in service levels.</li> <li>Manage change and transition training for workforce, traders, other key stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Employee retention.</li> <li>Market Expansion activities are delivered.</li> </ul>



# 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
<b>4.1.1 Reconciliation Action Plan</b> Engage with and recognise the Kaurna community and all First Nations as traditional owners.	<ul style="list-style-type: none"> <li>Deliver market initiatives from CoA Reconciliation Action Plan (RAP).</li> </ul>	<ul style="list-style-type: none"> <li>Deliver market activations and initiatives to meet or exceed RAP actions.</li> <li>Meet biannually with CoA Reconciliation Officer.</li> </ul>
	<ul style="list-style-type: none"> <li>Explore opportunity for an Arts and Culture for Market Expansion</li> </ul>	<ul style="list-style-type: none"> <li>Scoping in Q1.</li> </ul>
<b>4.1.2 Community Engagement Plan</b> Connect with the broader community to ensure the market continues to be inclusive and welcoming to all.	<ul style="list-style-type: none"> <li>Progress Placemaking plan.</li> <li>Explore collaborations with Market Square stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Develop and deliver initiatives from annual Community Engagement Plan.</li> <li>Placemaking Plan progresses.</li> <li>Media opportunities with Market Square.</li> </ul>
<b>4.1.3 Sustainability Strategy</b> Encourage socially responsible and sustainable initiatives and measures to support our local businesses, traders and customers.	<ul style="list-style-type: none"> <li>Implement Sustainability Strategy 2024-27.</li> <li>Complete Trader Sustainability Program in accordance with the GISA Leap Grant.</li> </ul>	<ul style="list-style-type: none"> <li>Deliver at least 6 actions from the Sustainability Strategy.</li> <li>Allocation of grant funding.</li> </ul>
<b>4.1.4 Education Programs</b> Enhance connection with education providers and schools.	<ul style="list-style-type: none"> <li>Continue education program/resources.</li> </ul>	<ul style="list-style-type: none"> <li>Number of student visitations: 7000+.</li> </ul>



# 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
<p><b>4.2.2 Collaboration</b></p> <p>Foster collaboration with a focus on innovation and community engagement.</p>	<ul style="list-style-type: none"> <li>Ongoing participation at precinct meetings and other meetings.</li> <li>Provide Market updates and information to key stakeholders as relevant.</li> <li>Support precinct initiatives and events when aligned.</li> <li>Provide advocacy through the delivery of Gouger Street upgrade project.</li> </ul>	<ul style="list-style-type: none"> <li>Meeting attendance.</li> <li>Lunar New Year &amp; Christmas support and collaboration.</li> <li>Inclusion of district initiatives in Community Plan.</li> </ul>
<p><b>4.2.3 Street Presence</b></p> <p>ACMA to explore opportunities to create on street signage including CBD to Market and approaching streets.</p>	<ul style="list-style-type: none"> <li>Deliver new Market Facade signage on Grote, Laneway and Gouger St.</li> </ul>	<ul style="list-style-type: none"> <li>Increase brand visibility.</li> <li>Signage installed by opening.</li> </ul>
<p><b>4.2.4 Activate Frontages</b></p> <p>Encourage traders to activate Gouger and Grote Street frontages.</p>	<ul style="list-style-type: none"> <li>Laneway activation (nighttime) plan developed and progressed.</li> </ul>	<ul style="list-style-type: none"> <li>At least one activation integrated into event program.</li> </ul>



# 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
<b>5.1.1 Customer Amenities</b> Deliver solutions to make it easier for customers to utilise and navigate the Market.	<ul style="list-style-type: none"> <li>Wayfinding delivered included full replacement of existing Market’s assets.</li> <li>Market customer experience team presence in Market Hall between launch and Christmas.</li> <li>Delivery of Market preparedness projects such as bin housing system and casual mall furniture.</li> </ul>	<ul style="list-style-type: none"> <li>Positive Customer feedback.</li> <li>Bins operational by launch.</li> </ul>
<b>5.1.2 Operational Requirements</b> Provide ‘fit for purpose’ spaces.	<ul style="list-style-type: none"> <li>Operational preparedness and transition for Market Expansion.</li> <li>Deliver additional storage areas to ensure operational capabilities and efficiencies for traders, including at Christmas.</li> <li>Advocacy to secure sufficient ongoing loading zones on Grote and Gouger St.</li> <li>Management of Cat 1 and lessor requests.</li> <li>Deliver Tenancy Coordination for new tenancies.</li> <li>Delivery of Retail Design Manager Services for new tenancies.</li> </ul>	<ul style="list-style-type: none"> <li>Design/install Dry / Cool storage level one delivered (<i>subject to CoA Funding</i>).</li> <li>Operational preparedness projects delivered by opening.</li> <li>Minimum standard: Street loading capacity is same as before construction or better.</li> <li>Tenants secured for Market Expansion.</li> </ul>
<b>5.1.3 Car Parking</b> Improve the customers car parking experience.	<ul style="list-style-type: none"> <li>Advocacy and collaboration with CoA UPark to complete wayfinding project and Navigating system project, minimising disruption to trade.</li> </ul>	<ul style="list-style-type: none"> <li>Minimal reports of disruption to trade and customers.</li> <li>Monitor and report on customer experience surveys during and following implementation.</li> </ul>
<b>5.1.4 Market Expansion-Construction Phase</b> Maintain market vibrancy and business as usual trading for customers and traders throughout construction.	<ul style="list-style-type: none"> <li>Advocate for traders and customers throughout all project phases.</li> <li>Implement communications strategy including stakeholder and community relations.</li> <li>In collaboration with CoA, plan and manage Market Expansion fit out period with site and street access complexities.</li> </ul>	<ul style="list-style-type: none"> <li>Min weekly meetings with CoA Project Manager and/or Builder.</li> <li>All potential disruptions communicated in advance to traders.</li> </ul>



# 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><b>5.2.1 Business Systems</b></p> <p>Implement improved technology to streamline practices and create highest levels of efficiency as possible.</p>	<ul style="list-style-type: none"><li>• Transition to loading dock and relevant training</li><li>• Transition all business systems in lead up to Expansion (BMS, security, access control, vehicle permits, CCTV etc.).</li><li>• Expand people counters for the Market Expansion.</li><li>• New PA system installed.</li></ul>	<ul style="list-style-type: none"><li>• Automated processes for resource and time efficiencies.</li><li>• All business systems transitioned by opening.</li></ul>



# Adelaide Central Market Authority

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Budget  
2026/27



Adelaide Central  
Market Authority

# Budget

ACMA is in a transitional phase, preparing for One Market which will result in an expanded retail footprint, significant additional leasing revenue and efficiencies of scale for operations.

The ACMA Budget has been built from zero-base to ensure efficient delivery of actions outlined in the proposed ACMA Business Plan. This financial year begins the transition into One Market, the budget is built to ease the transition and set the Market for success by increasing visitation and growing customer experience. In parallel, it combines the requirement to invest in future operations and revenue generating activities and support Traders in this change.

The budget received ACMA Board approval on 3 March 2026 for submission to Council, as a draft budget for consultation purposes.

## Assumptions

- ACMA Management Team 16 FTE, with provision for One Market resourcing: 8 ongoing, 2 fixed terms (equates to 1.84% of the City of Adelaide's total FTE count).
- Market Expansion Leasing at 80% with provisions for pop-ups.
- Increase in staffing costs associated with Sunday Trade requirements.
- Central Market Marketing Fund changes (reduction from 13% to 8%) with continued level of marketing activity.



# Finance Summary 2026/27

## Strategic Projects

- Adelaide Central Market Expansion Operational Readiness - \$2.265m
- Market Expansion Art Project (Internal Spaces) \$100k
- Market Expansion Technical Services & Site Management \$295k

## Renewal Expenditure - part of Buildings Asset Management Plan

- Market Floor Tenant Stall Renewal + Design
  - Roof sheeting Replacement (construction) + Solar
  - Eastern Roadway Asphalt
  - Sliding Gate Replacement
  - Carpark Exhaust Fan
  - Installation of Automatic Exhaust System
  - Lighting Control
  - Basement Scissor Lift
  - Switchboard Renewal (Marino Meat and Food Store)
- Total \$7.096m



# Budget 2026/27

	2025/26					2026/27			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		5,645	-	5,645	-	8,305	-	8,305
Employee Costs	9.8		-	(1,776)	(1,776)	10.9	-	(2,090)	(2,090)
Materials *	-		-	(4,461)	(4,461)	-	-	(6,899)	(6,899)
Depreciation	-		-	(42)	(42)	-	-	(38)	(38)
Finance Costs	-		-	(3)	(3)	-	-	(1)	(1)
<b>TOTAL</b>	<b>9.8</b>		<b>5,645</b>	<b>(6,282)</b>	<b>(637)</b>	<b>10.9</b>	<b>8,305</b>	<b>(9,028)</b>	<b>(723)</b>
<b>Activity View</b>									
ACMA Operations	6.8		5,558	(5,449)	109	10.9	8,230	(8,819)	(589)
Market Expansion	3.0		-	(600)	(600)	-	-	-	-
Online Market Platform	-		87	(233)	(146)	-	75	(209)	(134)
<b>TOTAL</b>	<b>9.8</b>		<b>5,645</b>	<b>(6,282)</b>	<b>(637)</b>	<b>10.9</b>	<b>8,305</b>	<b>(9,028)</b>	<b>(723)</b>

\* materials, contracts and other expenses



# Budget 2026/27

	2025/26						2026/27				
	\$'000	FTE	Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
ACMA Traders Sustainability Program Stage 2	-		50	-	(50)	-	-	-	-	-	-
Adelaide Central Market Expansion Operational Preparedness	-		-	-	(859)	(859)	2.0	-	(217)	(2,048)	(2,265)
Market Expansion Art Project (Internal Spaces)	-		-	-	-	-	-	-	-	(100)	(100)
Market Expansion Technical Services & Site Management	-		-	-	-	-	-	-	-	(295)	(295)
<b>TOTAL</b>		<b>-</b>	<b>50</b>	<b>-</b>	<b>(909)</b>	<b>(859)</b>	<b>2.0</b>	<b>-</b>	<b>(217)</b>	<b>(2,443)</b>	<b>(2,660)</b>



# AEDA

# Business Plan & Budget

FY 2026/27



DRAFT



# Acknowledgment of Country

Adelaide Economic Development Agency tampendi, ngadlu Kurna yertangga banbabanbalyarnendi (inbarendi). Kurna meyunna yaitya mattanya Womma Tardanyako. 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 (AEDA)

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.

AEDA's functions include:

- Work collaboratively with the State Government, strategic partners, peak bodies and key stakeholders and avoid duplication of effort in the delivery of its functions and duties.
- Position the City of Adelaide as an attractive investment opportunity for commercial and residential property development.
- Support the growth and development of existing businesses and attract new businesses, industries and entrepreneurs to the City of Adelaide.
- Promote and market the City of Adelaide to local, interstate and international visitors and investors.
- Position and promote the City of Adelaide as Australia's premier festival and event destination, with the aim of increasing visitation and investment.
- Attract and support growth of the visitor economy, including international students, festivals, events, conferences, conventions and exhibitions.
- Activate, promote and market Rundle Mall.
- Promote and develop mainstreet precincts as commercial hubs of economic, cultural and social significance.

The agency operates within the geographic boundary of the City of Adelaide but, reflecting Adelaide's capital city role, collaborates with organisations from outside this area on programs that deliver mutual benefit. The Rundle Mall Levy is spent on marketing and activating the area bounded by North Terrace, King William Street, Grenfell Street and Pulteney Street.

This Business Plan and Budget identifies AEDA's priorities in 2026/27 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.

# 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.



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



Michelle Perugini

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. Current Advisory Committee Members are Jasmin Ilic, Angela Maglieri, James Black, Mirella Romano, Paula Mifsud and Nikki Hamdorf (Precinct groups representative).

# 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 City of Adelaide's economy has continued to demonstrate resilience as South Australia's primary centre for business, higher education, innovation, cultural institutions, hospitality, retail and major events.

The number of businesses and people working in the city has continued to grow. Hotel occupancy is strong. However there are challenging headwinds. Cost of living pressures continue. The conflict in the Middle East has resulted in sharply higher fuel prices, which, if sustained, will add to inflation placing upward pressure on interest rates, as well as leading to calls to increase the level of working from home activity.

A significant pipeline of construction activity is set to shape the City of Adelaide across 2026-27. Several landmark projects will be completed while new developments commence, supporting both short-term activity and long-term precinct renewal.

### Major projects include:

- Five new hotels completed or underway: Veriu Adelaide, Crystalbrook Sam, Treehouse Hotel at Market Square, Little National Hotel and Oakwood Premier.
- The Lot Fourteen Innovation Centre, reinforcing Adelaide's reputation as a growing national hub for space, defence, AI and research.
- The new Women's and Children's Hospital, one of the state's most significant long-term health infrastructure commitments.
- Mainstreet upgrades improving amenity and vibrancy and essential infrastructure upgrades to key visitor precincts. Noting short-term foot traffic, communication and business expectations will need to be closely managed.
- The Adelaide Central Market Arcade redevelopment transitioning into operational stages, providing new retail, commercial and hospitality opportunities.

- Several residential projects, including student accommodation.

Together, these projects will attract construction workers, stimulate surrounding retail/hospitality trade, and deliver upgraded precincts that enhance the city's competitiveness.

### Macroeconomic Landscape

The macroeconomic landscape has changed since the end of 2025. The conflict in the Middle East impacting fuel prices, upward pressure on inflation, an environment in which interest rates are more likely to rise than fall have created a more volatile economic environment. This is being reflected in surveys of business and consumer confidence. This places continued pressure on discretionary spending, potentially slowing demand in retail, hospitality, events and the night time economy.

However, South Australia's broader economic fundamentals remain relatively strong. State Final Demand growth has been among the highest in the country, supported by business investment, dwelling construction and strong labour market participation. Employment remains near historic highs, which supports daytime city visitation and workforce activity.

Continuing momentum around AUKUS and defence investment is a major economic driver. Increased funding and associated private-sector activity are expected to stimulate growth across defence technology, advanced manufacturing, cyber, engineering and professional services — sectors heavily concentrated in the CBD. This presents significant opportunity for spillover economic activity, collaboration and high-skilled employment.

## Visitor Economy

Adelaide has transitioned into a premier global destination, with new air routes, new events, new hotels and greater awareness of what the city has to offer. With all pre-pandemic international air routes restored and new direct links opening to hubs like San Francisco, Shanghai and Guangzhou, inbound aviation capacity has increased by 32%, bringing opportunity for new inbound markets to South Australia. This infrastructure supports a high-yield visitor profile, driving CBD hotel revenue to record highs (exceeding \$100 million per quarter) and fuelling the demand for new luxury stays.

Major events, festivals and conventions remain critical drivers of visitation and spend, with the calendar delivering a year-round engine of growth. High-impact anchors like AFL Gather Round, LIV Golf and the Adelaide Festival (which recently saw a 40% jump in interstate/international visitors) are complemented by a booming business events sector. With delegates spending an average of \$1,600 per visit, Adelaide is strategically positioned to maximise the economic returns of a globally connected, modern tourism landscape.

The moderating influences are uncertainty regarding the Middle East situation on people's desire to travel internationally and cost of living pressures impacting people's decisions to travel domestically.

## Business and Workforce Growth

Adelaide continues to experience steady growth in both business numbers and jobs located in the city.

A broader trend is emerging within professional services, tech firms and corporate offices who are increasingly choosing CBD locations for talent attraction/retention. This is expanding Adelaide's high-skilled workforce and reinforcing the role of the city as the state's economic centre.

However, within the current environment, working from home is being promoted by various organisations as a tool to manage cost and energy pressures. This raises concerns about an impact on economic activity levels within the City of Adelaide.

Population growth continues to be a major contributor to Adelaide's economic performance. Net overseas migration remains strong, supported by Australia's relative attractiveness and labour market opportunities, and South Australia's rising profile as a lifestyle-oriented state. Adelaide is receiving increasing numbers of skilled migrants and working holiday makers, both of which are key to supporting labour supply in hospitality, health, construction and professional services.

International student arrivals remain a significant driver of economic activity in the city. Adelaide's universities and vocational providers continue to attract students from Asia, South Asia and Europe, with enrolments rebounding strongly post-pandemic. These students contribute directly through tuition and living expenditure, but also indirectly by supporting city vibrancy, public transport use, hospitality demand and long-term workforce pipelines. The return of international students has strengthened daytime and evening economies and reinforced Adelaide's position as an education city.

Population and student growth, however, continue to place pressure on housing supply. While new apartment developments are in train, demand has outpaced supply across both Greater Adelaide and the City of Adelaide. Rising rent levels, low vacancy rates and cost pressures highlight the need for ongoing investment in residential development. Rental vacancy rates have eased, although remain at historic lows.

However, for the first time since the Covid recovery the State has seen a fall in international student commencements raising from federal government policy tightening, visa approval rates falling, a contraction in the vocational education and training and English-language sectors and higher costs.

Workforce policies to address the staffing challenges resulting from major projects, an ageing population and a robust economy will be important.

## Future Outlook

The City of Adelaide, like other capital cities saw subdued growth in 2024/25 and 2025/26, as consumer spending softened under the backdrop of high inflation and interest rates. Cautious discretionary spending could continue into 2026/27.

Public and private investment, strong labour market conditions, visitor demand and large-scale developments will underpin growth. Key risks include persistent inflation, global uncertainty, and pressures on housing supply.

However, the city's growing economic diversification particularly in construction, professional services, research, technology, health and higher education provides a strong platform for sustained, long-term economic resilience.

# State of the City Snapshot

<i>Gross Regional Product</i>	Total Growth as of 2024 YE June <b>\$25.5bn</b>	<b>0.7%</b> Annual Growth  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 2025 YE December <b>\$4.23bn</b>	<b>2.5%</b> Annual Growth  Source: Spendmapp by Geografia
<i>Registered Businesses</i>	Total Growth as of 2024 YE December <b>12,717</b>	<b>1.25%</b> Annual Growth  157 more businesses than 2023 Source: Australian Bureau of Statistics
<i>Workforce</i>	Total Growth as of 2024 YE June <b>172,652</b>	<b>1.8%</b> 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 2024 YE June <b>29,118</b>	Source: Australian Bureau of Statistics
<i>International Students</i>	Enrolments State-wide as of September 2024 <b>54,205</b>	<b>22,901</b> Commencements  Source: StudyAdelaide

<b>Office Vacancy Rates</b>	As of July 2025	<b>15.0%</b>	Down from 16.4 per cent in January 2025
			Total stock (sqm): 1,570,367 Total occupied (sqm): 1,335,258 Net absorption (sqm): 44,932 (past 12 months) Net absorption (sqm): 22,326 (past 6 months)
			Source: Property Council of Australia

<b>Residential Vacancy Rates</b>	As of October 2025	<b>1.6%</b>	
			Source: SQM

<b>Mainstreet Shop Vacancy</b>	As of October 2025	<b>9.1%</b>	
			Fallen from 9.9 per cent in January 2025 Source: AEDA Mainstreet Audit

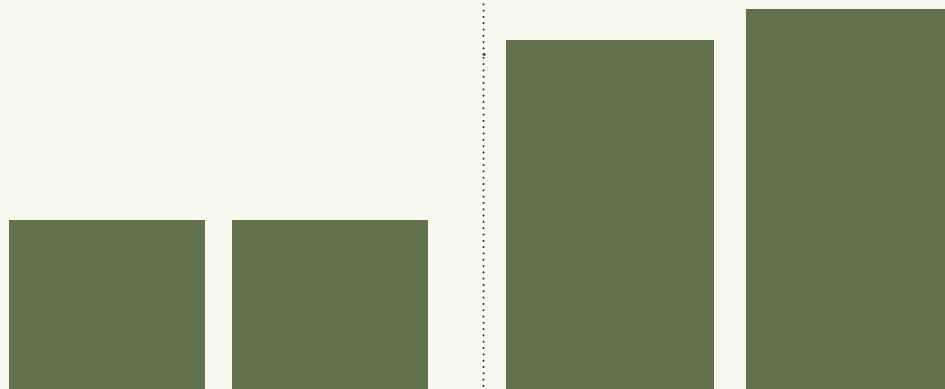
As of October 2025, there are over 1,600 hotel accommodation rooms currently under construction in the City of Adelaide.

Change in room supply YoY as of October 2025

Change in room demand YoY as of October 2025

**0.2%**

**9%**



**Hotel  
Occupancy  
Rates**

Hotel rooms in city as of October 2024 (7,723)

Hotel rooms in city as of October 2025 (7,739)

Hotel rooms ave. monthly demand 12-months to October 2024 (159,716)

Hotel rooms ave. monthly demand 12-months to October 2025 (175,453)

# AEDA Strategic Plan 2024/25 to 2028/29

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.

The *2026/27 Business Plan* is structured around the following pillars and goals set out in the *Strategic Plan*.

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## 1. Activate Rundle Mall and Precincts

### Goals

1. Rundle Mall strengthens its reputation as the state's premier shopping precinct and evolving entertainment and dining destination to increase visitation and spend.
2. Rundle Mall evolves and regenerates with new capital investment.
3. AEDA's relationship with Rundle Mall stakeholders and levy payers is strengthened through effective partnerships, advocacy and management of the Rundle Mall program.
4. Adelaide's destination and liveability status is enhanced through activated laneways, arcades, precincts and neighbourhoods across the city.

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## 2. City Brand and Marketing

### Goals

1. The Adelaide brand clearly articulates what makes our city distinctive, and this brand position underpins all of AEDA's marketing activity.
2. City stakeholders actively participate in marketing campaigns.
3. Visitors to Adelaide and residents can easily discover what's on across the city.
4. Knowledge of Adelaide as a place to invest and grow a business is increased.
5. The AEDA brand is known, well-regarded and considered best in class in Australia within the business community.

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## 3. Growing the Visitor Economy

### Goals

1. Adelaide is viewed as an increasingly desirable place to visit.
2. Adelaide has a diverse range of tourism products and experiences that provide more reasons for people to visit and stay longer.
3. Comprehensive information is provided to visitors on things to see and do in Adelaide.
4. AEDA plays a pivotal role as a connector and central point for the visitor economy in Adelaide.

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## 4. Investment and Business Growth

### Goals

1. Growth in industry sectors that build on and extend the city's economic strengths.
2. Street level retail and hospitality activity that contribute to vibrant precincts and mainstreets.
3. Businesses are supported to grow.
4. Data and insights deliver useful information to city businesses and prospective investors.
5. Adelaide's reputation as a centre for health and education is strengthened.

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## 5. Governance and Operations

### Goals

1. Effective and transparent governance, reporting and processes.
2. Establish an approach to funding that supports multi-year forward planning.
3. AEDA is a destination of choice for people wanting to pursue a career in economic development and growing the city economy.
4. AEDA is seen as a prime economic development agency that effectively partners with the private sector, government and not-for-profit organisations to grow Adelaide's economy.
5. Engagement mechanisms that deliver on-ground intelligence to inform priorities and practice.



Image credit: South Australian Tourism Commission

# 2026/27

## Business Plan Overview

This Business Plan identifies the services and programs the organisation will deliver in 2026/27 to progress the delivery of its Strategic Plan. Priorities for 2026/27 identified by the Board include:

- Marketing and promoting the city with a consistent brand that underpins AEDA's marketing activities, supporting investment, and visitor attraction.
- Ensuring people visiting Adelaide receive advice and information that exceeds their expectations, both on the digital platform and in the new Visitor Experience Centre.
- Delivering a structured approach to investment attraction that identifies short-term opportunities to support organisations to relocate into the city or grow in situ, as well as focusing on the sectors that will underpin long-term economic growth. These include defence, sustainability systems, remote operations, digital health and the data economy.
- Capitalising on Rundle Mall's 50th anniversary. The anniversary represents a pivotal moment to:
  - Reinforce Rundle Mall's position as the state's most important retail destination.
  - Reinvigorate public perception of the Mall as a place of innovation, inclusion and shared identity.
  - Create new emotional and cultural touchpoints that connect past, present and future generations.

### The Agency will continue to deliver the following Operating Activities:

- Delivery of ADL Fashion Week.
- Collection, analysis and dissemination of economic data and information about the city.
- Provision of grants to precinct groups through the Mainstreet Development Program.
- Management of Strategic Partnerships Program, providing funding support to Renew Adelaide, Study Adelaide, Business Events Adelaide, MTP Connect, Festival City Adelaide and ThincLab.
- Management of the Events and Festivals Sponsorship Program providing funding support to Illuminate Adelaide, SALA Festival, Nature Festival, Adelaide Film Festival, OzAsia Festival, Feast Festival, National Pharmacies Christmas Pageant, bp Adelaide Grand Final, St John Carols by Candlelight, Adelaide International, Adelaide Festival, Adelaide Fringe, Santos Tour Down Under, WOMAdeelaide, Tasting Australia, Adelaide Cabaret Festival and the Adelaide Equestrian Festival.
- General operating activities in business growth/support, marketing and visitor growth to deliver the functions outlined in this business plan.

### The Agency will deliver the following Strategic Projects:

- Rundle Mall 50th anniversary
- Investment attraction
- City brand implementation
- Small Business program



Image credit: South Australian Tourism Commission

# 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	2026/27 Proposed Actions
<p>1. Rundle Mall strengthens its reputation as the state's premier shopping Precinct and evolving entertainment and dining destination to increase visitation and spend.</p>	<ol style="list-style-type: none"> <li>1. Curate a calendar of events, festivals, activations and PR moments that celebrate Rundle Mall's 50th anniversary, honouring its history and heritage, highlighting its role in South Australia's social life, and showcasing its lasting legacy as the beating heart and town square of Adelaide.</li> <li>2. Create and launch a pilot program of activations supported by a dedicated marketing campaign to promote early-evening trading in Rundle Mall.*</li> <li>3. Continue implementation of the Rundle Mall Christmas Strategy.</li> <li>4. Evolve the City Sessions platform to deliver unique musical moments and festival-style activations. Building on Adelaide's UNESCO City of Music status, position Rundle Mall as the city's year-round outdoor live performance hub.</li> <li>5. Become a 'cultural stage': host significant cultural moments. Build Rundle Mall into a communal gathering place, building associations of being a memory-maker, and a modern-day town square.</li> <li>6. Deliver retail campaigns and experiential activations that elevate Rundle Mall's reputation as South Australia's premier shopping and entertainment Precinct.</li> </ol>
<p>2. Rundle Mall evolves and regenerates with new capital investment.</p>	<ol style="list-style-type: none"> <li>1. Advocate for the continuation of the Rundle Mall laneway strategy with the upgrade of Twin Street into an enhanced pedestrian-friendly shared zone connecting major transport links on Grenfell Street to Rundle Mall.</li> <li>2. Trial a semi-permanent dining and food activation zone that hosts unique pop-up restaurant experiences—partnering with top food operators, chefs and brand partners to deliver themed events and test new culinary concepts.</li> </ol>
<p>3. AEDA's relationship with Rundle Mall stakeholders and levy payers is strengthened through effective partnerships, advocacy and management of the Rundle Mall program.</p>	<ol style="list-style-type: none"> <li>1. Champion initiatives and advocate for policy directions that protect and enhance the retail environment, support trader viability, and strengthen the economic performance of the Precinct, ensuring the needs and interests of Rundle Mall businesses are consistently represented.</li> <li>2. Develop a comprehensive brand and retailer engagement program to elevate the Rundle Mall experience by expanding strategic partnerships and attracting pop-ups, activations and new tenants, particularly in hard-to-fill and emerging retail categories.</li> </ol>
<p>4. Adelaide's destination and liveability status is enhanced through activated laneways, arcades, precincts and neighbourhoods across the city.</p>	<ol style="list-style-type: none"> <li>1. Identify and pursue retail experiences that appeal to young people and create a point of difference with Adelaide's suburban offerings.</li> <li>2. Deliver ADL Fashion Week.</li> <li>3. Action specific outcomes of the CoA Precinct/Placemaking review (subject to direction of Council).</li> </ol>

2026/27 Operational Measures

Total expenditure in Rundle Mall grows by at least 3%.

Greater alignment with desired brand reputation for Rundle Mall.

Rundle Mall visitation remains above 52 million.

AEDA Strategic Plan Measures

Increase in spending across the city.

*CoA Strategic Plan*

Deliver semi-permanent dining zone in Rundle Mall.

\$150 million of capital investment committed to in the Precinct.

*AEDA KPI*

Three 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%.

*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	2026/27 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"><li>1. 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.</li><li>2. 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 by delivering a coordinated B2B marketing campaign that amplifies Adelaide as Australia's Innovation City, through the use of a consistent value proposition in marketing content and an ongoing partnership with Study Adelaide.</li><li>3. Implementation of the Adelaide brand through a 12-month program of initiatives (subject to budget bid approval) comprising a flagship city campaign and updated brand guidelines and toolkit.</li></ol>
2. City stakeholders actively participate in marketing campaigns.	<ol style="list-style-type: none"><li>1. Regular programmed engagement with stakeholders on the latest marketing activity results, and upcoming plans so they can participate and support where relevant.</li><li>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).</li></ol>
3. Visitors to Adelaide and residents can easily discover what's on across the city.	<ol style="list-style-type: none"><li>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.</li><li>2. Provide comprehensive information on events and activities occurring in Adelaide with a significant focus on the new Visitor Experience Centre.</li><li>3. Promote the new itinerary builder tool to provide prospective visitors and visitors in-destination, highlighting the breadth of activities in Adelaide to increase likelihood of a visit and extend stay.</li></ol>
4. Knowledge of Adelaide as a place to invest and grow a business is increased.	<ol style="list-style-type: none"><li>1. Strategically target prospective investors or firms, across key sectors, to educate them about the strengths of Adelaide as an investment destination.</li></ol>
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"><li>1. Implement a corporate communications strategy to increase the profile of AEDA and generate a greater awareness of how existing and new businesses in the city can utilise our services.</li><li>2. Leverage the skills, networks and independence of the AEDA Board to expand the reach and impact of AEDA.</li></ol>

2026/27 Operational Measures

Launch new Adelaide brand marketing campaign.  
Communications tracking results exceed average benchmarks for Intention and Appealing metrics.

Produce and share a half yearly marketing report for industry.  
Establish a co-operative marketing mechanism enabling businesses to participate in campaigns.

Achieve 10,000 itinerary interactions in the first year and 15% conversion rate from itinerary views to further site exploration.

Produce and strategically distribute an updated investment prospectus.

Increase of AEDA brand awareness by 5% (currently 38%).

AEDA Strategic Plan Measures

Increase in the brand health metric for Adelaide as a destination to visit to 7.5/10 (currently 6.39).  
*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*

Increase the number of new businesses and investment in 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 and become advocates for Adelaide as a great place to visit.

AEDA Strategic Plan Goal	2026/27 Proposed Actions
1. Adelaide is viewed as an increasingly desirable place to visit.	<ol style="list-style-type: none"> <li>1. Establish a prospectus for nation-leading tourism investment opportunities that strengthen Adelaide's year-round appeal to visitors.</li> <li>2. Undertake destination marketing on behalf of city operators through trade activity, supporting Adelaide's visibility and desirability in priority markets.</li> <li>3. Ensure the Experience Adelaide website, e-marketing and social media channels provide equitable promotion of each content pillar (Attractions &amp; Experiences, What's On, Eat &amp; Drink, Trip Planning, Shopping), and each city neighbourhood.</li> </ol>
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"> <li>1. Support delivery of events and festivals through the Events and Festivals Sponsorship Program.</li> <li>2. Deliver a grant program to support event operators and private businesses delivering small-medium scale events and activations between 1 January - 31 December 2027.*</li> <li>3. Support and build the capability of city businesses to develop new bookable products and experiences.</li> </ol>
3. Comprehensive information is provided to visitors on things to see and do in Adelaide.	<ol style="list-style-type: none"> <li>1. Position the new Visitor Experience Centre as both a trusted information hub and a compelling attraction in its own right, inspiring visitors to explore more of the city before, during and beyond their stay.</li> <li>2. Maintain and grow customer satisfaction with Visitor Information Services.</li> <li>3. Collaborate with Business Events Adelaide and city businesses to deliver coordinated visitor and delegate welcoming initiatives which highlight experiences and events across the city.</li> </ol>
4. AEDA plays a pivotal role as a connector and central point for the visitor economy in Adelaide.	<ol style="list-style-type: none"> <li>1. Establish a governance framework with the South Australian Tourism Commission (SATC) and metropolitan councils, and operationalise the Destination Management Plan roll out for the Greater Adelaide region.</li> <li>2. Deliver visitor economy information that provides insights to tourism operators and potential investors via face-to-face forums and customised data.</li> </ol>

## 2026/27 Operational Measures

Generate investment leads for tourism product development opportunities.

Attend at least two key tourism trade events with appointments held with at least 80 inbound tourism operators.

Support at least 20 events and festivals through the Events and Festivals Sponsorship Program.

Work with existing firms and new city businesses to develop at least 10 bookable experiences.

Increase to 90,000 visitor interactions and provision of information through AEDA visitor information services (currently around 45,000).

Exceed Net Promoter Score (NPS) of +80 for visitors interacting with AEDA Visitor Information Services (currently 79).

Deliver visitor welcoming initiatives for at least 20 business events and 10 cruises.

Complete at least one pilot project aligned with the Greater Adelaide Destination Management Plan.

## 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*

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 2024.

*CoA Economic Development Strategy*

Invest in Adelaide Visitor Information Centre tourism assets to increase visitation and improve visitor experience.

*CoA Economic Development Strategy*

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	2026/27 Proposed Actions
<p>1. Growth in industry sectors that build on and extend the City's economic strengths.</p>	<ol style="list-style-type: none"> <li>1. Identify and target companies with the potential to establish, or grow, a city presence by:               <ul style="list-style-type: none"> <li>• Collaborating with State Government on initiatives to attract inbound investment.</li> <li>• Delivering initiatives that connect and grow Adelaide's strategic sector clusters through co-created events and workshops with innovation hubs, research institutions, and anchor industry partners.</li> <li>• 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).</li> <li>• Working with city-based firms to support their growth.</li> <li>• Proactively seeking new investment opportunities including retail brands, tourism and professional services.</li> <li>• Assisting companies with their due diligence on investing in the city by providing data, information and customised property searches.</li> </ul> </li> <li>2. Work with institutional investors and developers to identify opportunities to increase the residential product mix in the City.</li> </ol>
<p>2. Street level retail and hospitality activity that contribute to vibrant precincts and mainstreets.</p>	<ol style="list-style-type: none"> <li>1. Support and promote precinct level activity to increase visitation and spend across the City of Adelaide.</li> <li>2. Continue to invest in a program of events, festivals, activities and marketing that increases the number of people coming into the city, thereby increasing demand for retail and hospitality sectors.</li> <li>3. Continue funding for Renew Adelaide to activate vacant shopfronts.</li> </ol>
<p>3. Businesses are supported to grow.</p>	<ol style="list-style-type: none"> <li>1. Build on arrangements with organisations funded through the Strategic Partnerships Program to increase the number of students, leverage business events and business visitors, support a culture of entrepreneurship, activate vacant shopfronts and commercial spaces, enhance Adelaide's festival sector, and foster business growth.</li> <li>2. Support emerging and small businesses to scale through initiatives that support business growth.</li> <li>3. Support city businesses to adopt, embrace and leverage digital transformation opportunities by delivering an Artificial Intelligence program via AEDA's partnership with the National AI Centre and the Australian Institute for Machine Learning (AIML).</li> <li>4. Deliver a highly creative 'Bring Your Business to Adelaide' marketing campaign targeting metropolitan Adelaide and nearby semi-regional markets to promote the city's 32 co-working spaces, showcase AEDA's tenancy and business support services, and leverage economic data and insights to attract investment and drive business growth.</li> </ol>
<p>4. Data and insights deliver useful information to city businesses and prospective investors.</p>	<ol style="list-style-type: none"> <li>1. Design and deliver industry briefings regarding city data and trending topics of value to city businesses.</li> <li>2. Disseminate relevant and timely data and insights to stakeholders.</li> </ol>
<p>5. Adelaide's reputation as a centre for health and education is strengthened.</p>	<ol style="list-style-type: none"> <li>1. Work with the biomedical sector to identify and progress opportunities.</li> <li>2. Work with innovation places to increase the value proposition that Adelaide provides for entrepreneurs, the creative sector and technology-based businesses.</li> <li>3. Progress activity with entities including Lot Fourteen, Biomed City, the higher education sector and other organisations to enhance the city's to enhance the city's role as the capital city and central business district.</li> </ol>

## 2026/27 Operational Measures

Work with at least 80 inbound/expanding companies, with an aim to identify an additional 2,100 new city-based jobs.

Deliver two co-created events and workshops with partners.

Work with Council and the development sector to facilitate/support an additional three residential developments in the city.

Work with partners and operators to deliver a diverse program of 20 medium to large events across the city.

Support Renew Adelaide to support activation of 18 vacant shopfronts and premises.

Provide/support at least eight programs to support city SMEs, with a focus on those in emerging industries and those looking to scale up.

Attract 10 additional business enquiries through the Bring Your Business to Adelaide program.

Produce and publish quarterly reports on city activity and visitor economy as well as maintain nine dashboards on aspects of the City's economy.

## 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*

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*

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	2026/27 Proposed Actions
1. Effective and transparent governance, reporting and processes.	1. <<<insert actions identified during the Board's evaluation item at the March 2026 meeting>>>
2. Establish an approach to funding that supports multi-year forward planning.	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"> <li>1. Ensure staff can develop their professional expertise and careers by ensuring AEDA's programs are impactful, contemporary and based on leading practices.</li> <li>2. Identify opportunities to raise AEDA's profile through speaking and sponsorship opportunities at relevant industry events.</li> <li>3. Identify ways to better recognise the contribution volunteers make to AEDA and the city.</li> </ol>
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"> <li>1. Work with industry groups and key business leaders to develop programs of activity that deliver mutual benefits.</li> <li>2. Promote AEDA Board and Advisory Committee knowledge and networks to Council to progress shared goals, advocacy and initiatives.</li> <li>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.</li> <li>4. Collaborate with the State Government on opportunities to enhance economic growth in the City.</li> </ol>
5. Engagement mechanisms that deliver on-ground intelligence to inform priorities and practice.	<ol style="list-style-type: none"> <li>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.</li> <li>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 emerging issues and opportunities.</li> </ol>



2026/27 Operational Measures

Opportunities and issues identified in the Board’s annual governance review are addressed.

Support the AEDA Board to provide effective oversight of the Agency.

Provide regular reporting to Council on AEDA’s activities and outcomes.

An approach to funding that supports multi-year planning is applied.

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.

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 provided to the Board.

AEDA KPI



# Appendix 1.

## Budget Summary

AEDA Income Summary	2025/26 Q2 Budget	2026/27 Proposed Budget
<b>\$000's</b>		
Contribution from City of Adelaide – Operating Budget	\$8,609	\$9,174
Strategic Project Funding	\$575	\$914
Rundle Mall Levy	\$4,138	\$4,232
Rundle Mall Supplementary Revenue	\$380	\$380
Visitor Experience Centre	\$10	\$0
Other Revenue	\$0	\$0
<b>Total Income</b>	<b>\$13,712</b>	<b>\$14,700</b>
<b>AEDA Expenditure Summary</b>		
	<b>2025/26 Q2 Budget</b>	<b>2026/27 Proposed Budget</b>
<b>\$000's</b>		
Business, Investment and Residential Growth	\$2,971	\$3,255
Visitor Growth	\$3,321	\$3,516
Brand and Marketing	\$2,327	\$2,403
Rundle Mall Marketing and Activations	\$2,606	\$2,506
Rundle Mall Admin   Operations	\$1,912	\$2,106
Strategic Projects	\$575	\$914
<b>Total Expenditure</b>	<b>\$13,712</b>	<b>\$14,700</b>
<b>Strategic Projects</b>		
	<b>2025/26 Q2 Budget</b>	<b>2026/27 Proposed Budget (Scenario 1)</b>
<b>\$000's</b>		
Black Friday	\$50	
City Brand	\$100	\$150
Investment Attraction Program	\$100	\$200
Partner Marketing - Winter Focus	\$75	
Rundle Mall Live Music Program	\$100	
Tourism and Business Attraction	\$150	
Rundle Mall 50th Anniversary	\$0	\$257
Small Business Program	\$0	\$307
<b>Total Strategic Projects</b>	<b>\$575</b>	<b>\$914</b>

<b>Rundle Mall Finance Summary</b>	<b>2025/26 Q2 Budget</b>	<b>2026/27 Proposed Budget</b>
<b>\$000's</b>		
Rundle Mall Levy Income	\$4,138	\$4,232
Rundle Mall Supplementary Revenue	\$380	\$380
Admin   Operations Expenditure	(\$1,912)	(\$2,106)
Marketing   Activations	(\$2,606)	(\$2,506)

<b>Rundle Mall Admin   Operations Expenditure</b>	<b>2025/26 Q2 Budget</b>	<b>2026/27 Proposed Budget</b>
<b>\$000's</b>		
Security Retainer	\$318	\$403
Employee Costs	\$1,315	\$1,393
Business & Investment Support	\$90	\$117
Utilities, Storage Rent, Licences, Insurance, Depreciation	\$189	\$193
<b>Total Expenditure</b>	<b>\$1,912</b>	<b>\$2,106</b>

<b>Rundle Mall Marketing   Activations Expenditure</b>	<b>2025/26 Q2 Budget</b>	<b>2026/27 Proposed Budget</b>
<b>\$000's</b>		
Major Events & Activations (e.g. Christmas and ADL Fashion Week)	\$2,087	\$1,987
Marketing Services	\$415	\$419
Rundle Mall Assets Branding	\$77	\$64
Research & Insights	\$12	\$2
Placemaking & Vibrancy Opportunities	\$0	\$13
Other Expenditure	\$15	\$21
<b>Total Marketing and Activations</b>	<b>\$2,606</b>	<b>\$2,506</b>

# Appendix 2.

## AEDA Activity Calendar

Month	Activity – Events, Activations & Promotions
<b>July 2026</b>	<ul style="list-style-type: none"> <li>• Rundle Mall Brand campaign (cont. from 2024/25)</li> <li>• Winter in Rundle Mall (cont. from 2024/25)</li> <li>• NAIDOC Week</li> <li>• Retailer support campaign</li> <li>• Visitor Experience Centre opening campaign</li> <li>• Adelaide Place Brand roll out campaign</li> </ul>
<b>August 2026</b>	<ul style="list-style-type: none"> <li>• Rundle Mall Brand campaign (cont. from 2024/25)</li> <li>• Winter in Rundle Mall (cont. from 2024/25)</li> <li>• Daffodil Day</li> <li>• Gathered Market in the Mall</li> <li>• Retailer support campaign</li> <li>• Visitor Experience Centre opening campaign</li> <li>• Adelaide Place Brand roll out campaign</li> </ul>
<b>September 2026</b>	<ul style="list-style-type: none"> <li>• Spring fashion launch campaign in Rundle Mall</li> <li>• Father's Day retail support</li> <li>• FruChoc Appreciation Day activations</li> <li>• Gathered Market in the Mall</li> <li>• Retailer support campaign</li> <li>• Adelaide Place Brand roll out campaign</li> </ul>
<b>October 2026</b>	<ul style="list-style-type: none"> <li>• Spring fashion in Rundle Mall (cont. from 2024/25)</li> <li>• ADL Fashion Week</li> <li>• October long weekend trading hours support</li> <li>• School holidays</li> <li>• Retailer support campaign</li> </ul>
<b>November 2026</b>	<ul style="list-style-type: none"> <li>• Christmas decorations</li> <li>• Black Friday weekend activations</li> <li>• Gathered Market in the Mall November x1</li> <li>• Choirs and music performances</li> <li>• Activations to support extended trading hours</li> <li>• Vibrancy in the Mall in the lead-up to Christmas</li> <li>• Retailer support campaign</li> </ul>



**Month Activity – Events, Activations & Promotions**

- December 2026**
- Gathered Christmas Market in the Mall December x2
  - Boxing Day event and activations to launch sales in the city
  - School holidays

- January 2027**
- Rundle Mall 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
  - Tour Down Under

- February 2027**
- 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 2027**
- MallFest activity (cont.)
  - Long weekend trading hours support
  - Retailer support campaign

- April 2027**
- Rundle Mall Brand campaign
  - AFL Gather Round
  - Easter (Friday 3 to Monday 6 April)
  - ANZAC Day trading hours support
  - Retailer support campaign

- May 2027**
- Rundle Mall Brand campaign (cont.)
  - Food & wine activation
  - Mother's Day retail support
  - Retailer support campaign

- June 2027**
- Rundle Mall 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







Kadaltilla/Adelaide Park Lands Authority

# Draft Business Plan & Budget 2026/27

**Kadaltilla**  
Adelaide Park Lands Authority

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## The Adelaide Park Lands are the largest inner urban park system in Australia.

Nationally Heritage listed for their unique design – they are the city's lungs, backyard, playground, meeting space and more. The Adelaide Park Lands are there for everyone to enjoy, enhancing physical and mental well-being. 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, its Strategic Plan and Charter. 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 resources 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 (SA)*.

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



**Mr Daniel Bennett**



**Mr Ashley Halliday**



**Ms Sally Underdown**



**Ms Stephanie Johnston**



**Mr Tim Agius**



**Councillor Keiran Snape**



**Mr Warwick Keates**



**Ms Kirsty Bevan**

# 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 Adelaide 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 (SA)*.
- 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 (SA)* or the *Local Government Act 1999 (SA)* 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

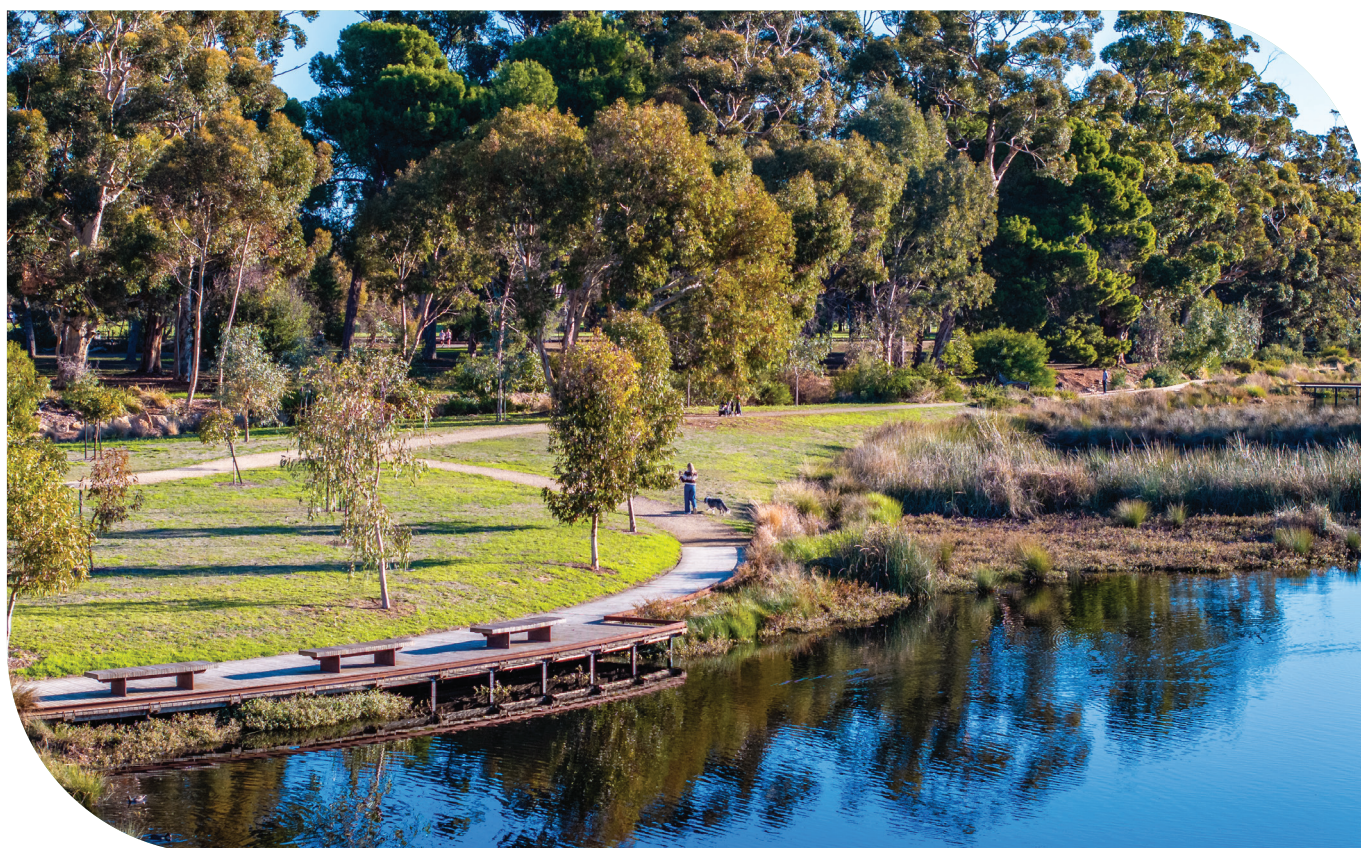
Places of activity, creativity and tranquillity for everyone that support our changing lifestyles, health and wellbeing; offer diverse landscapes and natural beauty and provide a range of sport, recreational, sensory and stimulating experiences.

#### 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 2026/27 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 Kurna culture, heritage and wellbeing.

APLMS Outcome	Ref.	Performance Objectives 2023–2028	Performance Initiatives 2023–2028	Performance Measures 2023–2028	Activities 2026/27	Resources 2026/27
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	1.1	Seek Kurna cultural authority in everything we do	Partner with Kurna culture authority	Each matter that comes before Kadaltilla considers Kurna culture	Kadaltilla and the City of Adelaide’s employees will ensure that each matter that comes before Kadaltilla considers Kurna culture.  Strengthen Kadaltilla’s engagement with Kurna Yerta Aboriginal Corporation and the Kurna community.	Board operational allocation
Goal 3 – Natural Systems, Cultural Landscapes and Climate Resilience	1.2	Assist with Kurna cultural mapping	Support Kurna cultural mapping progress	Kurna cultural mapping completed and used to inform Kadaltilla considerations	Phase 2 will build on the foundational work completed during Phase 1.	Within Council operational allocations
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 website, social media, brochures, and financial support for the (biennial) Adelaide Park Lands Art Prize.	\$21,974  (\$6,974 marketing plus \$15,000 Adelaide Park Lands Art Prize)
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	Progress opportunities for World Heritage Listing with Adelaide and Mount Lofty Ranges Councils subject to a City of Adelaide budget bid.	Within Council operational allocations



## 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 2026/27	Resources 2026/27
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 and design principles defined in the APLMS – Towards 2036 will continue to be embedded in decision-making and project delivery during 2026/27.	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 included in the digital APLMS and used to inform discussions, decision-making and prioritisation of projects.	Board operational allocation  (Note separate City of Adelaide allocation to the tree planting program)
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	Completion of a climate impact assessment for the Adelaide Park Lands.	Subject to a separate City of Adelaide budget proposal in 2026/27
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 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	Regularly update the Kadaltilla website, digital APLMS, and social media platforms to share information.	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	Commence the Park Lands Smart Irrigation Project.	Subject to a separate City of Adelaide budget proposal in 2026/27



## 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 2026/27	Resources 2026/27
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	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	Engage the State Government to provide advice on its Management Plans in line with Section 20(1) of the <i>Adelaide Park Lands Act 2005</i> (SA).	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 Park Lands including economic, environmental and cultural significance	Undertake an assessment of economic, environmental and cultural significance of the Adelaide Park Lands	Board Members are well informed through regular updates	Assess the economic, environmental, social and cultural value of the Adelaide Park Lands.	Within Council operational allocations



## Expert Advice

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

APLMS Outcome	Ref.	Performance Objectives 2023–2028	Performance Initiatives 2023–2028	Performance Measures 2023–2028	Activities 2026/27	Resources 2026/27
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	<p>Identify items requiring consideration by Kadaltilla.</p> <p>Forward agenda maintained by Kadaltilla / Adelaide Park Lands Authority Advisor.</p> <p>Convene and support Kadaltilla meetings, workshops and field trips.</p> <p>Members remunerated in accordance with the provisions of Kadaltilla's Charter and Council's specific determination on fees.</p>	\$272,815 (comprising \$84,220 for Kadaltilla sitting fees and \$188,595 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	<p>Maintenance of the Policies section on the Kadaltilla portal.</p> <p>Reporting of lease, license, and events on Adelaide Park Lands, as required.</p>	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, the State Government, and adjoining Councils actively engage with Kadaltilla	Strategic stakeholder engagement on Adelaide Park Lands related matters.	Board operational allocation

APLMS Outcome	Ref.	Performance Objectives 2023–2028	Performance Initiatives 2023–2028	Performance Measures 2023–2028	Activities 2026/27	Resources 2026/27
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	Promotion of the business of Kadaltilla 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 2026/27	Resources 2026/27
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</i> (SA)	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.	\$3,100
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</i> (SA).	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

<b>APLMS Outcome</b>	<b>Ref.</b>	<b>Performance Targets 2023–2028</b>	<b>Performance Measures 2023–2028</b>	<b>Activities 2026/27</b>	<b>Resources 2026/27</b>
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	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> .	\$6,100
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 2026/27	Resources 2026/27
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</i> (SA) and other legislative requirements, as directed by the Board. Financial outcomes to be achieved in alignment with the Board’s adopted plans and budgets.	\$5,581
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.	\$29,135 (\$23,856 insurance plus \$5,279 advice)





# Kadaltilla Budget Summary

Income Summary	2026/27 Draft Budget	2025/26 Budget
City of Adelaide Contribution	\$358,705	\$322,609
<b>Total Income</b>	<b>\$358,705</b>	<b>\$322,609</b>
Income Summary		
Employee Costs	\$188,595	\$180,350
Kadaltilla/Park Lands Authority (sitting fees)	\$84,220	\$74,204
Brand and Marketing	\$26,974	\$26,317
Insurance, Audit and Legal	\$23,856	\$22,168
External Advice	\$5,279	\$5,150
Sponsorships (eg Adelaide Park Lands Art Prize)	\$15,000	\$0
Kadaltilla Operations	\$14,781	\$14,420
<b>Total Expenditure</b>	<b>\$358,705</b>	<b>\$322,609</b>



# Kadaltilla

Adelaide Park Lands Authority

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## 2025/26 Business Plan & Budget Q3 Review

Friday, 22 May 2026

Audit and Risk Committee

Strategic Alignment - Our Corporation

**Program Contact:**

Rebecca Hayes, Associate

Director Governance & Strategy

Public

**Approving Officer:**

Anthony Spartalis, Chief

Operating Officer

### EXECUTIVE SUMMARY

This report presents the performance and delivery status of Council's commitments against the City of Adelaide's 2025/26 Business Plan and Budget (BP&B) for the third quarter (January to March 2026). The report was provided to the City Finance and Governance Committee on 19 May 2026. The report provides an overview of portfolio and project achievements, in addition to the performance of Council subsidiaries.

The year-to-date operating position as at 31 March 2026 is an operating surplus of \$20.684m, which is \$11.299m higher than the approved budget of \$9.385m for the period.

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

Total estimated operating revenue is forecast to be \$255.864m which is \$2.582m higher than the Q2 budget of \$253.282m. This is due to external funding received through the Special Local Roads Program of \$1.000m for Jeffcott Street, additional commercial parking revenue of \$0.725m, expiations, late payments and recoveries income of \$0.300m, Adelaide Town Hall of \$0.333m, Strategic Projects of \$0.250m offset by other minor movements of (\$0.026m).

Total estimated operating expenditure (including depreciation) is forecast to be \$247.323m, which is \$2.582m higher than the Q2 budget of \$244.741m. This is due to additional funding for Strategic Projects \$1.469m, and permanent increases to the budget of \$1.113m including an increase in FTE and casual labour \$0.381m, Commercial Parking external costs \$0.355m and Adelaide Town Hall external costs \$0.320m associated with an increase in revenue and other movements of \$0.057m.

The year-to-date Capital Expenditure as at 31 March 2026 is \$54.389m, which is \$3.196m higher than the approved budget of \$51.193m for the period. This is a result of the continued effort to deliver the annual capital program.

The Capital Program is proposed to decrease by \$8.389m from \$120.663m to \$112.274m as a result of the reduction to new and upgraded projects of (\$12.876m) through retiming of 13 projects, the addition of nine new projects of \$2.935m, savings released from various projects (\$0.150m), new grant funded projects of \$0.683m, accrued interest of \$0.019m from externally funded projects and reallocation of (\$0.091m) project delivery management costs to the renewal program. The renewal program is proposed to increase by \$1.091m due to the addition of one new project, and a reallocation of project delivery management costs of \$0.091m from new and upgraded projects.

Council's forecasted borrowings as at 30 June 2026 has decreased by \$4.849m from \$50.677m forecast in the Q2 budget to \$45.828m.

Quarterly reports are provided to support Council in monitoring the integrity of Council's financial statements and reporting, as well as reviewing and overseeing progress on the BP&B. This process supports Council's commitment to transparency and accountability.

# RECOMMENDATION

## THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

### THAT COUNCIL

1. Receives the City of Adelaide 2025/26 Business Plan and Budget Quarter 3 Review as contained in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 22 May 2026.
  2. Approves adjustments for the 2025/26 Business Plan and Budget (BP&B) as identified in this report and contained in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 22 May 2026.
  3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 31 March 2026, which includes:
    - 3.1. An operating surplus of \$20.684m (\$11.299m higher than the budget of \$9.385m, for the period)
    - 3.2. Total operating revenue of \$191.308m (\$2.865m higher than the budget of \$188.443m, for the period)
    - 3.3. Total operating expenses (including depreciation) of \$170.624m (\$8.434m lower than the budget of \$179.058m, for the period)
    - 3.4. Total Capital Expenditure of \$54.389m (\$3.196m higher than the budget of \$51.193m, for the period)
    - 3.5. Net cash surplus position of \$10.091m.
  4. Approves budgeted year end Operating Position, which includes:
    - 4.1. An operating surplus of \$8.541m (consistent with the adopted budget of \$8.541m)
    - 4.2. Total operating revenue of \$255.864m (\$2.582m higher than the Q2 budget of \$253.282m)
    - 4.3. Total operating expenses (including depreciation) of \$247.323m (\$2.582m higher than the Q2 budget of \$244.741m).
  5. Approves total capital expenditure of \$112.274m for 2025/26 year (\$8.389m lower than the Q2 budget of \$120.663m).
  6. Approves total borrowings of \$45.828m projected to 30 June 2026 (\$4.849m lower than the Q2 projected borrowings of \$50.677m to 30 June 2026).
  7. Receives the Council Subsidiary Quarter 3 Reviews as contained as Attachments B, C, D and E to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 22 May 2026.
-

# IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<a href="#">Strategic Alignment – Our Corporation</a> Quarterly reporting supports Council’s <i>financial sustainability</i> objective within the 2024-2028 Strategic Plan.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Quarterly reporting is an important part of monitoring the organisation’s performance and effectiveness against Council’s planned activities, which is required under Section 122 (1) of the <i>Local Government Act 1999 (SA)</i> .
Opportunities	Quarterly reporting enables Council to make informed and timely decisions to maintain or change its services, assets, and budgets to meet community expectations and needs, maintaining or improving Council’s financial position, and enabling Council to be responsive to risks and opportunities.
2025/26 Budget Allocation	Not as a result of this report
Proposed 25/26 Budget Allocation	Not as a result of this report.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
25/26 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

# DISCUSSION

## 2025/26 BUSINESS PLAN PRIORITIES

1. Council continues to make good progress in delivering on its Strategic Plan 2024-2028 and is well progressed with the Key Actions prioritised in the 2025/26 Annual Business Plan and Budget (for more detail, please see 'Spotlight on Strategic Plan Priorities and Projects' section of **Attachment A**).
2. As at Quarter 3, all Annual Priorities from the 2025/26 Business Plan and Budget have commenced and are on track to be completed by the end of the financial year and are detailed below.

### Our Community

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

### Our Environment

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

### Our Economy

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

### Our Places

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

### Our Corporation

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

## FINANCIAL SUMMARY

### Year-to-Date

3. The year-to-date operating position as at 31 March 2026 is an operating surplus of \$20.684m, which is \$11.299m favourable to the adopted budget of \$9.385m, for the period. The variance is driven by higher total operating revenue and lower operating expenditure:
4. Total operating revenue of \$191.308m is \$2.865m higher than the budget of \$188.443m, for the period, and includes the following key movements:
  - 4.1. Additional rates revenue of \$0.792m mainly from interest and penalties applied to overdue rates balances
  - 4.2. Additional fees and charges of \$2.247m which includes positive movements in parking \$2.025m, expiations, late payments and recoveries \$0.233m, city events \$0.203m and Adelaide Town Hall fees and charges \$0.301m, Strategic Property Management \$0.130m, Temporary Parking Controls \$0.135m and Rundle Mall concessions \$0.104m offset by Golf (\$0.621m) and City Works Permits (\$0.402m)
  - 4.3. Grants, subsidies and contributions are (\$1.160m) unfavourable due factors including Financial Assistance Grants (\$0.541m), where 50% of the annual contribution was received in 2024/25, timing of recognition for Library Materials Grant (\$0.277m) and Helen Mayo Master Plan (\$0.188m)
  - 4.4. Additional other income of \$0.986m due to reimbursements from private works \$0.430m, insurance claims \$0.343m, interest received \$0.138m and other reimbursements \$0.125m offset by unfavourable commissions and other revenue (\$0.050m).

5. Total operating expenditure of \$170.624m is \$8.434m lower than the budget of \$179.058m for the period, and includes the following key movements:
  - 5.1. Employee costs \$5.500m favourable partially offset by temporary labour backfill of (\$4.156m)
  - 5.2. Materials, Contracts and Other Expenses is \$2.254m favourable mainly due to variances in strategic projects of \$1.954m (key variances include Asset Condition Audit \$0.274m, Resilient Flood Mapping \$0.251m, Market Expansion \$0.221m, Helen Mayo Park Master Plan \$0.188m, Election 2026 \$0.115m, Cyber Security Enhancement \$0.110m, NHMP First Nations Heritage \$0.103m and Strategic Property Investigations \$0.100m), advertising \$1.723m, professional services \$0.899m, Business Systems Roadmap \$0.505m, consumables \$0.398m and Free City Connector \$0.169m.
  - 5.3. Sponsorships, Contributions and Donations are \$0.250m favourable and include timing of Event and Festivals Sponsorships \$0.156m in AEDA
  - 5.4. Depreciation is \$0.469m favourable, due to the timing of capital delivery and revaluations, as well as the remeasurement of lease liabilities, offset by an increase in finance costs of (\$0.039m).
6. The year-to-date Capital Expenditure as at 31 March 2026 is \$54.389m, which is \$3.196m higher than the approved budget of \$51.193m for the period.
7. As at 31 March 2026, Council had a cash surplus of \$10.091m, with \$1.296m in bank accounts and \$8.795m in deposits.

#### Projected Annual Financial Summary

8. The proposed Quarter 3 review delivers an end of year operating surplus of \$8.541m, (in line with the adopted budget):
  - 8.1. Total estimated operating revenue of \$255.864m (\$2.582m higher than the adopted budget of \$253.282m). This is mainly due to external funding received through the Special Local Roads Program of \$1.000m for Jeffcott Street, additional commercial parking revenue of \$0.725m, expiations, late payments and recoveries income of \$0.300, Adelaide Town Hall of \$0.333m, Strategic Projects of \$0.250m offset by other minor movements of (\$0.026m).
  - 8.2. Total estimated operating expenses (including depreciation) of \$247.323m (\$2.582m higher than the adopted budget of \$244.741m). This is due to additional funding for Strategic Projects \$1.469m, and permanent increases to the budget of \$1.113m including an increase in FTE and casual labour \$0.381m, Commercial Parking external costs \$0.355m and Adelaide Town Hall external costs \$0.320m associated with an increase in revenue and other movements of \$0.057m.
9. Total proposed Capital Expenditure for the year is \$112.274m (decrease of \$8.389m compared to Q2 budget of \$120.663m) as a result of the reduction to new and upgraded projects of \$12.876m through retiming of 13 projects, the addition of nine new projects of \$2.935m, New grant funded projects of \$0.683m, and accrued interest of \$0.019m from externally funded projects. The renewal program is proposed to increase by \$1.091m due to the addition of one new project, and a reallocation of Project Delivery Management costs of \$0.091m from new and upgraded projects.
10. Grant funding to support capital expenditure on new and upgraded assets of \$6.104m (\$8.017m decrease compared to Q2 budget of \$14.121m). This is due to the retiming of projects into 2026/27 including Experience Adelaide Visitor Centre, Golden Wattle Park/Mirnu Wirra (Park 21 West) Community Sports Building.
11. Borrowings are proposed to decrease to \$45.828m as at 30 June 2026 (\$4.849m lower than the adopted budget of \$50.677m) as a result of the changes above.
12. Updated financial statements are provided from page 60 in **Attachment A**.

#### **PROJECT DELIVERY SUMMARY**

##### Strategic Projects

13. In 2025/26, Council has a commitment at Q2 of \$9.264m (\$8.022m net of grant funding) to deliver 50 Strategic Projects. At the end of this quarter 62% was committed or spent. The proposed Q3 budget of Strategic Projects is \$10.748m (\$9.257m net of grant funding) to deliver 56 projects.

##### Capital Works Program

14. In 2025/26, Council has a commitment of \$120.663m to deliver 364 projects as part of its Capital Works Program. At the end of this quarter four New and Upgrade projects and 19 Renewal projects reached practical completion.

## ADJUSTMENTS TO THE 2025/26 BUSINESS PLAN AND BUDGET

### Operating Program

15. Adjustments to program deliverables and budgets for the quarter (permanent changes to BAU which will flow through to the 2026/27 budget) are offset by adjustments to 2025/26 Strategic Projects (which are once-off in nature):
  - 15.1. Permanent changes to the budget of \$0.235m net increase in revenue including commercial parking net revenue of \$0.370m, expiation revenue of \$0.300m, Adelaide Town Hall net revenue \$0.013m, and Event income \$0.076m, offset by an increase in net expenditure associated with employee cost of (\$0.381m), security (\$0.088m), and other minor changes of (\$0.055m).
  - 15.2. Temporary changes to the budget of \$1.000m net increase in revenue through the recognition of the Special Local Roads Program Funding.
  - 15.3. Adjustments to Strategic Projects (temporary in nature) for the quarter total (\$1.235m) increase in net expenditure (\$1.485m increase in gross expenditure) to a proposed budget of \$10.748m (\$9.257m net of grant funding), consisting of:
    - 15.3.1. Inclusion of four new strategic projects: City Library (\$0.556m), John E Brown contaminated soil removal (\$0.135m), Workforce Management Project (\$0.026m), and Traffic Monitoring on Lohrman Street and George Street (\$0.015m)
    - 15.3.2. Increase in funding for Election 2026 (\$0.477m), Future Libraries Business Case (\$0.030m), Tree Martin Management (\$0.150m) and World Heritage Bid for the Park Lands (\$0.080m)
    - 15.3.3. Savings identified in projects: City Plan Digital Tool \$0.034m, Partner Marketing – Winter Focus \$0.075m, Key Biodiversity Area Management Plans \$0.010m, Housing Strategy Implementation \$0.006m, Planning and Design Code Amendment Program Delivery \$0.020m, Transport Strategy \$0.021m, School Safety Review \$0.018m and Review of Property Management \$0.050m
    - 15.3.4. New project for Rundle Mall 50<sup>th</sup> Anniversary \$0.250m, funded by an external grant.
16. Further detailed information on these changes is from page 54 (Operating Program - Adjustments) in **Attachment A**.

### Capital Program

17. Capital expenditure is proposed to decrease to \$112.274m for the year, which is lower than the adopted budget of \$120.663m.
  - 17.1. New and Upgrade projects has decreased by \$9.480m from the Q2 budget of \$51.883m to a proposed budget as at Quarter 3 of \$42.403m.
  - 17.2. The Renewals budget has increased by \$1.091m from the Q2 budget of \$68.780m to a proposed budget as at Quarter 3 of \$69.871m.
18. Adjustments to the Capital program include:
  - 18.1. Re-timing of 13 projects into future years of (\$12.876m)
  - 18.2. Nine new projects of \$2.935m originally planned for 2026/27
  - 18.3. Savings of (\$0.150m) across various projects released to fund Integrated Transport Strategy projects
  - 18.4. New grant funded projects of \$0.683m for New and Upgrade, and \$1.000m in Renewal projects
  - 18.5. Accrued grant interest in Quarter 3 of \$0.019m
  - 18.6. The reduction in the New and Upgrade component of the Project Delivery Management cost of \$0.091m with a corresponding increase in the Renewal component.
19. Further detailed information on these changes is available from page 42 in Attachment A.

## COUNCIL SUBSIDIARIES SUMMARY

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

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

22. The year-to-date operating position as at 31 March 2026 is an operating deficit of (\$0.170m), which is \$0.801m favourable when compared to the Q2 budget of (\$0.971m) deficit for this period.
  - 22.1. Total operating revenue of \$4.243m
  - 22.2. Total operating expenditure of \$4.413m (comprised of Existing Marketing Operations Expenditure of \$3.836m and Market Expansion Expenditure of \$0.577m).
23. The proposed changes for ACMA in Quarter 3 are a reduction in merchandise sales (\$0.061m) and associated cost of goods sold \$0.061m, and a reallocation of \$0.080m from City Infrastructure to ACMA of a site manager role.

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

24. The year-to-date operating position as at 31 March 2026 is an operating deficit of (\$6.663m) prior to the appropriation of funds from the City of Adelaide, which is \$1.320m favourable when compared to the approved budget of (\$7.983m) deficit for this period.
  - 24.1. Total operating income of \$3.550m.
  - 24.2. Total operating expenditure of \$10.213m.
  - 24.3. Total CoA appropriation of funds \$6.586m.
  - 24.4. Net Deficit of \$0.077m.
25. The proposed change for AEDA in Quarter 3 is the recognition of a new project for the Rundle Mall 50<sup>th</sup> Anniversary Celebration \$0.250m (100% grant funded), superannuation on sitting fees \$0.009m, offset by the release of the Partner Marketing - Winter Focus as the program was delivered by City Community \$0.075m. This is offset by a \$0.066m reduction to the appropriation of funds through the City of Adelaide.

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

26. The year-to-date operating position as at 31 March 2026 is an operating deficit of (\$0.140m), which is \$0.083m favourable when compared to the approved budget of (\$0.223m) deficit for this period.
  - 26.1. Total operating income of nil
  - 26.2. Total operating expenditure of \$0.140m.

There are no proposed changes to the Kadaltilla budget in Quarter 3.

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## DATA AND SUPPORTING INFORMATION

Nil

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## ATTACHMENTS

**Attachment A** – 2025/26 Business Plan and Budget Q3 Review

**Attachment B** – Adelaide Central Market Authority Q3 Review

**Attachment C** – Adelaide Economic Development Agency Q3 Review

**Attachment D** – Kadaltilla / Adelaide Park Lands Authority Q3 Review

**Attachment E** - Brown Hill Keswick Creek Stormwater Board Review

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- END OF REPORT -

2025/26

# Business Plan & Budget

Attachment A



January to March 2026  
Quarter 3 Review



# Acknowledgement of Country

City of Adelaide tampinhi, ngadlu Kurna yartangka panpapanpalyarrinhi (inparrinhi). Kurna Miyurna yaitya mathanya Wama Tarntanyaku. Parnaku yailtya, parnaku tapa purruna, parnaku yarta, ngadlu tampinhi.

Yalaka Kurna miyurna ithu yailtya, tapa purruna, yarta, kawi, ngayirda kuma puru martinhi, puru warri-apinhi, puru tangka martulayinhi. Kumartarna yaitya miyurna iyangka yalaka ngadlu tampinhi.




The City of Adelaide acknowledges the Kurna People of the Adelaide Plains as the Traditional Custodians of the land on which we live, work and gather. We acknowledge and honour their spiritual and cultural stewardship of this country and recognise their deep and enduring relationship with its lands, waters, the sky, and all living things. We pay our respects to Kurna Elders past and present and recognise the important role of emerging leaders in sustaining and strengthening culture.

## Legend




Throughout this document, these icons represent:

---

### Status

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

### Budget

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

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# CEO Message

## Delivering the 2025/26 Business Plan and Budget

The 2025/26 Business Plan and Budget continues to support the delivery of the City of Adelaide Strategic Plan 2024-2028. This report highlights our progress for Quarter 3 against the objectives of the Business Plan and Budget and the corresponding aspirations of our Strategic Plan.

In Quarter 3, Council delivered its core business while progressing the Our Community, Our Environment, Our Economy, Our Places and Our Corporation pillars of the Strategic Plan 2024–2028. Key milestones included the residential and hotel tower at Market Square reaching its highest point, and the progress to construction of the Golden Wattle Park/ Mirnu Wirra (Park 21 West) community sports building.

Quarter 3 saw the 2025/26 Capital Program continue strong progress across both New and Upgrade and Renewals projects. Four New and Upgrade projects (including associated sub-projects) reached practical completion, notably the Bonython Park/Tulya Wardli Shared Path Lighting, a retaining wall and footpath upgrade, the Brown Hill Keswick Creek (financial contribution), City wide Christmas Decorations and a greening initiative.

During the quarter, 19 renewal projects reached practical completion, including Traffic Signal renewals at West Terrace/Sturt Street and Currie Street/Gray Street intersections, Traffic Signal controller and lantern renewal programs, the Adelaide Central Market Car Park Bondek renewal, Glen Osmond Road Lighting renewals (Northern section), Rymill Park Kiosk renewal (developer works with CoA contribution) and several road renewals.

At the end of Quarter 3 the Strategic Projects program was 62% committed or spent, with a focus on projects that support the delivery of the City of Adelaide Strategic Plan 2024-2028 and other endorsed strategies. Social Planning Homelessness and Adelaide Zero Project Resourcing, Clipper Ship and Australia Day Sponsorship projects achieved practical completion.

The ongoing financial planning and management over Quarter 3 has seen the delivery of an operating result generally in line with the budget. The forecast operating surplus of \$8.541m will ensure that we remain in a strong position to support our commitment in delivering on the 2025/26 Business Plan and Budget within the parameters adopted by Council, the Long-Term Financial Plan, and associated Asset Management Plans.

During Quarter 3, Council's efforts to strengthen risk resilience were recognised, with Exercise London's Burning, a multi-agency desktop exercise testing the response to severe damage or loss of the London Road Works Depot, selected as a finalist in the LGA Mutual Liability Scheme Awards. Adaptive Reuse City Housing Initiative Seismic Upgrades Implications Project was shortlisted for a 2026 Australian Urban Design Award in the Research and Advocacy category.

I encourage you to read and review this progress report to recognise Quarter 3 achievements towards the delivery of the City of Adelaide's 2025/26 Business Plan and Budget and the priorities of our Strategic Plan 2024-2028.



**Michael Sedgman**  
Chief Executive Officer

# Executive Summary

This report presents the performance and delivery status of Council's commitments against the 2025/26 Business Plan and Budget (BP&B) for the third quarter (January to March 2026). Included within this report is an overview of Portfolio and Project achievements, as well as the performance of Council subsidiaries.

The year-to-date operating position as at 31 March 2026 is an operating surplus of \$20.684m, which is \$11.299m higher than the approved budget of \$9.385m for the period.

The year end projected operating position is an operating surplus of \$8.541m which remains consistent with the Q2 budget. Total estimated operating revenue is forecast to be \$255.684m which is \$2.582m higher than the Q2 budget of \$253.282m. This is mainly due to external funding received through the Special Local Roads Program of \$1.000m for Jeffcott Street, additional commercial parking revenue of \$0.725m, expiations, late payments and recoveries income of \$0.300m, Adelaide Town Hall of \$0.333m, Strategic Projects of \$0.250m offset by other minor movements of (\$0.026m). Total estimated operating expenditure (including depreciation) is forecast to be \$247.323m, which is \$2.582m higher than the Q2 budget of \$244.741m. This is due to additional funding for Strategic Projects \$1.469m, and permanent increases to the budget of \$1.113m including an increase in FTE and casual labour \$0.381m, Commercial Parking external costs \$0.355m and Adelaide Town Hall external costs \$0.320m associated with an increase in revenue and other movements of \$0.057m.

## Operating Position (Financial Performance)

\$000's	YTD Actual	YTD Budget	Variance	Q2 Budget	Proposed Q3	Variance
<b>Total Revenue</b>	191,308	188,443	2,865	253,282	255,864	2,582
<b>Total Expenses</b>	170,624	179,058	8,434	244,741	247,323	(2,582)
<b>Operating Surplus / Deficit</b>	<b>20,684</b>	<b>9,385</b>	<b>11,299</b>	<b>8,541</b>	<b>8,541</b>	<b>-</b>

## Capital Program

The year-to-date Capital Expenditure as at 31 March 2026 is \$54.389m, which is \$3.196m higher than the approved budget of \$51.193m for the period. This is a result of the continued effort to deliver the annual capital program.

The Capital Program is proposed to decrease by \$8.389m from \$120.663m to \$112.274m as a result of the reduction to new and upgraded projects of (\$12.876m) through retiming of 13 projects, the addition of nine new projects of \$2.935m, release of (\$0.150m) in savings, new grant funded projects of \$0.683m, and accrued interest of \$0.019m from externally funded projects. The renewal program is proposed to increase by \$1.091m due to the addition of one new project, and a reallocation of Project Delivery Management costs of \$0.091m from new and upgraded projects.

Council's Capital Program Quarter 3 budget changes are set out in the table below:

\$000's	YTD Actual	YTD Budget	Variance	Q2 Budget	Proposed	Variance
New and Upgrades Projects	16,171	20,831	4,660	51,883	42,403	9,480
Renewal / Replacement of Assets	38,218	30,362	(7,856)	68,780	69,871	(1,091)
<b>Total Capital Program</b>	<b>54,389</b>	<b>51,193</b>	<b>(3,196)</b>	<b>120,663</b>	<b>112,274</b>	<b>8,389</b>

## Borrowings

Council's forecasted borrowings as of 30 June 2026 has decreased by \$4.849m from \$50.677m forecast in the Q2 budget to \$45.828m as set out in the table below:

\$000's	Q2 Budget	Proposed Q3	Movement
Opening Borrowings (Financial Statements)	(23,820)	(23,820)	-
Adjusted Operating Surplus ^	8,064	7,063	1,001
Net outlays on Renewal of Assets	(9,343)	(9,433)	90
Net outlays on New and Upgraded Assets	(25,578)	(19,638)	(5,940)
<b>Forecast Borrowings as at 30 June 2026</b>	<b>(50,677)</b>	<b>(45,828)</b>	<b>(4,849)</b>

^ The Adjusted Operating Surplus incorporates grants received within the operating position which are one-off and capital in nature. The grants received are included within the Net Outlays on Renewal of Assets. Refer to the Uniform Presentation of Finances in the Appendix: Financial Statements.

# Business Plan and Budget Funding Overview

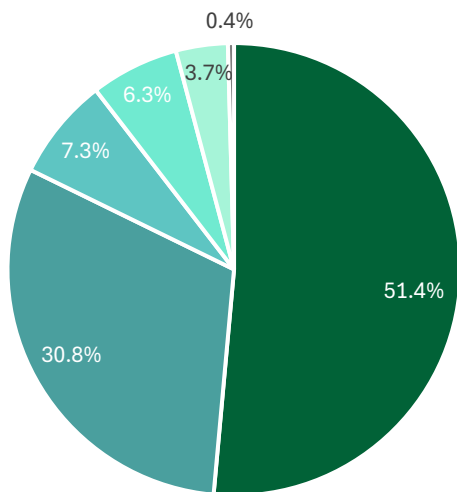
## Where our funds come from

	Budget (\$m)	
Rates	\$ 154.908	51.4%
Fees and charges (Statutory & User Charges)	\$ 92.755	30.8%
Borrowings	\$ 22.008	7.3%
Proceeds from the Sale of Assets	\$ 19.000	6.3%
External Funding	\$ 11.157	3.7%
Other	\$ 1.309	0.4%
<b>TOTAL</b>	<b>\$ 301.136</b>	

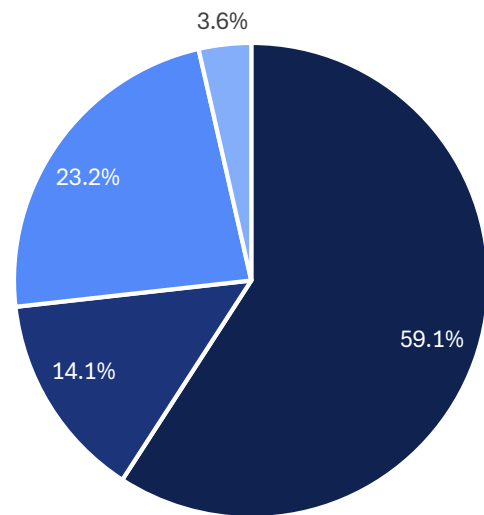
## How our funds are spent

	Budget (\$m)	
Service Delivery	\$ 178.114	59.1%
New and Upgraded Assets	\$ 42.403	14.1%
Renewal/Replacement of Assets	\$ 69.871	23.2%
Strategic Projects	\$ 10.748	3.6%
<b>TOTAL</b>	<b>\$ 301.136</b>	

*Note: Some rounding occurs in this table and throughout the document*



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



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

# Spotlight on Strategic Plan Priorities and Projects

## Our Community

## Vibrant, connected and inclusive

### Strategic Plan Key Actions that are being prioritised this year:

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

An assessment of vacant and underutilised properties within the City of Adelaide (CoA) has commenced, and a preliminary draft report is under review.

Council resolved on 24 February 2026 that the Lord Mayor write to the Premier calling on the State Government to fund and deliver permanent supportive housing options and increase support for homelessness services.

CoA made a submission to the State Government via the Department of Human Services regarding their outline business case toward longer-term transitional housing options in the City of Adelaide.

In February 2026 a submission was made to the State Government's proposed amendments to the Planning and Design Code in support of raising the maximum and minimum building heights across the Southwark Grounds development.

The City East landowner consortium commenced a national call for Expressions of Interest from the development industry to deliver the project which closed on 12 February 2026. An evaluation of submissions has been undertaken with a preferred proponent identified. Next steps include detailed design and commencement of commercial negotiations.

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

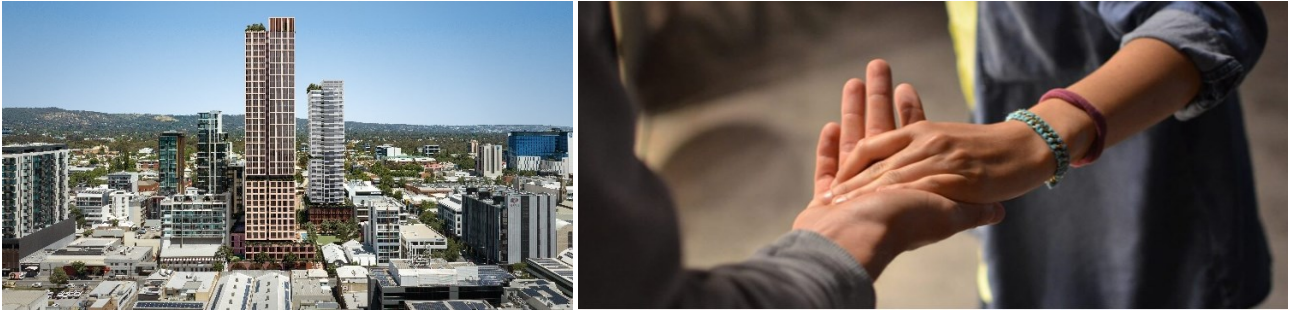
Lunar New Year event was facilitated including a workshop held by CoA for the community to better understand event food safety and single use plastic legislation. PolArt, Indian Mela, Tamil Festival, and Australia Day were facilitated and approved as multicultural community events, and a range of Placemaking initiatives focused on community were presented.

Community Impact Grants supported eight programs and events designed with a focus on celebrating cultural diversity, fostering intercultural understanding, supporting international student connections to sport and displaying a variety of cultures through performances and exhibitions.

Adelaide Town Hall hosted Colleen Strangways: Wathlu Anthunda (My World), the first major solo exhibition for this Adelaide-based Arabana, Mudbura, Gurindji and Warlpiri artist, presenting 32 portraits of Aboriginal and Torres Strait Islander people from 23 communities. A companion exhibition, UV Songlines: Illuminating Ancestral Roots was also presented in the ARTPOD.

One City, Many Cultures: A Harmony Week Celebration was hosted at the North Adelaide Community Centre and Library in partnership with Cosy Corner Student Centre, a free, family-friendly event for locals to meet international students.

## Quarter Spotlight: Housing



**Flinders Street Housing – Concept Planning project** (\$740k, Capital Project) has progressed from site acquisition in September 2023 to Council joining a landowner consortium in November 2025 to deliver the City East Housing Project. City East proposes to deliver at least 700 new residential apartments, including 200 affordable homes in the east of the city with Council contributing land in exchange for community and commercial assets. Following the close of the national Expressions of Interest in February 2026, a preferred proponent has been selected to develop detailed designs to inform contract negotiations.

**Implementation of the City of Adelaide Housing Strategy – Vacancy Assessment** (\$200k, Strategic Project) progressed in Q3, supporting the delivery of housing targets under the Strategic Plan by enabling increased housing supply through affordable housing and adaptive reuse opportunities. An assessment of vacant and underutilised properties is underway, with a preliminary draft report received.

Council is progressing work to activate long-term vacant sites, alongside its partnership with the Australian Alliance to End Homelessness under the **Social Planning Homelessness and Adelaide Zero Project– Partnership** (\$215k, Strategic Project), supporting the objective of reducing homelessness through coordinated, data-driven approaches. In Q3, the partnership agreement was renewed with an outcomes framework aligning KPIs to the Homelessness Strategy and Community Plan. Progress continued on the By-Name List database transition, covering system alignment, data validation and reporting enhancements, with delivery of a South Australian public dashboard targeted within six months.

## Strategic Plan Key Actions that are being prioritised this year:

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

Eight EV charging bays were delivered as part of the redevelopment of the Adelaide Aquatic Centre in Q3. CoA is working with its selected provider to deliver additional public Electric Vehicle charging infrastructure through four tranches of work.

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

On 19 February 2026, CoA working with Prince Alfred College, relocated a mature *Dracaena draco* (Dragon Tree) from the school grounds to Victoria Park / Pakapakanthi (Park 16) following the loss of the historic Dragon Tree planted in the early 1900s. The outcome ensures the iconic tree species remains in Victoria Park / Pakapakanthi (Park 16).

## **Quarter Spotlight: Parks and Playing Fields**



**Aquatic Centre Community Playing Field – Denise Norton Park / Pardipardinyilla (Park 2)** (\$5,758k, Capital Project) project supports Council’s Strategic Plan by delivering a new community recreational space while returning the former Aquatic Centre site to Park Lands for broader community use. In Q3, the site was formally handed over to Council, with defect rectification works currently underway.

The **Master Plan for Helen Mayo Park (\$250k, Strategic Project)** project aims to restore the degraded landscape and return it to its Park Lands purpose, enhancing green space, tree canopy and biodiversity in line with the Our Environment pillar in the Strategic Plan 2024-2028 and Adelaide Park Lands Management Strategy. Commencement of the masterplan process has been delayed while the State Government finalises the funding agreement.

The **Key Biodiversity Area Management Plans and Monitoring Plan for G. S. Kingston Park / Wirrarinthi** (\$75k, Strategic Project) are being finalised, with completion expected in Q4. eDNA survey data is currently under review alongside associated spatial data updates. Site markers with QR codes have been installed at Key Biodiversity Area 7 in G. S. Kingston Park / Wirrarinthi, with markers for remaining locations currently in production and scheduled for installation in Q4.

## Strategic Plan Key Actions that are being prioritised this year:

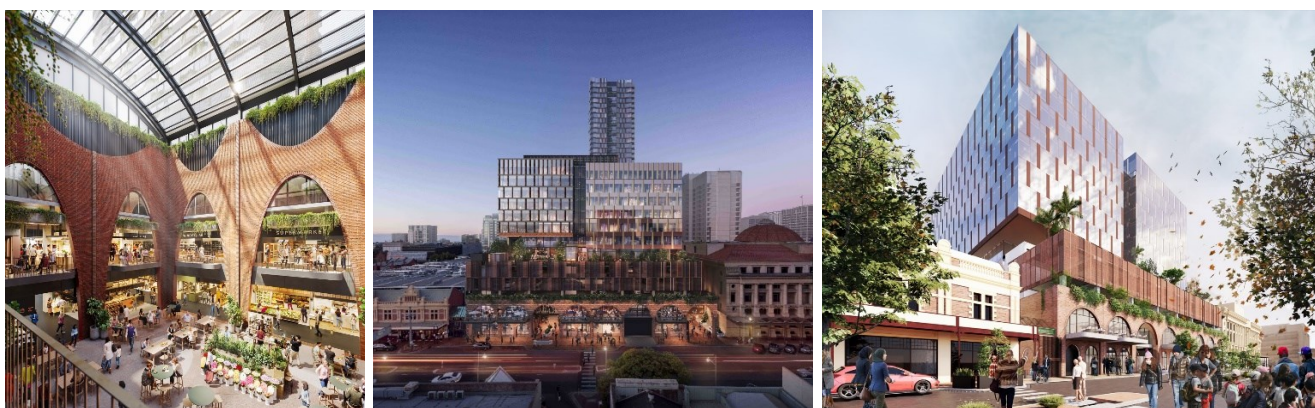
**Reinforce the position of Adelaide as the State’s central business district and amplify Adelaide’s reputation as a place to learn, work and start a business.**

During Q3, AEDA supported partner activity including Global Agent Famil Program by Study Adelaide, Destination Adelaide run by Business Events Adelaide and the SouthStart investor forum.

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

Strategic funding project to MTP Connect, Renew Adelaide and ThinLab supported entrepreneurship development within the city.

## Quarter Spotlight: Adelaide Central Market Expansion



The **Central Market Arcade Redevelopment** (\$483k, Capital Project) aims to progress development activities in partnership with ICD Property to support delivery of the broader redevelopment. The **Central Market Arcade Redevelopment Major Project** (\$1,425k, Capital Project) aims to deliver a major mixed-use precinct while maintaining market operations and supporting future economic growth. In Q3, structural works for both towers reached full height, façade and fit-out works are progressing, and base building completion remains on track for Q2 FY26/27.

The **Market Expansion Capital Works – Ground Floor Project** (\$1,026k, Capital Project) aims to deliver essential operational infrastructure and customer-facing assets to ensure the expanded market functions effectively and meets tenant and visitor expectations. In Q3, a portion of the budget has been retimed due to value management and construction progress, with procurement expected this financial year, alongside the purchase of additional furniture, storage and amenities equipment.

The **Adelaide Central Market Expansion Operational Preparedness Project** (\$859k, Strategic Project) aims to support the successful opening of the expanded market by securing full tenancy and ensuring operational readiness for a significantly larger, customer-focused market. In Q3, the Place Activation Strategy was completed, and the Retail Design Manager and Tenancy Coordinator have commenced working actively with future tenants towards their fit outs. Leasing activities continue at pace and marketing for Stage 2 leasing is underway.

## Strategic Plan Key Actions that are being prioritised this year:

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

The City of Adelaide continues to successfully deliver capital improvements to safe road and footpath infrastructure, South Terrace & Hutt Street Intersection Improvements, Street Tree Greening, progressing designs for imminent construction of wombat crossings on Melbourne Street and new Bicycle & Pedestrian Actuated Crossings on Hutt Street, Glen Osmond Road and Sir Donald Bradman Drive.

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

Q3 saw two Adaptive Reuse City Housing Initiative (ARCHI) Incentives Scheme Funding Agreements to the value of \$26,374 approved. There are 12 funding agreements in the system to date, delivering 17 dwellings (29 beds), with a total of \$152,094 in ARCHI funding allocation. Q3 project highlights include shortlisting for a 2026 Australian Urban Design Award in the Research and Advocacy category, presentation at the Australasian Housing Researchers Conference in Brisbane in February 2026 and commencing the ARCHI Seismic Upgrades Implications Project.

## **Quarter Spotlight: Sports Buildings**



**Community Sports Building Redevelopment – Golden Wattle Park / Mirnu Wirra (Park 21 West)** (\$4,382k, Capital Project) aims to replace an ageing facility with a contemporary community sports building, supported by Council, lessee and State Government funding. In Q3, the project progressed to construction, with the contract awarded and works scheduled to commence in early April 2026. Pavilion 1 is expected to be completed by late 2026, with overall project completion anticipated by April 2027. **Community Sports Building Redevelopment – Mary Lee Park / Tulya Wardli (Park 27B)** (\$982k, Capital Project) will deliver a modern, fit-for-purpose community facility aligned with Council’s community infrastructure priorities. In Q3, Concept Design reached 100% completion, with minor items to be addressed during Detailed Design. A planning application has been lodged, and Detailed Design is now underway. **Community Sports Building Redevelopment (Concept Design)** (\$106k, Capital Project) is progressing standardised community sports building designs to deliver contemporary, fit-for-purpose facilities across the Park Lands. This approach improves consistency and efficiency while aligning with the Adelaide Park Lands Community Buildings Policy. In Q3, the draft Community Building Design Brief is under internal review, with an expression of Interest (EOI) to be released and a Design Advisory Panel assembled to assess submissions by 30 June.

## Strategic Plan Key Actions that are being prioritised this year:

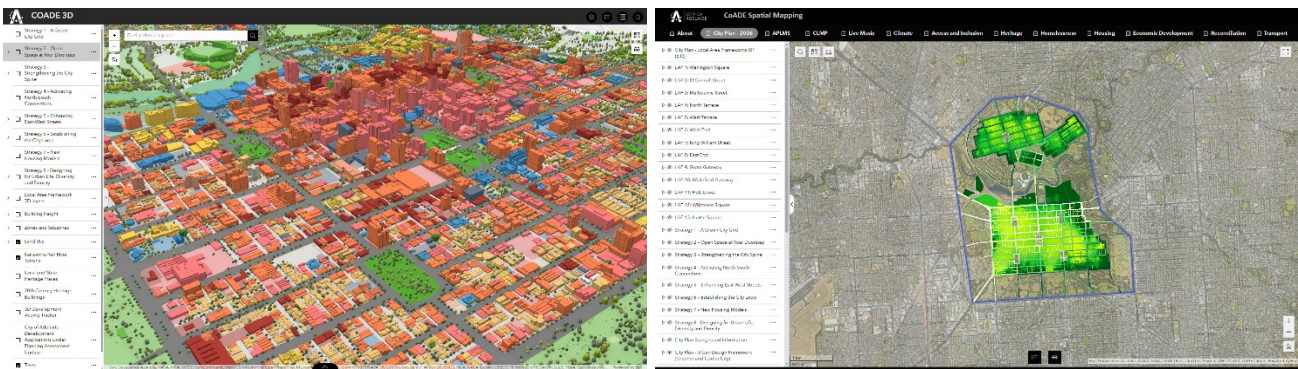
Create, maintain and integrate plans and policies that reflect and guide decision making and support our city and our community to thrive.

The process is currently being reviewed to ensure consistent and timely policy reviews across the organisation. Policies reviewed internally include community engagement and data management.

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

The Leadership Capability Model was launched in Q3 and defines the key capabilities, behaviours and skills that are expected of leader at CoA and provides a common language on what good leadership looks like. The 2026 Graduate cohort commenced and CoA participated in the Study Adelaide Graduate Careers Expo and 'The Big Meet' Career Expo, as part of activity aimed at attracting future talent.

## Quarter Spotlight: Digital Tools



The **City of Adelaide Website Redevelopment** (\$ 100k, Strategic Project) aims to deliver a modern, accessible and user-centric digital experience that improves customer satisfaction, better communicates Council services, and positions Adelaide as a leading and liveable city. In Q3, the project has progressed to the build and content development phase. The **City Plan Digital Tool (City of Adelaide Digital Explore – CoADE)** project (\$101k, Strategic Project) aims to enhance organisation-wide decision-making, policy development and project design through improved spatial data capability, supporting multiple Strategic Plan targets. In Q3, City Plan content has been updated on the website and enabling work for the Spatial Roadmap is progressing toward Q4 completion.

# Our Programs and Projects

## Our Organisation

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

### City Community

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

### City Infrastructure

- Director City Infrastructure
- Infrastructure
- Strategic Property and Commercial

### City Shaping

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

### Corporate Services

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

### Subsidiaries

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

### Offices

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

# Operational Financial Summary

	Q2 Budget		Proposed Q3		
	\$'000	Income	Expenditure	Income	Expenditure
<b>City Community</b>					
Director City Community	-	(685)	-	(685)	
City Culture	5,524	(19,378)	5,933	(19,737)	
Customer and Marketing	1	(7,231)	1	(7,526)	
Regulatory Services	18,670	(11,171)	18,927	(11,171)	
Strategic Projects	47	(1,367)	47	(1,953)	
<b>City Infrastructure</b>					
Director City Infrastructure	-	(709)	-	(709)	
Infrastructure	200	(51,404)	1,931	(51,129)	
Strategic Property and Commercial	61,244	(34,500)	61,970	(34,693)	
Strategic Projects	424	(3,223)	424	(3,068)	
<b>City Shaping</b>					
Director City Shaping	-	(715)	-	(715)	
City Operations	2,935	(47,184)	2,935	(46,782)	
Park Lands, Policy and Sustainability	46	(7,889)	46	(7,889)	
Kadaltilla / Adelaide Park Lands Authority	323	(323)	323	(323)	
Strategic Projects	721	(2,499)	721	(2,794)	
<b>Corporate Services</b>					
Chief Operating Officer	-	(974)	-	(974)	
Finance and Procurement	142	(4,841)	142	(4,848)	
Governance and Strategy	-	(6,054)	-	(6,145)	
Information Management	38	(15,849)	38	(15,849)	
People	-	(5,082)	-	(5,085)	
Corporate Activities*	152,744	1,022	152,014	143	
Adelaide Central Market Authority	5,645	(6,282)	5,584	(6,221)	
Adelaide Economic Development Agency	4,528	(13,137)	4,528	(13,146)	
Strategic Projects	50	(2,175)	300	(2,933)	
<b>Offices</b>					
Office of the CEO	-	(1,501)	-	(1,501)	
Office of the Lord Mayor	-	(1,590)	-	(1,590)	
<b>Total</b>		<b>253,282</b>	<b>(244,741)</b>	<b>255,864</b>	<b>(247,323)</b>
<b>Operating Surplus/(Deficit)</b>			<b>8,541</b>		<b>8,541</b>

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

# City Community Portfolio

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

Key Focus areas:

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

## Planning and Budget Updates

### Operating Budget Changes

- Increase in Adelaide Town Hall income of \$0.333m, partly offset by an increase in associated expense (\$0.320m)
- Increase in expiation, late payments and recoveries income of \$0.300m
- Increase in event income \$0.076m
- Reduction in eScooter income (\$0.050m)
- Allocation of budget for three additional Customer Centre staff (\$0.295m) funded by increase in expiation income
- Allocation of budget (\$0.075m) for Winter Weekends delivered by City Culture, reallocated from the Adelaide Economic Development Agency
- Reallocation of City Activation budget from grant funding to supplies and services to reflect the nature of the spend

### Strategic Project Budget Changes

- Allocation of (\$0.556m) City Library – Rundle Place
- Increase of (\$0.030m) Future libraries Business Case

## Portfolio Quarterly Highlights

### City Culture

Facilitation of 50 major events in the City. Delivery of East End Unleashed. Delivery of City Activation Strategic Projects.

Procurement finalised for the construction contractor at Golden Wattle Park / Mirnu Wirra( Park 21W).

Draft Community Wellbeing Strategy developed and endorsed by Council for public consultation.

\$400K+ distributed through City Community Grant programs, including \$212K through Community Impact Channel, supporting 27 projects and events.

CoA facilitated an expanded Neighbour Day (Weekend) across 28–29 March for 650 residents (up from 500 in 2025) with 22 residents hosting 18 gatherings (up from 13 hosts/events in 2025) and nine local businesses supporting.

Council partnered with the Art Gallery of South Australia to present internationally acclaimed Danish artist Jeppe Hein's outdoor 'social sculptures' on North Terrace, highlighting the artist's exploration of urban architecture and social behaviour in public spaces.

## Customer and Marketing

Growth has continued in total number of followers (between 2% and 5%) and other engagement metrics across all social media channels with Instagram reaching a milestone of over 100,000 followers in Q3.

## Regulatory Services

2025 Council Assessment Panel (CAP) Annual Report submitted and endorsed.

# City Community Portfolio Budget

	\$'000	Q2 Budget			Proposed Q3				
		FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	24,242	-	24,242	-	24,908	-	24,908	
Employee Costs	196.9	-	(25,512)	(25,512)	199.9	-	(25,771)	(25,771)	
Materials	-	-	(11,794)	(11,794)	-	-	(13,025)	(13,025)	
Sponsorships	-	-	(909)	(909)	-	-	(659)	(659)	
Depreciation	-	-	(1,617)	(1,617)	-	-	(1,617)	(1,617)	
Finance Costs	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>196.9</b>	<b>24,242</b>	<b>(39,832)</b>	<b>(15,590)</b>	<b>199.9</b>	<b>24,908</b>	<b>(41,072)</b>	<b>(16,164)</b>	
<b>Program Budget</b>									
Office of the Director	3.0	-	(685)	(685)	3.0	-	(685)	(685)	
City Culture	68.8	5,524	(19,378)	(13,854)	69.6	5,933	(19,737)	(13,804)	
Customer and Marketing	40.1	1	(7,231)	(7,230)	43.1	1	(7,526)	(7,525)	
Regulatory Services	83.0	18,670	(11,171)	7,499	83.0	18,927	(11,171)	7,756	
Strategic Projects	2.0	47	(1,367)	(1,320)	1.2	47	(1,953)	(1,906)	
<b>TOTAL</b>	<b>196.9</b>	<b>24,242</b>	<b>(39,832)</b>	<b>(15,590)</b>	<b>199.8</b>	<b>24,908</b>	<b>(41,072)</b>	<b>(16,164)</b>	

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	4,220	(14,655)	983	(10,739)	
Renewal	-	(456)	-	(478)	
<b>TOTAL</b>	<b>3,918</b>	<b>(14,582)</b>	<b>983</b>	<b>(11,217)</b>	

# City Culture

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	-	5,524	-	5,524	-	5,933	-	5,933
Employee Costs	68.8	-	-	(9,167)	(9,167)	69.6	-	(9,132)	(9,132)
Materials	-	-	-	(8,085)	(8,085)	-	-	(8,479)	(8,479)
Sponsorships	-	-	-	(509)	(509)	-	-	(509)	(509)
Depreciation	-	-	-	(1,617)	(1,617)	-	-	(1,617)	(1,617)
Finance Costs	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>68.8</b>	<b>68.8</b>	<b>5,524</b>	<b>(19,378)</b>	<b>(13,854)</b>	<b>69.6</b>	<b>5,933</b>	<b>(19,737)</b>	<b>(13,804)</b>
<b>Activity View</b>									
Associate Director (office)	-	2.0	-	(381)	(381)	2.0	-	(381)	(381)
Adelaide Town Hall	-	5.0	3,482	(3,692)	(210)	5.0	3,814	(3,977)	(163)
City Experience	-	15.1	820	(4,381)	(3,561)	15.9	898	(4,456)	(3,558)
City Lifestyle	-	8.8	532	(3,005)	(2,473)	8.8	531	(3,005)	(2,474)
Creative City	-	12.4	155	(2,423)	(2,268)	12.4	155	(2,423)	(2,268)
Libraries	-	25.5	535	(5,496)	(4,961)	25.5	535	(5,495)	(4,960)
<b>TOTAL</b>	<b>68.8</b>	<b>68.8</b>	<b>5,524</b>	<b>(19,378)</b>	<b>(13,854)</b>	<b>69.6</b>	<b>5,933</b>	<b>(19,737)</b>	<b>(13,804)</b>

	\$'000	FTE	Q2 Budget				FTE	Proposed Q3			
			Inc.	Emp.	Ext.	Total(N)		Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
Aboriginal Protocol Grant	-	-	-	-	(41)	(41)	-	-	-	(41)	(41)
Adelaide's New Years Eve	-	-	65	-	(700)	(635)	-	65	-	(700)	(635)
ANZAC Day Service - March & Related Activities	-	-	-	-	(57)	(57)	-	-	-	(57)	(57)
Arts and Cultural Grants	0.2	-	-	(39)	-	(39)	0.2	-	(39)	-	(39)
Christmas Festival Action Plan	-	-	-	(109)	(424)	(533)	0.8	-	(109)	(424)	(533)
City Activation - West End Precinct	-	-	-	-	(53)	(53)	-	-	-	(53)	(53)
City Activation – East End Unleashed	-	-	41	-	(291)	(250)	-	41	-	(291)	(250)
City Activation - Gouger Street Precinct	-	-	-	-	(53)	(53)	-	-	-	(53)	(53)
City Activation - Hutt Street Precinct	-	-	-	-	(81)	(81)	-	-	-	(81)	(81)
City Activation - North Adelaide Precinct	-	-	-	-	(109)	(109)	-	-	-	(109)	(109)
City Activation - Precinct Support	1.0	-	-	(136)	-	(136)	1.0	-	(136)	-	(136)
Contestable Precinct Funding	-	-	-	-	-	-	-	-	-	-	-
Community Grants	1.0	-	-	(136)	(414)	(550)	1.0	-	(136)	(414)	(550)
DHS Community Neighborhood Development Funding - Minor Works	0.8	99	-	(97)	(2)	-	0.8	99	(97)	(2)	-
Homelessness Social and Affordable Housing	2.0	-	-	(275)	(35)	(310)	2.0	-	(275)	(35)	(310)
International Relations (Sister Cities)	-	-	-	-	(98)	(98)	-	-	-	(98)	(98)
Live Music Industry and Venues Support	-	-	-	-	(59)	(59)	-	-	-	(59)	(59)
UNESCO Adelaide City of Music Ltd Partnership	-	-	-	-	(54)	(54)	-	-	-	(54)	(54)
Winter Weekends	-	-	-	-	-	-	-	-	-	(75)	(75)
<b>TOTAL</b>	<b>5.0</b>	<b>5.0</b>	<b>205</b>	<b>(792)</b>	<b>(2,471)</b>	<b>(3,058)</b>	<b>5.8</b>	<b>205</b>	<b>(792)</b>	<b>(2,546)</b>	<b>(3,133)</b>

	\$'000	FTE	Q2 Budget			Total(N)	FTE	Proposed Q3			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Strategic Projects</b>											
Australia Day Sponsorship	-	-	-	-	(100)	(100)	-	-	-	(100)	(100)
Bilingual Community Liaison Officer	1.0	-	-	(93)	-	(93)	1.0	-	(93)	-	(93)
City Activation	-	-	-	-	(300)	(300)	-	-	-	(300)	(300)
City Library - Rundle Place	-	-	-	-	-	-	-	-	-	(556)	(556)
Community Sports Building Redevelopment (Park 21 West)	-	-	-	-	(450)	(450)	-	-	-	(450)	(450)
DHS Grant - Volunteers Connectors Program	-	25	-	(25)	-	-	-	25	(25)	-	-
Future Libraries Business Case	-	-	-	-	(75)	(75)	-	-	-	(105)	(105)
Library Community Cohesion Programs	-	9	-	-	(9)	-	-	9	-	(9)	-
Positive Ageing Program – Pilot	-	-	-	(50)	-	(50)	-	-	(50)	-	(50)
Social Work in Libraries	-	13	-	-	(13)	-	-	13	-	(13)	-
Vehicle Safety Barriers - Pilot	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1.0</b>	<b>47</b>	<b>(168)</b>	<b>(947)</b>	<b>(1,068)</b>	<b>(1,068)</b>	<b>1.0</b>	<b>47</b>	<b>(168)</b>	<b>(1,532)</b>	<b>(1,653)</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		4,220	(14,655)	983	(10,739)
Renewal		-	(456)	-	(478)
<b>TOTAL</b>		<b>4,220</b>	<b>(15,111)</b>	<b>983</b>	<b>(11,217)</b>

# Customer and Marketing

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		1	-	1	-	1	-	1
Employee Costs		40.1	-	(5,179)	(5,179)	43.1	-	(5,474)	(5,474)
Materials		-	-	(2,052)	(2,052)	-	-	(2,052)	(2,052)
Sponsorships		-	-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-	-
Finance Costs		-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>40.1</b>	<b>1</b>	<b>(7,231)</b>	<b>(7,230)</b>	<b>43.1</b>	<b>1</b>	<b>(7,526)</b>	<b>(7,525)</b>
<b>Activity View</b>									
Associate Director (office)		1.0	-	(225)	(225)	1.0	-	(225)	(225)
Customer Experience		28.1	1	(4,708)	(4,707)	31.1	1	(5,003)	(5,002)
Marketing & Communications		11.0	-	(2,298)	(2,298)	11.0	-	(2,298)	(2,298)
<b>TOTAL</b>		<b>40.1</b>	<b>1</b>	<b>(7,231)</b>	<b>(7,230)</b>	<b>43.1</b>	<b>1</b>	<b>(7,526)</b>	<b>(7,525)</b>

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3			
			Inc.	Emp.	Ext.		Total(N)	Inc.	Emp.	Ext.
<b>Operating Activities</b>										
N/A	-		-	-	-	-	-	-	-	-
<b>TOTAL</b>	-		-	-	-	-	-	-	-	-

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3				
			Inc.	Emp.	Ext.		Total(N)	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
City of Adelaide website redevelopment	-		-	-	(100)	(100)	-	-	-	(100)	(100)
<b>TOTAL</b>	-		-	-	(100)	(100)	-	-	-	(100)	(100)

	\$'000	FTE	Q2 Budget		FTE	Proposed Q3	
			Inc.	Exp.		Inc.	Exp.
<b>Capital Projects</b>							
New and Upgrade			-	-	-	-	-
Renewal			-	-	-	-	-
<b>TOTAL</b>			-	-	-	-	-

# Regulatory Services

	\$'000	FTE	Q2 Budget			Proposed Q3				
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>Operating Budget</b>										
Revenue	-		18,670	-	18,670	-	18,927	-	18,927	
Employee Costs	83.0		-	(10,194)	(10,194)	83.0	-	(10,195)	(10,195)	
Materials	-		-	(977)	(977)	-	-	(976)	(976)	
Sponsorships	-		-	-	-	-	-	-	-	
Depreciation	-		-	-	-	-	-	-	-	
Finance Costs	-		-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>83.0</b>		<b>18,670</b>	<b>(11,171)</b>	<b>7,499</b>	<b>83.0</b>	<b>18,927</b>	<b>(11,171)</b>	<b>7,756</b>	
<b>Activity View</b>										
Associate Director (office)		3.0	-	(490)	(490)		3.0	-	(491)	(491)
City Development		24.9	3,852	(3,274)	578		24.9	3,810	(3,274)	536
City Safety		13.0	538	(1,902)	(1,364)		13.0	538	(1,902)	(1,364)
On-Street Parking Compliance		42.1	14,280	(5,505)	8,775		42.1	14,579	(5,504)	9,075
<b>TOTAL</b>		<b>83.0</b>	<b>18,670</b>	<b>(11,171)</b>	<b>7,499</b>		<b>83.0</b>	<b>18,927</b>	<b>(11,171)</b>	<b>7,756</b>

	\$'000	FTE	Q2 Budget			Proposed Q3					
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
N/A	-		-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	\$'000	FTE	Q2 Budget			Proposed Q3					
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
On-Street Parking Compliance											
Technology and Customer Analytics Reform	1.0		-	(152)	-	(152)	1	-	(152)	-	(152)
<b>TOTAL</b>	<b>1.0</b>		<b>-</b>	<b>(152)</b>	<b>-</b>	<b>(152)</b>	<b>1</b>	<b>-</b>	<b>(152)</b>	<b>-</b>	<b>(152)</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# City Infrastructure Portfolio

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

Key Focus areas:

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

## Planning and Budget Updates

Operating Budget Changes:

Reallocation of external grant funding of \$0.731m from Corporate Activities

Recognition of \$1.000m external funding received from the Special Local Roads Program Funding for Jeffcott Street

Reallocation of depreciation from City Infrastructure to Corporate Services as follows:

- \$0.276m in relation to Park Lands and Open Space
- \$0.203m in relation to Buildings

Increase to Commercial Parking revenue \$0.725m offset by recognition of operating costs (\$0.396m).

Strategic Project Changes:

Savings identified in Transport Strategy \$0.021m, School Safety Review \$0.018m and Review of Property Management \$0.050m

Reallocation of Market Expansion Site Management \$0.080m to Adelaide Central Market Authority

New project to complete Traffic Monitoring on Lohrman Street and George Street (\$0.015m)

## Portfolio Quarterly Highlights

Infrastructure

Main Streets projects, Gouger Street and O'Connell Street issued to market for Stage 1 works, with preliminary construction works on each anticipated to commence Quarter 4 (unless redirection). Hutt Street issued to market for Detailed Design.

Construction work on our largest budget Renewals project - Glen Osmond / Hutt Road culvert has commenced and is on track for completion in Quarter 4 with savings.

Design has progressed on grant funded projects including x2 BPAC'S, Melbourne Street Wombat Crossings and Peacock Road cycleway, anticipating commencing construction in Quarter 4.

The Infrastructure renewals budget is 81% spent and committed.

Strategic Property and Commercial

Council received a progress update into the assessment and repurposing of a UPark car park and feasibility scenarios have commenced.

In conjunction with the Adelaide Central Market Authority, considerations into operational readiness for the opening of Central Market Arcade Redevelopment in late 2026 have progressed well during the quarter.

# City Infrastructure Portfolio Budget

	\$'000	Q2 Budget			Proposed Q3				
		FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	61,868	-	61,868	-	64,325	-	64,325	
Employee Costs	118.2	-	(12,706)	(12,706)	118.2	-	(12,747)	(12,747)	
Materials	-	-	(26,468)	(26,468)	-	-	(26,669)	(26,669)	
Sponsorships	-	-	(175)	(175)	-	-	(175)	(175)	
Depreciation	-	-	(50,487)	(50,487)	-	-	(50,008)	(50,008)	
Finance Costs	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>118.2</b>	<b>61,868</b>	<b>(89,836)</b>	<b>(27,968)</b>	<b>118.2</b>	<b>64,325</b>	<b>(89,599)</b>	<b>(25,274)</b>	
<b>Program Budget</b>									
Office of the Director	3.0	-	(709)	(709)	3.0	-	(709)	(709)	
Infrastructure	66.5	200	(51,404)	(51,204)	66.5	1,931	(51,129)	(49,198)	
Strategic Property and Commercial	46.7	61,244	(34,500)	26,744	46.7	61,970	(34,693)	27,277	
Strategic Projects	2.0	424	(3,223)	(2,799)	2.0	424	(3,068)	(2,644)	
<b>TOTAL</b>	<b>118.2</b>	<b>61,868</b>	<b>(89,836)</b>	<b>(27,968)</b>	<b>118.2</b>	<b>64,325</b>	<b>(89,599)</b>	<b>(25,274)</b>	
<b>Capital Projects</b>									
					<b>\$'000</b>	<b>Inc.</b>	<b>Exp.</b>	<b>Inc.</b>	<b>Exp.</b>
New and Upgrade					4,555	(24,423)	455	(21,428)	
Renewal					-	(57,912)	-	(58,433)	
<b>TOTAL</b>					<b>4,555</b>	<b>(82,335)</b>	<b>455</b>	<b>(79,861)</b>	

# Infrastructure

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		200	-	200	-	1,931	-	1,931
Employee Costs	66.5		-	(3,713)	(3,713)	66.5	-	(3,713)	(3,713)
Materials	-		-	(5,331)	(5,331)	-	-	(5,332)	(5,332)
Sponsorships	-		-	(175)	(175)	-	-	(175)	(175)
Depreciation	-		-	(42,185)	(42,185)	-	-	(41,909)	(41,909)
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>		<b>66.5</b>	<b>200</b>	<b>(51,404)</b>	<b>(51,204)</b>	<b>66.5</b>	<b>1,931</b>	<b>(51,129)</b>	<b>(49,198)</b>
<b>Activity View</b>									
Associate Director (office)		1.9	-	(651)	(651)	1.9	-	(652)	(652)
Infrastructure Planning and Delivery		44.8	200	(50,216)	(50,016)	44.8	1,931	(49,940)	(48,009)
Technical Services		19.8	-	(537)	(537)	19.8	-	(537)	(537)
<b>TOTAL</b>		<b>66.5</b>	<b>200</b>	<b>(51,404)</b>	<b>(51,204)</b>	<b>66.5</b>	<b>1,931</b>	<b>(51,129)</b>	<b>(49,198)</b>

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3				
			Inc.	Emp.	Ext.		Inc.	Emp.	Ext.	Total(N)	
<b>Operating Activities</b>											
Free City Connector	-		-	-	(1,364)	(1,364)	-	-	-	(1,364)	(1,364)
<b>TOTAL</b>					<b>(1,364)</b>	<b>(1,364)</b>				<b>(1,364)</b>	<b>(1,364)</b>

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3				
			Inc.	Emp.	Ext.		Inc.	Emp.	Ext.	Total(N)	
<b>Strategic Projects</b>											
Asset Condition Audit	-		-	-	(1,000)	(1,000)	-	-	-	(1,000)	(1,000)
Gawler Place Ram Raid Bollard	-		10	-	(10)	-	10	-	(10)	-	-
Market Expansion Site Management	-		-	-	(80)	(80)	-	-	-	-	-
Resilient Flood Planning	1.0		100	(165)	(935)	(1,000)	1.0	100	-	(1,100)	(1,000)
School Safety Review	-		-	-	(11)	(11)	-	-	-	7	7
Traffic Monitoring on Lohrman Street and George Street	-		-	-	-	-	-	-	-	(15)	(15)
Transport Strategy	-		-	-	-	-	-	-	-	21	21
<b>TOTAL</b>		<b>1.0</b>	<b>110</b>	<b>(165)</b>	<b>(2,036)</b>	<b>(2,091)</b>	<b>1.0</b>	<b>110</b>	<b>-</b>	<b>(2,097)</b>	<b>(1,987)</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	4,100	(19,765)	-	-	(16,699)
Renewal	-	(57,912)	-	-	(58,433)
<b>TOTAL</b>	<b>4,100</b>	<b>(77,677)</b>	<b>-</b>	<b>-</b>	<b>(75,132)</b>

## Strategic Property and Commercial

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		61,244	-	61,244	-	61,970	-	61,970
Employee Costs	46.7		-	(8,027)	(8,027)	46.7	-	(8,068)	(8,068)
Materials	-		-	(18,171)	(18,171)	-	-	(18,526)	(18,526)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	(8,302)	(8,302)	-	-	(8,099)	(8,099)
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>46.7</b>		<b>61,244</b>	<b>(34,500)</b>	<b>26,744</b>	<b>46.7</b>	<b>61,970</b>	<b>(34,693)</b>	<b>27,277</b>
<b>Activity View</b>									
Associate Director (office)		1.8	-	(444)	(444)	1.8	-	(444)	(444)
Commercial		4.0	-	(773)	(773)	4.0	-	(773)	(773)
Parking		17.8	47,821	(15,595)	32,226	17.8	48,547	(15,991)	32,556
North Adelaide Golf Course		13.1	5,455	(5,530)	(75)	13.1	5,455	(5,530)	(75)
Strategic Property Development		4.8	-	(966)	(966)	4.8	-	(966)	(966)
Strategic Property Management		5.2	7,968	(11,192)	(3,224)	5.2	7,968	(10,989)	(3,021)
<b>TOTAL</b>		<b>46.7</b>	<b>61,244</b>	<b>(34,500)</b>	<b>26,744</b>	<b>46.7</b>	<b>61,970</b>	<b>(34,693)</b>	<b>27,277</b>

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3			
			Inc.	Emp.	Ext.		Total(N)	Inc.	Emp.	Ext.
<b>Operating Activities</b>										
N/A				-	-	-	-	-	-	-
<b>TOTAL</b>				-	-	-	-	-	-	-

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3				
			Inc.	Emp.	Ext.		Total(N)	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
88 O'Connell St Redevelopment	-		144	-	(194)	(50)	-	144	-	(194)	(50)
Commercial Parking Internal Audit – System Consolidation	-		-	-	(450)	(450)	-	-	-	(450)	(450)
Review of Property	-		-	-	(50)	(50)	-	-	-	-	-
Strategic Property	-		-	-	(200)	(200)	-	-	-	(200)	(200)
Parking Coordinator - On Street Paid Parking Controls	1.0		170	(121)	(7)	42	1.0	170	-	(128)	42
<b>TOTAL</b>		<b>1.0</b>	<b>314</b>	<b>(121)</b>	<b>(901)</b>	<b>(708)</b>	<b>1.0</b>	<b>314</b>	<b>-</b>	<b>(972)</b>	<b>(658)</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		455	(4,658)	455	(4,729)
Renewal		-	-	-	-
<b>TOTAL</b>		<b>455</b>	<b>(4,658)</b>	<b>455</b>	<b>(4,729)</b>

# City Shaping Portfolio

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

Key Focus areas:

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

## Planning and Budget Updates

### Operating Budget Changes:

Reallocation of depreciation from City Shaping to Corporate Services of \$0.402m.

### Strategic Project Changes:

New project for contaminated soil removal at John E Brown Park (\$0.135m)

Increase in funding for Tree Martins (\$0.150m), partially funded by reductions in City Plan Digital Tool \$0.034m, Key Biodiversity Area Management Plans \$0.010m, and Housing Strategy Implementation \$0.006m

Increase in funding for the World Heritage Bid for the Park Lands (\$0.080m), partially funded by savings within the Planning and Design Code Amendment Program Delivery \$0.020m

Due to the announcement of the MotoGP and its associated impacts on delivery, the Victoria Park / Pakapakanthi (Park 16) Master Plan priority projects (Wakefield Road pathway and soccer pitch) are currently on hold pending the release of further information regarding works by the State Government.

## Portfolio Quarterly Highlights

### City Operations

Progression of the Transport Service Standard has seen the delivery of Phases One and Two. This work included a comprehensive review of Failure, Causes and Remedies, interventions and response timeframes. Phase Three is currently underway. Work has also now commenced on the Buildings Service Standards.

Another successful de-silting campaign was completed in the Torrens during February, removing in excess of 100 tonnes of silt and debris.

Phase One of the citywide rollout of the new cleansing service model has continued in the south-west precinct, with implementation activities progressing as planned. Planning has also commenced for Phase Two rollout to support full citywide implementation over the next 12 months.

Work has continued on the development of Cleansing Service Standards in partnership with Bee Squared Pty Ltd, progressing the establishment of clear service expectations and performance measures. This work remains on track for completion in 2026.

Cross-team collaboration has continued between Horticulture, Park Lands & Sustainability, Spatial Systems and Web & User Experience teams to progress delivery of the public-facing Urban Forest webpage, with launch activities underway in Quarter 4.

## Park Lands Policy & Sustainability

The Historic Area Statements Update Code Amendment was approved by the Minister for Planning in February 2026 and delivers an improved policy suite for existing Historic Areas in the City of Adelaide. 20th Century Local Heritage Places Code Amendment - Proposal to Initiate was approved by Council in February 2026 and has been submitted to the Minister for Planning for approval to commence the Code Amendment.

Council updated its Acknowledgement and Welcome to Kurna Yarta Protocol following advice from the Reconciliation Committee in February 2026. Plans for implementation of the new Protocol are in development with a 'go-live' date of 1 May 2026.

A comprehensive on-ground response to manage the roosting colony of Tree Martins in Rundle Mall is in place. The Tree Martin management program includes monitoring, stakeholder collaboration, and mitigation measures to ensure bird welfare while maintaining a positive experience for businesses, traders, and visitors.

## Kadaltilla/Adelaide Park Lands Authority

CoA continued its work with First Nations communities toward a World Heritage Bid Tentative List submission. A workshop was held with seven First Nation communities in February 2026 to progress procurement for an Aboriginal Narrative and Truth-telling Framework as part of the bid.

Kadaltilla received the Adelaide Park Lands Rest Stop Design Guidelines in February 2026, and a review of existing rest stops along the Adelaide Park Lands Trail was completed in Q3. A rest stop in Carriageway Park / Tuthangga (Park 17) was selected for a retrofit in accordance with the guidelines for concept design scheduled to begin in Q4, and delivery planned between Q4 and Q1 2026/27.

Council approved a draft Community Land Management Plan for the Adelaide Oval Precinct for public consultation purposes. Subject to consultation with the Minister for Planning, community consultation is scheduled to proceed in Q4.

## City Shaping Portfolio Budget

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		4,025	-	4,025	-	4,025	-	4,025
Employee Costs		274.2	-	(32,825)	(32,825)	274.2	-	(32,825)	(32,825)
Materials		-	-	(21,755)	(21,755)	-	-	(22,050)	(22,050)
Sponsorships		-	-	(1,902)	(1,902)	-	-	(1,902)	(1,902)
Depreciation		-	-	(2,128)	(2,128)	-	-	(1,726)	(1,726)
Finance Costs		-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>274.2</b>	<b>4,025</b>	<b>(58,610)</b>	<b>(54,585)</b>	<b>274.2</b>	<b>4,025</b>	<b>(58,503)</b>	<b>(54,478)</b>
<b>Program Budget</b>									
Office of the Director		3.0	-	(715)	(715)	3.0	-	(715)	(715)
Park Lands, Policy & Sustainability		36.6	46	(7,889)	(7,843)	36.6	46	(7,889)	(7,843)
City Operations		230.3	2,935	(47,184)	(44,249)	230.3	2,935	(46,782)	(43,847)
Kadaltilla / Park Lands Authority		1.3	323	(323)	-	1.3	323	(323)	-
Strategic Projects		3.0	721	(2,499)	(1,778)	3.0	721	(2,794)	(2,073)
<b>TOTAL</b>		<b>274.2</b>	<b>4,025</b>	<b>(58,610)</b>	<b>(54,585)</b>	<b>274.2</b>	<b>4,025</b>	<b>(58,503)</b>	<b>(54,478)</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	(768)	-	(1,063)
Renewal		-	(1,988)	-	(1,988)
<b>TOTAL</b>		<b>-</b>	<b>(2,756)</b>	<b>-</b>	<b>(3,051)</b>

# City Operations

	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		2,935	-	2,935	-	2,935	-	2,935
Employee Costs	230.3		-	(26,000)	(26,000)	230.3	-	(26,000)	(26,000)
Materials	-		-	(19,056)	(19,056)	-	-	(19,056)	(19,056)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	(2,128)	(2,128)	-	-	(1,726)	(1,726)
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>230.3</b>		<b>2,935</b>	<b>(47,184)</b>	<b>(44,249)</b>	<b>230.3</b>	<b>2,935</b>	<b>(46,782)</b>	<b>(43,847)</b>
<b>Activity View</b>									
Associate Director (office)		2.0	-	(403)	(403)		2.0	-	(403)
Manager, City Maintenance		1.0	-	(202)	(202)		1.0	-	(202)
Manager, City Presentation		1.0	-	(213)	(213)		1.0	-	(213)
Cleansing		47.0	10	(7,434)	(7,424)		47.0	10	(7,434)
Facilities		5.0	-	(3,408)	(3,408)		5.0	-	(3,408)
Horticulture		87.1	2,596	(16,432)	(13,836)		87.1	2,596	(16,432)
Infrastructure Maintenance		33.0	-	(6,164)	(6,164)		33.0	-	(6,164)
Operations Support		24.0	18	(2,929)	(2,911)		24.0	18	(2,527)
Trades		14.8	261	(5,722)	(5,461)		14.8	261	(5,722)
Waste		4.0	50	(3,599)	(3,549)		4.0	50	(3,599)
Workshops		11.4	-	(678)	(678)		11.4	-	(678)
<b>TOTAL</b>	<b>230.3</b>		<b>2,935</b>	<b>(47,184)</b>	<b>(44,249)</b>	<b>230.3</b>	<b>2,935</b>	<b>(46,782)</b>	<b>(43,847)</b>

	\$'000	FTE	Q2 Budget			Proposed Q3					
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
Safer City Program	-	-	-	(95)	-	(95)	-	-	(95)	-	(95)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(95)</b>	<b>-</b>	<b>(95)</b>	<b>-</b>	<b>-</b>	<b>(95)</b>	<b>-</b>	<b>(95)</b>

	\$'000	FTE	Q2 Budget			Proposed Q3					
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
John E Brown Park Site Remediation	-	-	-	-	-	-	-	-	-	(135)	(135)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(135)</b>	<b>(135)</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	-	-	(194)	-	(474)
Renewal	-	-	(1,988)	-	(1,988)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>(2,182)</b>	<b>-</b>	<b>(2,462)</b>

## Park Lands, Policy & Sustainability

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue		-	46	-	46	-	46	-	46
Employee Costs		36.6	-	(5,549)	(5,549)	36.6	-	(5,549)	(5,549)
Materials		-	-	(903)	(903)	-	-	(903)	(903)
Sponsorships		-	-	(1,437)	(1,437)	-	-	(1,437)	(1,437)
Depreciation		-	-	-	-	-	-	-	-
Finance Costs		-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>36.6</b>	<b>46</b>	<b>(7,889)</b>	<b>(7,843)</b>	<b>36.6</b>	<b>46</b>	<b>(7,889)</b>	<b>(7,843)</b>
<b>Activity View</b>									
Associate Director (office)		3.0	-	(502)	(502)	3.0	-	(502)	(502)
City Planning and Heritage		15.2	46	(3,917)	(3,871)	15.2	46	(3,795)	(3,749)
Low Carbon & Circular Economy		7.8	-	(1,745)	(1,745)	7.8	-	(1,745)	(1,745)
Park Lands & Sustainability		7.6	-	(1,279)	(1,279)	7.6	-	(1,279)	(1,279)
Reconciliation		3.0	-	(446)	(446)	3.0	-	(568)	(568)
<b>TOTAL</b>		<b>36.6</b>	<b>46</b>	<b>(7,889)</b>	<b>(7,843)</b>	<b>36.6</b>	<b>46</b>	<b>(7,889)</b>	<b>(7,843)</b>

	\$'000	FTE	Q2 Budget				FTE	Proposed Q3			
			Inc.	Emp.	Ext.	Total(N)		Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
Annual Delivery of Kurna Initiatives		-	-	-	(27)	(27)	-	-	-	(27)	(27)
City of Adelaide Prize		-	-	-	-	-	-	-	-	-	-
Heritage Incentive Scheme		-	-	-	(1,163)	(1,163)	-	-	-	(1,162)	(1,162)
Heritage Promotion Program		1.1	-	(132)	(55)	(187)	1.1	-	(132)	(56)	(188)
History Festival		-	-	-	(33)	(33)	-	-	-	(33)	(33)
Homelessness - Social and Affordable Housing		1.0	-	(165)	-	(165)	1.0	-	(165)	-	(165)
Homeless and Vulnerable People Project		-	46	-	(46)	-	-	46	-	(46)	-
Integrated Climate Strategy - SIS		-	-	-	(233)	(233)	-	-	-	(233)	(233)
Integrated Climate Strategy - Carbon Neutral		2.8	-	(380)	(104)	(484)	2.8	-	(380)	(105)	(485)
Integrated Climate Strategy - Sustainability		-	-	-	(124)	(124)	-	-	-	(124)	(124)
NAIDOC Week Celebrations		-	-	-	(54)	(54)	-	-	-	(54)	(54)
Noise Management Program Incentive Scheme		-	-	-	(48)	(48)	-	-	-	(48)	(48)
Safer City Program		1.4	-	(222)	(32)	(254)	1.6	-	(253)	(32)	(285)
<b>TOTAL</b>		<b>6.2</b>	<b>46</b>	<b>(899)</b>	<b>(1,919)</b>	<b>(2,772)</b>	<b>6.4</b>	<b>46</b>	<b>(930)</b>	<b>(1,920)</b>	<b>(2,804)</b>

	\$'000	FTE	Q2 Budget			Total(N)	FTE	Proposed Q3			Total(N)
			Inc.	Emp.	Ext.			Inc.	Emp.	Ext.	
<b>Strategic Projects</b>											
Adaptive Reuse City Housing Initiative		2.0	303	(234)	(372)	(303)	2.0	303	(234)	(372)	(303)
Annual Cultural Burn in the Park Lands		-	-	-	(25)	(25)	-	-	-	(25)	(25)
City Plan Digital Tool		-	-	-	(101)	(101)	-	-	-	(67)	(67)
COP 31		-	-	(53)	(70)	(123)	-	-	(53)	(70)	(123)
Planning and Design Code Amendment Program Delivery		-	-	-	(100)	(100)	-	-	-	(80)	(80)
Disability Access and Inclusion Plan 2024-2028 Implementation		-	-	-	(130)	(130)	-	-	-	(130)	(130)
Housing Strategy Implementation		-	-	-	(200)	(200)	-	-	-	(194)	(194)
Key Biodiversity Area Management Plans		-	-	-	(75)	(75)	-	-	-	(65)	(65)
Master Plan for Helen Mayo Park		-	250	-	(250)	-	-	250	-	(250)	-
National Heritage Management Plan First Nations Heritage		-	168	-	(207)	(39)	-	168	-	(207)	(39)
National Heritage Management Plan Implementation		-	-	-	(139)	(139)	-	-	-	(139)	(139)
Social Planning Homelessness and Adelaide Zero Project Resourcing		-	-	-	(215)	(215)	-	-	-	(215)	(215)
Tree Martin Management - 2026 Migratory Season		-	-	-	(150)	(150)	-	-	-	(300)	(300)
World Heritage Bid for the Park Lands		1.0	-	(136)	(42)	(178)	1.0	-	(136)	(122)	(258)
<b>TOTAL</b>		<b>3.0</b>	<b>721</b>	<b>(423)</b>	<b>(2,076)</b>	<b>(1,778)</b>	<b>3</b>	<b>721</b>	<b>(423)</b>	<b>(2,236)</b>	<b>(1,938)</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	(574)	-	(589)
Renewal		-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>(574)</b>	<b>-</b>	<b>(589)</b>

# Kadaltilla / Adelaide Park Lands Authority

	\$'000	FTE	Q2 Budget			Proposed Q3				
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>Operating Budget</b>										
Revenue		-	323	-	323	-	323	-	323	
Employee Costs		1.3	-	(180)	(180)	1.3	-	(180)	(180)	
Materials		-	-	(143)	(143)	-	-	(143)	(143)	
Sponsorships		-	-	-	-	-	-	-	-	
Depreciation		-	-	-	-	-	-	-	-	
Finance Costs		-	-	-	-	-	-	-	-	
<b>TOTAL</b>		<b>1.3</b>	<b>323</b>	<b>(323)</b>	<b>-</b>	<b>1.3</b>	<b>323</b>	<b>(323)</b>	<b>-</b>	
<b>Activity View</b>										
Kadaltilla		1.3	323	(323)	-	1.3	323	(323)	-	
<b>TOTAL</b>		<b>1.3</b>	<b>323</b>	<b>(323)</b>	<b>-</b>	<b>1.3</b>	<b>323</b>	<b>(323)</b>	<b>-</b>	

	\$'000	FTE	Inc.	Q2 Budget			Proposed Q3			
				Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.
<b>Operating Activities</b>										
N/A		-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	\$'000	FTE	Inc.	Q2 Budget			Proposed Q3			
				Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.
<b>Strategic Projects</b>										
N/A		-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Corporate Services Portfolio

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

Key Focus areas:

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

## Planning and Budget Updates

### Operating Budget Changes:

Additional fines and interest from overdue rates \$0.172m.

Increase to discretionary rebates and exemptions of (\$0.172m) related to the Aquatic Centre.

Reduction in merchandise sales (\$0.061m) and associated cost of goods sold \$0.061m within Adelaide Central Market Authority.

Reallocation of \$0.064m from materials, contracts and other expenditure to employee costs (\$0.064m) to fund the new Economic and Data Analyst role within the Adelaide Economic Development Agency (AEDA).

Reallocation of \$0.017m from computer hardware maintenance to employee costs (\$0.017m) to fund Mercer reclassification within Information Management.

Additional (\$0.011m) allocated across People, Governance and Strategy and Finance and Procurement following restructure implemented in 2024/25.

Additional security costs arising from new contract (\$0.085m).

Superannuation on board and Audit and Risk Committee sitting fees following legislative changes (\$0.012m).

Reallocation of depreciation savings from City Infrastructure and City Shaping to Corporate Activities (\$0.881m) to cover forecasted increases to buildings depreciation.

### Strategic Project Changes:

Rundle Mall 50<sup>th</sup> Anniversary Celebration (\$0.250m) which is funded by at \$0.250m grant.

Release of \$0.075m funding from Partnering Pure Winter Focus within AEDA to cover Winter Weekends delivered by City Community.

Increase in funding for the 2026 Election project (\$0.477m).

Transfer of ACMA Market Expansion Site Management \$0.080m from City Infrastructure.

Project added for Workforce Management Upgrade – Embedment Services (0.026m).

## Portfolio Quarterly Highlights

### Finance & Procurement

The Program successfully achieved 100% PCI DSS compliance during the quarter, following completion of all required remediation activities and validation testing. This milestone strengthens Council's payment security posture, reduces organisational risk exposure, and ensures full adherence to industry-standard controls for handling cardholder data. Certification was confirmed in March 2026, marking a significant uplift in our cyber and financial compliance environment.

## Governance & Strategy

The 2026 Election Project continues to meet milestones, noting that these are tight. A project manager is now in place and the Elections Working Group is meeting weekly, with additional working groups focussing on marketing and communications and data also meeting on a minimum weekly basis. Data has been or is in the process of being sourced from ASIC, ABRS, CBS and DHUD. As the data comes in further testing and analysis will occur. We continue to work closely with ECSA on the management of the voters roll and access to the House of Assembly roll. An industry sector briefing is planned for May which will launch our engagement campaign.

Extensive consultation has occurred with Council Members as part of the development of the Draft Business Plan and Budget 2026/27 throughout Q3, with the aim of going out for public consultation in Q4.

## Information Management

Upgrade to the audio and video equipment in the Council Chamber has been delivered, with the Colonel Light Room to be completed in April.

Friendly phishing cyber awareness training program has been implemented and have seen a significant improvement during the quarter.

## People

Leadership Capability Model launched.

Revised Cultural Learning Model developed and consulted upon through Reconciliation Committee. Aboriginal Employment Action Plan developed and consulted upon through Executive and Aboriginal employee focus groups.

2026 Graduate cohort commenced.

## Adelaide Central Market Authority

Multiple operational preparedness activities progressed including ORAT (Operational Readiness, Activation and Transition) program, placemaking strategy implementation and internal wayfinding project.

Easter and Sauce Day Campaigns delivered during Q3.

## Adelaide Economic Development Agency

Significant activation of Rundle Mall with Lunar New Year, Colours of Asia and MallFest activities to coincide with the festival season.

Uplift in investment interest over the quarter with 62 inquiries year-to-date.

Supported events including Adelaide International, Adelaide Festival, Fringe and WOMADelaide.

Partner activity including Global Agent Famil Program by Study Adelaide and the SouthStart investor forum.

# Corporate Services Portfolio Budget

	\$'000	FTE	Q2 Budget			Proposed Q3			
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		163,147	-	163,147	-	162,606	-	162,606
Employee Costs	164.5		-	(17,959)	(17,959)	165.5	-	(18,040)	(18,040)
Materials	-		-	(21,102)	(21,102)	-	-	(21,826)	(21,826)
Sponsorships	-		-	(3,376)	(3,376)	-	-	(3,376)	(3,376)
Depreciation	-		-	(8,519)	(8,519)	-	-	(9,400)	(9,400)
Finance Costs	-		-	(2,416)	(2,416)	-	-	(2,416)	(2,416)
<b>TOTAL</b>	<b>164.5</b>		<b>163,147</b>	<b>(53,372)</b>	<b>109,775</b>	<b>165.5</b>	<b>162,606</b>	<b>(55,058)</b>	<b>107,548</b>
<b>Program Budget</b>									
Office of the COO	5.0		-	(974)	(974)	5.0	-	(974)	(974)
Finance and Procurement	28.8		142	(4,841)	(4,699)	28.8	142	(4,848)	(4,706)
Governance and Strategy	23.3		-	(6,054)	(6,054)	23.3	-	(6,145)	(6,145)
Information Management	33.0		38	(15,849)	(15,811)	33.0	38	(15,849)	(15,811)
People	28.8		-	(5,082)	(5,082)	28.8	-	(5,085)	(5,085)
Corporate Activities	3.0		152,744	1,022	153,766	3.0	152,014	143	152,157
ACMA	9.8		5,645	(6,282)	(637)	9.8	5,584	(6,221)	(637)
AEDA	31.6		4,528	(13,137)	(8,609)	32.6	4,528	(13,146)	(8,618)
Strategic Projects	1.2		50	(2,175)	(2,125)	1.2	300	(2,933)	(2,633)
<b>TOTAL</b>	<b>164.5</b>		<b>163,147</b>	<b>(53,372)</b>	<b>109,775</b>	<b>165.5</b>	<b>162,606</b>	<b>(55,058)</b>	<b>107,548</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	3,839		(6,352)	1,939	(6,656)
Renewal	-		(1,960)	-	(2,417)
<b>TOTAL</b>	<b>3,839</b>		<b>(8,312)</b>	<b>1,939</b>	<b>(9,073)</b>

# Finance and Procurement

	\$'000	FTE	Q2 Budget			Proposed Q3				
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>Operating Budget</b>										
Revenue	-		142	-	142	-	142	-	142	
Employee Costs		28.8	-	(4,090)	(4,090)	28.8	-	(4,090)	(4,090)	
Materials		-	-	(751)	(751)	-	-	(758)	(758)	
Sponsorships		-	-	-	-	-	-	-	-	
Depreciation		-	-	-	-	-	-	-	-	
Finance Costs		-	-	-	-	-	-	-	-	
<b>TOTAL</b>		<b>28.8</b>	<b>142</b>	<b>(4,841)</b>	<b>(4,699)</b>	<b>28.8</b>	<b>142</b>	<b>(4,848)</b>	<b>(4,706)</b>	
<b>Activity View</b>										
Associate Director		1.0	-	(271)	(271)	1.0	-	(278)	(278)	
Financial Planning & Reporting		13.0	-	(2,044)	(2,044)	13.0	-	(2,044)	(2,044)	
Procurement & Contract Management		7.8	-	(1,103)	(1,103)	7.8	-	(1,103)	(1,103)	
Rates & Receivables		7.0	142	(1,423)	(1,281)	7.0	142	(1,423)	(1,281)	
<b>TOTAL</b>		<b>28.8</b>	<b>142</b>	<b>(4,841)</b>	<b>(4,699)</b>	<b>28.8</b>	<b>142</b>	<b>(4,848)</b>	<b>(4,706)</b>	

	\$'000	FTE	Q2 Budget			Proposed Q3					
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
N/A		-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	\$'000	FTE	Q2 Budget			Proposed Q3					
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
N/A		-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Governance & Strategy

	\$'000	FTE	Q2 Budget			Proposed Q3				
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>Operating Budget</b>										
Revenue	-	-	-	-	-	-	-	-	-	-
Employee Costs		23.3	-	(3,010)	(3,010)	23.3	-	(3,010)	(3,010)	
Materials		-	-	(3,044)	(3,044)	-	-	(3,135)	(3,135)	
Sponsorships		-	-	-	-	-	-	-	-	
Depreciation		-	-	-	-	-	-	-	-	
Finance Costs		-	-	-	-	-	-	-	-	
<b>TOTAL</b>		<b>23.3</b>	<b>-</b>	<b>(6,054)</b>	<b>(6,054)</b>	<b>23.3</b>	<b>-</b>	<b>(6,145)</b>	<b>(6,145)</b>	
<b>Activity View</b>										
Associate Director		1.0	-	(255)	(255)	1.0	-	(258)	(258)	
Corporate Governance		5.2	-	(3,203)	(3,203)	5.2	-	(3,291)	(3,291)	
Council Governance		5.1	-	(1,133)	(1,133)	5.1	-	(1,133)	(1,133)	
Project Management Office		5.0	-	(262)	(262)	5.0	-	(262)	(262)	
Strategy & Insights		7.0	-	(1,201)	(1,201)	7.0	-	(1,201)	(1,201)	
<b>TOTAL</b>		<b>23.3</b>	<b>-</b>	<b>(6,054)</b>	<b>(6,054)</b>	<b>23.3</b>	<b>-</b>	<b>(6,145)</b>	<b>(6,145)</b>	

	\$'000	FTE	Q2 Budget			Proposed Q3					
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
N/A		-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	\$'000	FTE	Q2 Budget			Proposed Q3					
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
Election 2026		-	-	-	(275)	(275)	-	-	-	(752)	(752)
2025 Resident Survey Analysis		-	-	-	(20)	(20)	-	-	-	(20)	(20)
Supplementary Election 2025		-	-	-	(102)	(102)	-	-	-	(102)	(102)
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(397)</b>	<b>(397)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(874)</b>	<b>(874)</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	-	-	-
Renewal		-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Information Management

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	-	38	-	38	-	38	-	38
Employee Costs	-	33.0	-	(4,896)	(4,896)	33.0	-	(4,913)	(4,913)
Materials	-	-	-	(9,100)	(9,100)	-	-	(9,083)	(9,083)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	(1,853)	(1,853)	-	-	(1,853)	(1,853)
Finance Costs	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>33.0</b>	<b>38</b>	<b>(15,849)</b>	<b>(15,811)</b>	<b>33.0</b>	<b>38</b>	<b>(15,849)</b>	<b>(15,811)</b>
<b>Activity View</b>									
Associate Director	-	13.0	8	(2,056)	(2,048)	13.0	8	(2,056)	(2,048)
Project Delivery	-	7.0	-	(2,576)	(2,576)	7.0	-	(2,576)	(2,576)
Service Desk	-	6.0	30	(9,899)	(9,869)	6.0	30	(9,899)	(9,869)
Technology, Infrastructure and Platforms	-	7.0	-	(1,318)	(1,318)	7.0	-	(1,318)	(1,318)
<b>TOTAL</b>		<b>33.0</b>	<b>38</b>	<b>(15,849)</b>	<b>(15,811)</b>	<b>33.0</b>	<b>38</b>	<b>(15,849)</b>	<b>(15,811)</b>

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3			
			Inc.	Emp.	Ext.		Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>										
Business Systems Roadmap	-	1.0	-	(100)	(1,500)	1.0	-	(100)	(1,500)	(1,600)
<b>TOTAL</b>		<b>1.0</b>	<b>-</b>	<b>(100)</b>	<b>(1,500)</b>	<b>1.0</b>	<b>-</b>	<b>(100)</b>	<b>(1,500)</b>	<b>(1,600)</b>

	\$'000	FTE	Q2 Budget			FTE	Proposed Q3			
			Inc.	Emp.	Ext.		Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>										
Clipper Ship City of Adelaide	-	-	-	-	(30)	-	-	-	(30)	(30)
Cyber Security Enhancement	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(30)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30)</b>	<b>(30)</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	-	-	(173)	-	(372)
Renewal	-	-	(1,680)	-	(2,130)
<b>TOTAL</b>		<b>-</b>	<b>(1,853)</b>	<b>-</b>	<b>(2,502)</b>

# People

	\$'000	FTE	Q2 Budget			Proposed Q3				
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>Operating Budget</b>										
Revenue		-	-	-	-	-	-	-	-	-
Employee Costs		28.8	-	(3,846)	(3,846)	28.8	-	(3,846)	(3,846)	
Materials		-	-	(1,236)	(1,236)	-	-	(1,239)	(1,239)	
Sponsorships		-	-	-	-	-	-	-	-	
Depreciation		-	-	-	-	-	-	-	-	
Finance Costs		-	-	-	-	-	-	-	-	
<b>TOTAL</b>		<b>28.8</b>	<b>-</b>	<b>(5,082)</b>	<b>(5,082)</b>	<b>28.8</b>	<b>-</b>	<b>(5,085)</b>	<b>(5,085)</b>	
<b>Activity View</b>										
Associate Director		3.0	-	(596)	(596)	3.0	-	(599)	(599)	
People Experience		15.8	-	(2,613)	(2,613)	15.8	-	(2,613)	(2,613)	
People Safety and Wellbeing		4.0	-	(774)	(774)	4.0	-	(774)	(774)	
People Services		6.0	-	(1,099)	(1,099)	6.0	-	(1,099)	(1,099)	
<b>TOTAL</b>		<b>28.8</b>	<b>-</b>	<b>(5,082)</b>	<b>(5,082)</b>	<b>28.8</b>	<b>-</b>	<b>(5,085)</b>	<b>(5,085)</b>	

	\$'000	FTE	Q2 Budget				Proposed Q3				
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
Graduate Employment Program		10.6	-	(1,105)	(17)	(1,122)	10.6	-	(1,105)	(17)	(1,122)
<b>TOTAL</b>		<b>10.6</b>	<b>-</b>	<b>(1,105)</b>	<b>(17)</b>	<b>(1,122)</b>	<b>10.6</b>	<b>-</b>	<b>(1,105)</b>	<b>(17)</b>	<b>(1,122)</b>

	\$'000	FTE	Q2 Budget				Proposed Q3				
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
Aboriginal Employment and Inclusion Coordinator		0.2	-	(34)	-	(34)	.2	-	(34)	-	(34)
Talent Acquisition Advisor		1.0	-	(121)	-	(121)	1.0	-	(121)	-	(121)
Workforce Management Project		-	-	-	-	-	-	-	-	(26)	(26)
<b>TOTAL</b>		<b>1.2</b>	<b>-</b>	<b>(155)</b>	<b>-</b>	<b>(155)</b>	<b>1.2</b>	<b>-</b>	<b>(155)</b>	<b>(26)</b>	<b>(181)</b>

	\$'000	Q2 Budget			Proposed Q3	
		Inc.	Exp.	Total(N)	Inc.	Exp.
<b>Capital Projects</b>						
New and Upgrade		-	-	-	-	-
Renewal		-	-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Adelaide Central Market Authority (ACMA)

	\$'000	FTE	Q2 Budget			Proposed Q3				
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>Operating Budget</b>										
Revenue	-		5,645	-	5,645	-	5,584	-	5,584	
Employee Costs		9.8	-	(1,776)	(1,776)	9.8	-	(1,776)	(1,776)	
Materials		-	-	(4,461)	(4,461)	-	-	(4,400)	(4,400)	
Sponsorships		-	-	-	-	-	-	-	-	
Depreciation		-	-	(42)	(42)	-	-	(42)	(42)	
Finance Costs		-	-	(3)	(3)	-	-	(3)	(3)	
<b>TOTAL</b>		<b>9.8</b>	<b>5,645</b>	<b>(6,282)</b>	<b>(637)</b>	<b>9.8</b>	<b>5,584</b>	<b>(6,221)</b>	<b>(637)</b>	
<b>Activity View</b>										
ACMA Operations		6.8	5,558	(5,449)	109	9.8	5,497	(5,388)	109	
Market Expansion		3.0	-	(600)	(600)	-	-	(600)	(600)	
Online Market Platform		-	87	(233)	(146)	-	87	(233)	(146)	
<b>TOTAL</b>		<b>9.8</b>	<b>5,645</b>	<b>(6,282)</b>	<b>(637)</b>	<b>9.8</b>	<b>5,584</b>	<b>(6,221)</b>	<b>(637)</b>	

	\$'000	FTE	Inc.	Q2 Budget			Proposed Q3				
				Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
N/A	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-	-

	\$'000	FTE	Inc.	Q2 Budget			Proposed Q3				
				Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
ACMA Traders Sustainability Program Stage 2	-		50	-	(50)	-	-	50	-	(50)	-
Adelaide Central Market Expansion Operational Preparedness	-		-	-	(859)	(859)	-	-	-	(859)	(859)
Market Expansion Technical Services & Site Management	-		-	-	-	-	-	-	-	(80)	(80)
<b>TOTAL</b>	-		<b>50</b>	-	<b>(909)</b>	<b>(859)</b>	-	<b>50</b>	-	<b>(989)</b>	<b>(939)</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade	-		(1,215)	-	(3,168)
Renewal	-		(1)	-	(2)
<b>TOTAL</b>	-		<b>(1,216)</b>	-	<b>(3,170)</b>

# Adelaide Economic Development Agency (AEDA)

	\$'000	FTE	Q2 Budget			Proposed Q3				
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>Operating Budget</b>										
Revenue	-		4,528	-	4,528	-	4,528	-	4,528	
Employee Costs		31.6	-	(4,769)	(4,769)	32.6	-	(4,834)	(4,834)	
Materials		-	-	(4,943)	(4,943)	-	-	(4,887)	(4,887)	
Sponsorships		-	-	(3,346)	(3,346)	-	-	(3,346)	(3,346)	
Depreciation		-	-	(72)	(72)	-	-	(72)	(72)	
Finance Costs		-	-	(7)	(7)	-	-	(7)	(7)	
<b>TOTAL</b>		<b>31.6</b>	<b>4,528</b>	<b>(13,137)</b>	<b>(8,609)</b>	<b>32.6</b>	<b>4,528</b>	<b>(13,146)</b>	<b>(8,618)</b>	
<b>Activity View</b>										
General Manager AEDA		2.0	-	(547)	(547)	2.0	-	(555)	(555)	
Business and Investment		7.0	-	(2,787)	(2,787)	8.0	-	(2,788)	(2,788)	
Marketing		8.0	-	(2,144)	(2,144)	8.0	-	(2,144)	(2,144)	
Rundle Mall Management		9.6	4,518	(4,520)	(2)	9.6	4,518	(4,520)	(2)	
Visitor Economy		5.0	10	(3,139)	(3,129)	5.0	10	(3,139)	(3,129)	
<b>TOTAL</b>		<b>31.6</b>	<b>4,528</b>	<b>(13,137)</b>	<b>(8,609)</b>	<b>32.6</b>	<b>4,528</b>	<b>(13,146)</b>	<b>(8,618)</b>	

	\$'000	FTE	Q2 Budget			Proposed Q3					
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Operating Activities</b>											
Adelaide Fashion Week	-		-	-	(489)	(489)	-	-	-	(489)	(489)
Business Growth - Business Support	-		-	-	(232)	(232)	-	-	-	(168)	(168)
Data and Insights		2.0	-	(286)	(126)	(412)	3.0	-	(351)	(126)	(477)
Event and Festival Sponsorship	-		-	-	(1,990)	(1,990)	-	-	-	(1,990)	(1,990)
General Marketing	-		-	-	(420)	(420)	-	-	-	(420)	(420)
Main Streets Development	-		-	-	(190)	(190)	-	-	-	(190)	(190)
Grants / Precinct Activation	-		-	-	(1,142)	(1,142)	-	-	-	(1,142)	(1,142)
Strategic Partnerships	-		-	-	(198)	(198)	-	-	-	(198)	(198)
Visitor Growth - Tourism Projects	-		-	-	(198)	(198)	-	-	-	(198)	(198)
<b>TOTAL</b>		<b>2.0</b>	<b>-</b>	<b>(286)</b>	<b>(4,787)</b>	<b>(5,073)</b>	<b>3.0</b>	<b>-</b>	<b>(351)</b>	<b>(4,723)</b>	<b>(5,074)</b>

	\$'000	FTE	Q2 Budget			Proposed Q3					
			Inc.	Emp.	Ext.	Total(N)	FTE	Inc.	Emp.	Ext.	Total(N)
<b>Strategic Projects</b>											
Black Friday	-		-	-	(50)	(50)	-	-	-	(50)	(50)
City Brand Development	-		-	-	(100)	(100)	-	-	-	(100)	(100)
Investment Attraction Program	-		-	-	(100)	(100)	-	-	-	(100)	(100)
Partner Marketing - Winter Focus	-		-	-	(75)	(75)	-	-	-	-	-
Rundle Mall 50th Anniversary	-		-	-	-	-	-	250	-	(250)	-
Rundle Mall Live Music Program	-		-	-	(100)	(100)	-	-	-	(100)	(100)
Tourism and Business	-		-	-	(150)	(150)	-	-	-	(150)	(150)
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(575)</b>	<b>(575)</b>	<b>-</b>	<b>250</b>	<b>-</b>	<b>(750)</b>	<b>(500)</b>

	\$'000	Q2 Budget		Proposed Q3	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		3,839	(4,964)	1,939	(3,116)
Renewal		-	(279)	-	(285)
<b>TOTAL</b>		<b>3,839</b>	<b>(5,243)</b>	<b>1,939</b>	<b>(3,401)</b>

# Offices and Regional Subsidiary

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

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

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

Key Focus Areas:

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

## Planning and Budget Updates

There have been no proposed changes to the approved budget for the Office of the Chief Executive and the Office of the Lord Mayor during this quarter.

## Quarterly Highlights

In the third quarter, there were four civic events in Adelaide Town Hall, including the Citizen of the Year Awards held on 29 January 2026. In addition, there were 3 Citizenship Ceremonies held in this quarter on 29 and 30 January and 19 March 2026.

On Friday 16 January 2026, the Lord Mayor officially opened the City of Adelaide Tour Village in Victoria Square for the Santos Tour Down Under.

The Lord Mayor and CEO attended the Council of Capital City Lord Mayors meeting in Canberra on 4 and 5 March 2026.

On Friday 6 March 2026, Lord Mayor attended the official opening of the WOMADelaide Festival.

	\$'000	FTE	Q2 Budget			Proposed Q3			
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	-	-	-	-	-	-	-	-
Employee Costs	10.3	-	(1,866)	(1,866)	10.3	-	(1,866)	(1,866)	(1,866)
Materials	-	-	(1,225)	(1,225)	-	-	(1,225)	(1,225)	(1,225)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>10.3</b>		<b>(3,091)</b>	<b>(3,091)</b>	<b>10.3</b>	<b>-</b>	<b>(3,091)</b>	<b>(3,091)</b>	<b>(3,091)</b>
<b>Program Budget</b>									
Office of the Chief Executive	4.0	-	(1,501)	(1,501)	4.0	-	(1,501)	(1,501)	(1,501)
Civic Event, Partnerships, and Other Events	-	-	(385)	(385)	-	-	(385)	(385)	(385)
Lord Mayor's Office Administration	6.3	-	(1,205)	(1,205)	6.3	-	(1,205)	(1,205)	(1,205)
<b>TOTAL</b>	<b>10.3</b>		<b>(3,091)</b>	<b>(3,091)</b>	<b>10.3</b>	<b>-</b>	<b>(3,091)</b>	<b>(3,091)</b>	<b>(3,091)</b>

## **Brown Hill and Keswick Creek Stormwater Board**

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

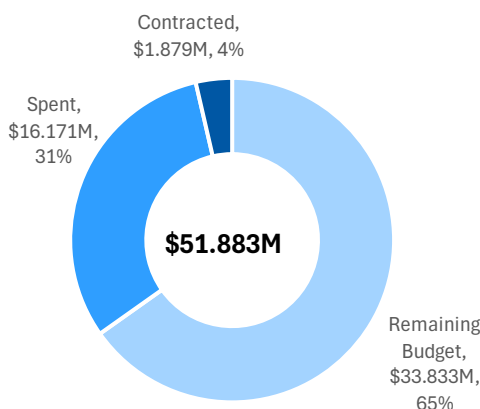
Reporting for this Board is done separately and is not embedded in the City of Adelaide's quarterly report reporting, however, where available, the Board's own report and plans will be provided as attachments as well as being available on the Board's website.

# Projects

## Capital New and Upgrade

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

### Approved Budget



### Budget Highlights

The proposed New and Upgrade budget has decreased by \$9.480m from the approved budget of \$51.883m to a Quarter 3 budget of \$42.403m due to:

- Re-timing of projects from 25/26 into future years of \$12.876m including:
  - Golden Wattle Park/Mirnu Wirra (Park 21 West) New Community Sports building \$3.721m
  - Experience Adelaide Visitor Centre \$1.901m
  - Project Delivery Management costs \$1.836m
  - Belair-City Bikeway/Adelaide Park Lands Trail – Glen Osmond Rd – New bike and pedestrian actuated crossing \$1.195m
  - Adelaide Park Lands Trail – Sir Donald Bradman Drive – New bike and pedestrian actuated crossing \$1.095m
  - James Place Upgrade \$1.000m
  - Park 27B - Community Sports Building Redevelopment \$0.600m
  - Peacock Road Cycle Route \$0.293m
  - Botanic Catchment water course rehabilitation \$0.448m
  - O’Connell St/Archer St Intersection Improvements (Blackspot) \$0.350m
  - Market Expansion – Capital Works \$0.280m
  - School Safety program \$0.150m
  - West Pallant lighting upgrade \$0.033m
  - Torrens Lake retaining structure adjacent to Red Ochre (\$0.026m)
- New projects of \$2.935m including:
  - Adelaide Central Market Expansion – Placemaking (Ground Floor) \$1.065m
  - Adelaide Central Market Contingency planning - permanent back-up generator \$0.450m
  - Adelaide Central Market Expansion – Capital Works (operational readiness) \$0.300m
  - Adelaide Central Market – Trader Storage project \$0.225m
  - Christmas Decorations – One Market (Year 2) \$0.175m
  - Integrated Transport Strategy Implementations – East-West Bikeway – Grote/Wakefield concept design \$0.150m
  - Integrated Transport Strategy Implementations – Cycle Parking and Street Furniture \$0.140m
  - Integrated Transport Strategy Circulation Plan Pilot Project – Cycleway Trial \$0.150m

- Additional compact sweeper for bike lane infrastructure \$0.280m
- Savings of (\$0.150m) across various projects released to fund Integrated Transport Strategy projects
- New grants \$0.683m – from Black Spot, State Bike Fund and Department of Premier and Cabinet
- Accrued grant interest in Quarter 3 of \$0.019m
- The reduction in the New/Upgrade component of the Project Delivery Management cost of (\$0.091m) with a corresponding increase in the Renewal component.

There has been a change to program allocation within the Capital program due to the reallocation of Project Delivery Management costs of \$0.927m to individual projects based on Q3 actuals.

## **Key Achievements**

During the Quarter, four New and Upgrade projects (including associated sub-projects) reached practical completion, notably the Bonython Park/Tulya Wardli Shared Path Lighting, a retaining wall and footpath upgrade, the Brown Hill Keswick Creek (financial contribution), City wide Christmas Decorations and a greening initiative.

Quarter 3 also marked the commencement of construction of the new shared use path under the Glen Osmond Road, Hutt Road and Park 17 improvement project.

Several projects progressed to contract execution, including the Golden Wattle Park/Mirnu Wirra (Park 21 West) - New Community Sports Building and additional greening projects.

In parallel, a number of initiatives entered the tender phase, Main Street Revitalisation – Melbourne Street (Wombat crossings), Main Street Revitalisation – Gouger St, Botanic catchment water course, Kingston Terrace bus stop upgrade and Rundle Mall Sound system – with contract awards and partial commencement anticipated in Quarter 4.

## 2025/26 New and Upgrade Projects

Project	Plan Deliver by	Q2 Budget			Expenditure (\$ '000)			Variance	Stage	
		Project	Overhead	Total	Project	Overhead	Total			
<b>City Community</b>										
<b>City Culture</b>										
Aquatic Centre Community Playing Field - Denise Norton Park/ Paradipardinilla (Park 2)	● Apr-26	●	5,704	55	5,758	5,704	82	5,786	(27)	Build/ Construct
City of Music Laneways - The Angels Artwork	● Jul-25	●	-	1	1	-	1	1	(0)	Practical Completion
City Library Capital Fit Out (State Library)	◆ Jan-27	◆	2,500	-	2,500	2,500	42	2,542	(42)	Plan/ Design
Christmas Decorations - city wide	● Jan-26	●	229	13	242	245	19	264	(22)	Practical Completion
Community Sports Building Redevelopment – Golden Wattle Park / Mirnu Wirra (Park 21 West)*>	● Mar-27	●	4,224	158	4,382	503	235	738	3,644	Build/ Construct
Community Sports Building Redevelopment – Mary Lee Park / Tulya Wardli (Park 27B)*>	● Jul-27	●	900	82	982	315	172	487	495	Design Only
Community Sports Building Redevelopment – Concept Design	●	●	100	6	106	100	8	108	(2)	Design Only
Honouring Women in the Chamber - Portrait Commissions	● Apr-26	▲	9	1	10	9	1	10	(0)	Build/ Construct
Main Street Revitalisation - Gouger Street (Artwork) (detailed design)*	▲ Mar-28	●	65	2	67	65	4	68	(2)	Plan/ Design
Main Street Revitalisation - Hindley Street (Artwork)*	◆ May-27	●	10	1	11	10	1	11	(1)	Plan/ Design
Market to Riverbank Link Project^	● Sep-25	●	43	-	43	43	-	43	-	Practical Completion
Market Link - public art	●	●	-	-	-	20	-	20	(20)	Design Only
Place of Courage *>	▲ Jun-27	●	-	7	7	-	8	8	(1)	Plan/ Design
Public Art Action Plan Deliverables	● Jun-26	●	93	32	125	73	34	107	18	Plan/ Design
Public Art - Kaurna Welcome Art Installation	●	▲	20	-	20	20	1	21	(1)	Design Only
Public Art - Her Majesty's Theatre Commemorative Artwork	● Jun-26	●	165	-	165	265	7	272	(107)	Plan/ Design
Minor Works Building – Security Upgrades	● Jan-28	▲	50	5	55	50	9	59	(4)	Plan/ Design
Statue Commemorating South Australian Aboriginal Leaders (Lowitja O'Donoghue)	● May-26	●	177	5	182	177	17	194	(12)	Build/ Construct
<b>City Infrastructure</b>										
<b>Infrastructure</b>										
Adelaide Park Lands Trail – Sir Donald Bradman Drive**	● Nov-26	●	1,250	38	1,288	155	59	214	1,074	Plan/ Design
Automated External Defibrillators Installation on Designated Council Buildings - Outstanding Works	● May-26	●	-	-	-	50	-	50	(50)	Build/ Construct
Belair-City Bikeway/Adelaide Park Lands Trail – Glen Osmond Road**	● Nov-26	●	1,350	40	1,390	155	62	217	1,173	Plan/ Design
Bench install - 211 Grenfell Street	● Dec-25	●	1	-	1	1	0	1	(0)	Practical Completion
Bench Seat - 60 King William Street	● Nov-25	●	5	0	6	5	0	5	0	Practical Completion
Bikeways (North-South)	● Feb-26	●	138	18	156	129	22	151	5	Practical Completion
Bike Parking at Lounders Boat Shed Café	● Jun-26	●	-	-	-	10	-	10	(10)	Plan/ Design
O'Connell/Archer St Intersection Upgrade>	◆ Dec-26	●	350	14	364	-	19	19	345	Plan/ Design
Bonython Park / Tulya Wardli Shared Path Lighting, Retaining wall and Footpath Upgrade (Construction)	● Mar-26	●	100	-	100	71	13	85	15	Practical Completion
Botanic Catchment Water Course Rehabilitation*	▲ Dec-26	▲	358	10	368	-	31	31	337	Build/ Construct
Brown Hill Keswick Creek (Financial Contribution)	● Mar-26	●	320	9	329	320	9	329	(0)	Practical Completion
Charles Street – Streetscape Upgrade Major Project	● Dec-25	▲	30	4	34	13	5	18	16	Practical Completion
Field Street Planters	● Jun-25	●	1	-	1	1	-	1	-	Practical Completion
Franklin Street Pedestrian Crossing	● Jun-26	●	120	8	128	120	17	137	(8)	Design Only
George Street North Adelaide - localised traffic improvements	● Nov-26	●	-	-	-	100	1	101	(101)	Plan/ Design
Glen Osmond Road / Hutt Road and Carriageway Park / Tuthangga (Park 17) Improvements	● Jun-26	●	1,200	-	1,200	1,200	14	1,214	(14)	Build/ Construct
Hutt Road / Park Lands Trail Signalised Crossing (Construction)	● Feb-26	●	21	1	23	21	1	23	0	Practical Completion
Hutt Street and South Terrace – Stormwater Improvements*	● May-26	●	199	16	215	199	23	222	(7)	Practical Completion
Hutt St Entry Statement>	● Dec-25	●	219	19	237	219	25	243	(6)	Practical Completion

Project	Plan		Expenditure (\$ '000)							Variance	Stage
	Deliver by		Q2 Budget			Proposed Q3					
			Project	Overhead	Total	Project	Overhead	Total			
Integrated Climate Strategy – City Public Realm Greening Program	●	Jun-27	●	4,219	568	4,787	4,219	737	4,956	(169)	Build/Construct
Integrated Transport Strategy Circulation Plan Pilot Project – Cycleway Trial	●	Jun-27	●	-	-	-	150	-	150	(150)	Plan/Design
Integrated Transport Strategy Implementation - South Terrace and Pulteney Street and Unley Road Intersection Cycling Upgrade - Construction*	●	Jun-27	●	-	-	-	40	5	45	(45)	Design Only
Integrated Transport Strategy Implementation - Cycle Parking and Street Furniture	●	Jun-27	●	-	-	-	140	-	140	(140)	Plan/Design
Integrated Transport Strategy Implementation - East-West Bikeway - Grote/Wakefield	●	Jun-27	●	-	-	-	150	-	150	(150)	Plan/Design
James Place Upgrade*	▲	Aug-26	●	1,000	83	1,083	-	128	128	955	Plan/Design
Kingston Terrace Bus Stop Upgrades (Construction)	●	Jun-26	●	153	13	165	153	18	170	(5)	Plan/Design
Lot 14 and Frome Park Parklands Entry	●		●	-	-	-	3	0	3	(3)	Design Only
Main Street Revitalisation – Gouger Street (Detailed Design & Construction) >	▲	Mar-28	●	716	138	854	716	182	898	(44)	Plan/Design
Main Street Revitalisation – Hindley Street (Construction) >	◆	May-27	●	504	48	552	504	67	572	(20)	Plan/Design
Main Street Revitalisation – Hutt Street (Detailed Design & Construction) >	▲	Oct-28	▲	237	32	269	237	54	291	(22)	Plan/Design
Main Street Revitalisation – Melbourne Street (Detailed Design & Construction)*	▲	Nov-28	▲	1,440	-	1,440	1,440	198	1,638	(198)	Plan/Design
Main Street Revitalisation - Melbourne Street Improvements	▲	Jun-26	●	525	39	564	525	63	589	(24)	Build/Construct
Main Street Revitalisation – O’Connell Street (Detailed Design)	●	Jul-28	▲	1,023	140	1,163	1,023	180	1,203	(40)	Plan/Design
Market Link - CMAR access footpath	●	May-27	●	10	1	10	10	2	12	(2)	Design Only
Market to Riverbank Link Project^	●	Sep-25	●	365	0	365	369	1	371	(5)	Practical Completion
Traffic Signal Safety Upgrade – Morphett Street and Franklin Street Intersection	●	Jul-26	●	270	11	281	270	18	288	(7)	Build/Construct
Traffic Signal Safety Upgrade – Morphett Street and Grote Street Intersection	●	May-26	●	255	9	264	255	17	272	(7)	Plan/Design
New Parents Room with store room (Central Market)	●		●	33	5	37	33	7	39	(2)	On Hold
Peacock Road Cycle Route**	●	Sep-26	●	547	38	585	253	62	316	269	Plan/Design
Road Resurfacing - Barton Terrace East - O’Connell Street to Lefevre Terrace*^	▲	Aug-26	●	-	-	-	85	1	86	(86)	Build/Construct
Rymill Park Masterplan and Accessibility>	●	May-26	●	746	51	797	746	76	823	(25)	Build/Construct
School Safety Implementation Project>	●	Jun-26	●	173	6	180	23	27	50	130	Plan/Design
Torrens Lake Earth Retaining Structure>	◆	Aug-27	●	110	30	140	136	35	172	(32)	Build/Construct
Vincent St and Vincent Pl>	●	Mar-26	●	324	28	352	223	40	264	88	Build/Construct
West Pallant Street Improvements>	●		●	33	4	37	-	5	5	32	Design Only
<b>Strategic Property and Commercial</b>											
Central Market Arcade Redevelopment Options	●	Oct-26	▲	471	11	483	471	19	490	(8)	Build/Construct
Central Market Arcade Redevelopment Major Project	●	Oct-26	●	1,392	33	1,425	1,392	53	1,445	(20)	Build/Construct
UPark Central Market – Parking Guidance System	●	Apr-27	●	300	-	300	300	-	300	-	Plan/Design
Flinders Street Housing – Concept Planning	●		●	705	35	740	705	60	764	(24)	Design Only
South West Community Centre	●	Jun-26	●	1,500	21	1,521	1,500	40	1,540	(19)	Plan/Design
UPark Central Market – Car Park Hardware	●	Oct-26	●	190	-	190	190	-	190	-	Plan/Design
<b>City Shaping</b>											
<b>City Operations</b>											
Additional (2nd) Park Safe vehicle	●	Oct-25	●	44	-	44	44	-	44	-	Practical Completion
Additional Compact Sweeper for bike lane infrastructure	●		●	-	-	-	280	-	280	(280)	Plan/Design
Accelerated Greening Water Truck	●	Jun-26	●	150	-	150	150	-	150	-	Plan/Design
<b>Park Lands, Policy and Sustainability</b>											
Additional VivaCity Motion Sensor (V3)	●	Jul-25	●	3	0	3	3	0	3	(0)	Practical Completion
Disability Access and Inclusion Plan 2024-2028 Implementation	●	Jun-26	▲	20	-	20	20	2	22	(2)	Plan/Design
Integrated Climate Strategy - London Road Depot Electrification (Stage 1) - Replace gas heater with electric	▲	Jun-26	●	200	6	206	200	10	210	(4)	Plan/Design
Light Square / Wauwi – Master Plan (detailed design)	●		●	109	7	116	109	12	121	(4)	Design Only
Victoria Park / Pakapakanthi (Park 16) Master Plan implementation	●		●	218	10	228	218	15	233	(4)	Design Only

Project	Plan Deliver by	Q2 Budget			Expenditure (\$ '000)			Variance	Stage	
		Project	Overhead	Total	Proposed Q3					
					Project	Overhead	Total			
<b>Corporate Services</b>										
<b>Adelaide Central Market Authority (ACMA)</b>										
Federal Hall Trade Waste and Water Connections^	● Jun-25	●	6	1	7	6	1	7	-	Practical Completion
Adelaide Central Market Expansion - Placemaking (Ground Floor)	●	●	-	-	-	1,065	-	1,065	(1,065)	Plan/ Design
Adelaide Central Market Expansion - Capital Works (Operational Readiness)	●	●	-	-	-	300	-	300	(300)	Plan/ Design
Adelaide Central Market Contingency Planning - Permanent Backup Generator & Connection	●	●	-	-	-	450	-	450	(450)	Plan/ Design
Adelaide Central Market - Trader Storage Project	●	●	-	-	-	225	-	225	(225)	Plan/ Design
Christmas Decorations – One Market	● Jan-27	●	175	6	181	350	9	359	(179)	Build/ Construct
Market Expansion Capital Works – Ground Floor	● Jun-27	●	1,000	26	1,026	720	42	762	265	Build/ Construct
<b>Adelaide Economic Development Agency (AEDA)</b>										
Rundle Mall Sound System	● Sep-26	▲	820	24	844	820	38	858	(14)	Build/ Construct
Christmas Decorations – Rundle Mall	● Nov-25	●	200	14	214	198	15	213	1	Practical Completion
Experience Adelaide Visitor Centre**>	● Sep-26	●	3,839	66	3,905	1,939	107	2,045	1,860	Plan/ Design
<b>Information Management</b>										
HR System - Implementation of Integration Suite	● Jun-26	●	41	3	43	124	4	129	(85)	Build/ Construct
ICT Network Connectivity - Gardeners Shed	● Jun-26	●	120	-	120	120	-	120	-	Build/ Construct
New Laptops - Adelaide Central Market Authority	● Apr-26	●	-	-	-	15	-	15	(15)	Practical Completion
Replacement of Audio / Video in Council Chamber and Colonel Light Room	▲ Apr-26	●	10	-	10	108	-	108	(98)	Build/ Construct
<b>Corporate Activities</b>										
Planning for Future Projects	●	●	-	231	231	-	73	73	158	Plan Only
2025/26 Project Delivery Costs>	● Jun-26	●	7,736	(2,282)	5,454	5,809	(3,365)	2,444	3,011	Build/ Construct
<b>Total</b>			<b>51,883</b>	<b>-</b>	<b>51,883</b>	<b>42,403</b>	<b>-</b>	<b>42,403</b>	<b>9,480</b>	

\*partially grant funded

\*\*fully grant funded

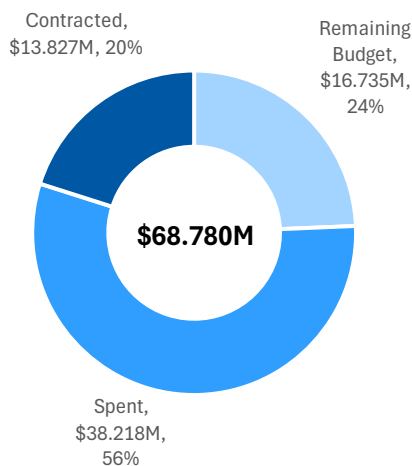
^income generating

>some/all budget retimed from 24/25

## Capital Renewal

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

### Approved Budget



### Budget Updates

The proposed Renewals budget has increased by \$1.091m from an approved budget of \$68.780m to a proposed Quarter 3 budget of \$69.871m due to a \$1m grant from Special Local Roads (LGA) and an increase in the renewal component of the Project Delivery Management cost of \$0.091m, with a corresponding reduction in the New/Upgrade component.

There have been reallocations of Project Delivery Management costs of \$1.557m to asset classes based on Q3 outputs.

### Key Achievements

During the quarter, 19 renewal projects reached practical completion, including Traffic Signal renewals at West Terrace/Sturt Street and Currie Street/Gray Street intersections, Traffic Signal controller and lantern renewal programs, the Adelaide Central Market Car Park Bondek renewal, Glen Osmond Road Lighting renewals (Northern section), Rymill Park Kiosk renewal (developer works with CoA contribution) and several road renewals.

Quarter 3 also saw the commencement of several renewal initiatives, notably Traffic Signal at Hutt Street/Flinders Street and Pulteney Street/Flinders Street intersections, Footpath and lighting renewal Bonython Park/Tulya Wardli (Park 27) west of Victoria Bridge, pergola renewals in Peppermint Park (Park 18) and Veale Park (Park 21) along with additional road renewals.

Several projects progressed to contract execution, including Victoria Square flagpole renewals, Strangways Terrace – roundabout reconstruction and road reseal, and pavement rehabilitation works on Beaumont Road South.

In addition, a number of projects commenced tendering in Quarter 3, with contract awards anticipated in Quarter 4, such as the Torrens Weir gate refurbishment, Wyatt St UPark fire monitoring system, Adelaide Central Market – Level 2 sprinkler renewal, Adelaide Central Market Escalator shaft compartmentalisation, various road renewals such as Barnard Street, West Terrace and Flinders Street and asphalt footpath renewals such as King William Road, Rymill Park, Pennington Terrace and Victoria Square.

## 2025/26 Renewal Budget by Category

\$'000	Q2 Budget			Proposed Q3			Variance	
	Project	Overhead	Total	Project	Overhead	Total		
Buildings	14,138	1,055	15,194	14,563	1,093	15,656	(462)	▲
Lighting & Electrical	4,106	327	4,434	4,249	325	4,574	(140)	▲
Park Lands & Open Space	1,561	107	1,668	1,551	161	1,713	(45)	▲
Plant, Fleet & Equipment*	4,120	-	4,120	4,569	1	4,570	(451)	▲
Transport**	28,673	1,750	30,423	27,945	2,443	30,389	35	▼
Urban Elements	4,558	367	4,925	4,539	396	4,935	(10)	▲
Water Infrastructure	5,159	309	5,468	5,899	570	6,469	(1,001)	▲
Delivery Resources	6,464	(3,916)	2,548	6,555	(4,989)	1,566	982	▼
<b>TOTAL</b>	<b>68,780</b>	<b>-</b>	<b>68,780</b>	<b>69,871</b>	<b>-</b>	<b>69,871</b>	<b>(1,091)</b>	<b>▲</b>

## 2025/26 Renewal Projects by Category and Project Phase

Categories	Total Projects	Design Only	Plan / Design	Build / Construct	On Hold	Practical Completion
Buildings	55	16	8	16	-	15
Lighting & Electrical	40	17	1	18	-	4
Park Lands & Open Space	13	4	1	5	1	2
Plant, Fleet & Equipment*	17	1	3	10	-	3
Transport**	109	36	10	29	1	33
Urban Elements	46	11	4	23	-	8
Water Infrastructure	10	3	1	6	-	-
<b>TOTAL</b>	<b>290</b>	<b>88</b>	<b>28</b>	<b>107</b>	<b>2</b>	<b>65</b>

\*includes IT

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

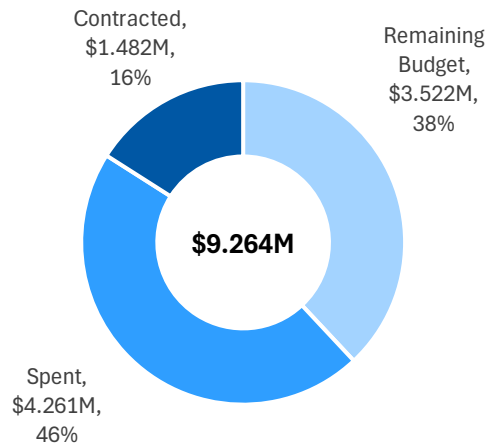
### Notes:

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

## Strategic

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

### Approved Budget



### Budget Updates

Quarter 3 has seen the strategic program budget increase by \$1.484m from \$9.264m to \$10.748m following the inclusion of new and emerging priorities, including City Library – Rundle Place (\$0.556m), Rundle Mall 50<sup>th</sup> Anniversary (\$0.250m), Park 27 A John E Brown Park stockpile and site remediation (\$0.135m), Workforce Management Phase 3 – Time Off (\$0.026m) and Traffic Monitoring on Lohrman & George Streets (\$0.015m). Additionally, several existing projects requested increases to funding as costs were further refined and planned deliverables were confirmed. A portion of these increases were redirected from other strategic projects or savings identified in operational budgets.

### Key Achievements

At quarter end, the Strategic Project program was 62% committed or spent, with project procurement and delivery continuing to track upwards.

The number of proposed strategic projects increased to 56, with the following projects achieving practical completion during Quarter 3; Social Planning Homelessness and Adelaide Zero Project Resourcing, Clipper Ship and Australia Day Sponsorship,

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

## 2025/26 Strategic Projects

Project	Plan Deliver by	Expenditure (\$'000)			
		Q2 Budget	Proposed	Variance	
<b>City Community</b>					
<b>City Culture</b>					
Australia Day Partnership - Australia Day Council of South Australia	● Complete	100	100	-	▶
Bilingual Community Liaison Officer	● Jun-26	93	93	-	▶
Community Sports Building Redevelopment (Park 21 West)	● Jun-26	450	450	-	▶
City Activation	● Jun-26	300	300	-	▶
Future Libraries Business Case	● Oct-26	75	105	(30)	▲
Positive Ageing Program – Pilot	● Jun-26	50	50	-	▶
Social Work in Libraries Evaluation Framework**	● Nov-26	13	13	-	▶
DHS Grant for Volunteers Connectors Program**	● Jun-26	25	25	-	▶
Library Community Cohesion Programs**	● Jun-26	9	9	-	▶
City Library - Rundle Place	● Jun-26		556	(556)	▲
<b>Customer and Marketing</b>					
City of Adelaide Website Redevelopment	● Jun-26	100	100	-	▶
<b>Regulatory Services</b>					
On-Street Parking Compliance Technology and Customer Analytics Reform	● Jun-25	152	152	-	▶
<b>City Infrastructure</b>					
<b>Infrastructure</b>					
Asset Condition Audit	● Jun-26	1,000	1,000	-	▶
Gawler Place Ram Raid Bollard^	● Jul-26	10	10	-	▶
Market Expansion Technical Services and Site Management	Cancelled	80	-	80	▼
Resilient Flood Planning*	▲ Apr-26	1,100	1,100	-	▶
School Safety Review	● Complete	11	(7)	18	▼
Traffic Monitoring on Lohrman Street and George Street	● Jun-26		15	(15)	▲
Transport Strategy	● Complete		(21)	21	▼
<b>Strategic Property &amp; Commercial</b>					
88 O'Connell Project Delivery	● Complete	194	194	-	▶
Parking Coordinator – On-Street Paid Parking Control Changes	● Jun-26	128	128	-	▶
Review of Property Management	● Complete	50	-	50	▼
Strategic Property Investigation	● Jun-26	200	200	-	▶
Commercial Parking Internal Audit - System Consolidation	● Jun-26	450	450	-	▶
<b>City Shaping</b>					
<b>Park Lands, Policy &amp; Sustainability</b>					
Adaptive Re-use Housing Initiative Program (ARCHI)*	● Jun-26	606	606	-	▶
Annual Cultural Burn in the Park Lands	● Complete	25	25	-	▶
City Plan Digital Tool (City of Adelaide Digital Explore - CoADE)	● Jun-26	101	67	34	▼
Planning and Design Code Amendment Program	● Jun-26	100	80	20	▼
Implementation of the Disability Access and Inclusion Plan 2024-2028	● Jun-26	130	130	-	▶
Implementation of the City of Adelaide Housing Strategy – Vacancy	● Jun-26	200	194	6	▼
Master Plan for Helen Mayo Park**	▲ Jun-26	250	250	-	▶
National Heritage Management Plan Implementation	● Jun-26	139	139	-	▶
NHMP First Nations Heritage*	● Jun-26	207	207	-	▶
Key Biodiversity Area Management Plan for G S Kingston Park / Wirrarrinithi	● Jun-26	75	65	10	▼
Social Planning Homelessness and Adelaide Zero Project - Partnership	● Complete	215	215	-	▶
Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscape	● Jun-26	178	258	(80)	▲
Tree Martin Management - 2026 Migratory Season	● Jun-26	150	300	(150)	▲
COP 31	● Apr-26	123	123	-	▶
<b>City Operations</b>					
Park 27A - John E Brown - Stockpile removal and Site remediation	● Jun-26		135	(135)	▲
<b>Corporate Services</b>					
<b>Governance &amp; Strategy</b>					
Election 2026	● Jun-26	275	752	(477)	▲
Resident Survey Analysis 2025	● Jun-26	20	20	-	▶
Supplementary Election 2025	● Complete	102	102	-	▶
<b>Information Management</b>					
Cyber Security Enhancement	● Mar-26	110	110	-	▶
Clipper Ship	● Complete	30	30	-	▶
<b>People</b>					
Aboriginal Employment and Inclusion Coordinator	▲ Jun-26	34	34	-	▶
Talent Attraction and Retention	● Jun-26	121	121	-	▶
Workforce Management Phase 3 - Time Off	● Jun-26		26	(26)	▲

Project	Plan Deliver by	Expenditure (\$'000)			
		Q2 Budget	Proposed	Variance	
<b>ACMA</b>					
Adelaide Central Market Expansion Operational Preparedness	● Jun-26	859	859	-	▶
ACMA Traders Sustainability Program Stage 2**	● Jun-26	50	50	-	▶
Market Expansion Technical Services and Site Management	● Dec-26		80	(80)	▲
<b>AEDA</b>					
Rundle Mall Live Music Program	● Jun-26	100	100	-	▶
Tourism and Business attraction	● Jun-26	150	150	-	▶
Partner Marketing – Winter Focus	▲ On Hold	75	-	75	▼
City Brand Development	● Apr-26	100	100	-	▶
Investment Attraction Program	● Jun-26	100	100	-	▶
Black Friday	● Complete	50	50	-	▶
Rundle Mall 50th Anniversary**	● Jun-26		250	(250)	▲
<b>TOTAL</b>	<b>56 projects</b>	<b>9,264</b>	<b>10,748</b>	<b>(1,484)</b>	

\*partially grant funded

\*\*fully grant funded

^income generating

# Budget

## Summary

### March Year to Date (YTD)

The operating position as at the end of Quarter 3 2025/26 is an operating surplus of \$20.684m, which is \$11.299m favourable to the adopted budget of \$9.385m for the period. The variance is driven by:

- Revenue \$2.865m favourable to budget and includes the following key movements:
  - Additional rates revenue of \$0.792m mainly from interest and penalties applied to overdue rates balances
  - Additional fees and charges of \$2.247m which includes positive movements in parking \$2.025m, expiations, late payments and recoveries \$0.233m, city events \$0.203m and Adelaide Town Hall fees and charges \$0.301m, Strategic Property Management \$0.130m, Temporary Parking Controls \$0.135m and Rundle Mall concessions \$0.104m offset by Golf (\$0.621m) and City Works Permits (\$0.402m).
  - Grants, subsidies and contributions are (\$1.160m) unfavourable due to the Financial Assistance Grants (\$0.541m), where 50% of the annual contribution was received in the 2024/25, timing of recognition for Library Materials Grant (\$0.277m) and Helen Mayo Master Plan (\$0.188m).
  - Additional other income of \$0.986m due to reimbursements from private works \$0.430m, insurance claims \$0.343m, interest received \$0.138m and other reimbursements \$0.125m offset by unfavourable commissions and other revenue (\$0.050m).
- Expenditure \$8.434m favourable to budget and includes the following key movements:
  - Employee costs \$5.500m favourable partially offset by temporary labour backfill of (\$4.156m)
  - Materials, Contracts and Other Expenses is \$2.254m favourable mainly due to variances in strategic projects of \$1.954m (key variances include Asset Condition Audit \$0.274m, Resilient Flood Mapping \$0.251m, Market Expansion \$0.221m, Helen Mayo Park Master Plan \$0.188m, Election 2026 \$0.115m, Cyber Security Enhancement \$0.110m, NHMP First Nations Heritage \$0.103m and Strategic Property Investigations \$0.100m), advertising \$1.723m, professional services \$0.899m, Business Systems Roadmap \$0.505m, consumables \$0.398m and Free City Connector \$0.169m.
  - Sponsorships, Contributions and Donations are \$0.250m favourable and include timing of Event and Festivals Sponsorships \$0.156m in AEDA
  - Depreciation is \$0.469m favourable, due to the timing of capital delivery and revaluations, as well as the remeasurement of lease liabilities, offset by an increase in finance costs of (\$0.039m).

The year-to-date Capital Expenditure as at 31 March 2026 is \$54.398m, which is \$3.196m above the approved budget of \$51.193m for the period.

Council had a cash surplus of \$10.091m as at 31 March 2026.

### Quarter 3 2025/26 Projected Operating Position

The proposed Quarter 3 forecast is an operating surplus of \$8.541m which remains consistent with the adopted budget. The following adjustments are incorporated into Quarter 3:

- Total estimated **operating revenue** is forecast to be \$255.864m which is \$2.582m higher than the Q2 budget of \$253.282m. This is mainly due to external funding received through the Special Local Roads Program of \$1.000m for Jeffcott Street, additional commercial parking revenue of \$0.725m, expiations, late payments and recoveries income of \$0.300, Adelaide Town Hall of \$0.333m, Strategic Projects of \$0.250m offset by other minor movements of (\$0.026m).
- Total estimated **operating expenditure** (including depreciation) is forecast to be \$247.323m, which is \$2.582m higher than the Q2 budget of \$244.741m. This is due to additional funding for Strategic Projects \$1.469m, and permanent increases to the budget of \$1.113m including an increase in FTE and casual labour \$0.381m, Commercial Parking external costs \$0.355m and Adelaide Town Hall external costs \$0.320m associated with an increase in revenue and other movements of \$0.057m.

- The **Capital Program** is proposed to decrease by \$8.389m from \$120.663m to \$112.274m as a result of the reduction to new and upgraded projects of (\$12.876m) through retiming of 13 projects, the addition of nine new projects of \$2.935m, New grant funded projects of \$0.683m, savings of \$0.150m across various projects released to fund Integrated Transport Strategy projects and accrued interest of \$0.019m from externally funded projects. The renewal program is proposed to increase by \$1.091m due to the addition of one new project, and a reallocation of Project Delivery Management costs of (\$0.091m) from new and upgraded projects.
- **Borrowings** are forecast to decrease by \$4.849m from \$50.677m to \$45.828m. This is largely due to the continuation of capital projects into 2026/27.

### Operating Position (Financial Performance)

(\$000's)	YTD Actual	YTD Budget	Variance	Q2 Budget	Proposed Q3	Variance
Rates Revenue	116,948	116,156	792	154,908	154,908	-
Fees and Charges	71,264	69,017	2,247	91,458	92,755	1,297
Grants, Subsidies and Contributions	1,206	2,366	(1,160)	5,640	6,892	1,252
Other Income	1,890	904	986	1,276	1,309	33
<b>Total Revenue</b>	<b>191,308</b>	<b>188,443</b>	<b>2,865</b>	<b>253,282</b>	<b>255,864</b>	<b>2,582</b>
Employee Costs	60,282	65,782	5,500	90,868	91,249	(381)
Materials, Contracts and Other Expenses	58,438	60,692	2,254	82,344	84,795	(2,451)
Sponsorships, Contributions and Donations	5,121	5,371	250	6,362	6,112	250
Depreciation, Amortisation and Impairment	44,921	45,390	469	62,751	62,751	-
Finance Costs - ROU Assets	1,862	1,823	(39)	2,416	2,416	-
<b>Total Expenses</b>	<b>170,624</b>	<b>179,058</b>	<b>8,434</b>	<b>244,741</b>	<b>247,323</b>	<b>(2,582)</b>
<b>Operating Surplus / Deficit</b>	<b>20,684</b>	<b>9,385</b>	<b>11,299</b>	<b>8,541</b>	<b>8,541</b>	<b>-</b>

### Capital Program

	YTD Actual	YTD Budget	Variance	Q2 Budget	Proposed Q3	Variance
New and Upgrades Projects	16,171	20,831	4,660	51,883	42,403	9,480
Renewal / Replacement of Assets	38,218	30,362	(7,856)	68,780	69,871	(1,091)
<b>Total Capital Program Expenditure</b>	<b>54,389</b>	<b>51,193</b>	<b>(3,196)</b>	<b>120,663</b>	<b>112,274</b>	<b>8,389</b>

## Operating Program – Adjustments

The following changes are permanent in nature and will impact the 2026/27 budget and Long Term Financial Plan:

\$000's	Budget	Proposed	Variance
<b>Adelaide Town Hall</b>			
Anticipated full year additional income	3,481	3,814	333
<b>Commercial Parking Income</b>			
Anticipated full year additional income	49,007	49,732	725
<b>Rates Exemption</b>			
Increase in rates exemptions in relation to the Aquatic Centre	(6,319)	(6,392)	(73)
<b>Rates Discretionary Rebates</b>			
Increase in Discretionary Rebates for the Aquatic Centre	(3,039)	(3,138)	(99)
<b>Rates Fines and Interest</b>			
Anticipated full year additional income	344	516	172
<b>Expiation, Late payments and recoveries</b>			
Anticipated full year additional income	14,222	14,522	300
<b>Event Income</b>			
Anticipated full year additional income	714	790	76
<b>Parklet Income</b>			
Anticipated full year reduction in income	53	28	(25)
<b>E-Scooter Income</b>			
Anticipated full year reduction in income	296	246	(50)
<b>Outdoor Dining Income</b>			
Anticipated full year additional income	542	574	32
<b>Special Local Roads Program Funding</b>			
Recognition of grant received from Special Local Roads Program for Jeffcott Street	-	1,000	1,000
<b>Employee costs</b>			
Increase in FTE and casual labour associated with the increase in Expiation and Commercial Parking Income	(90,868)	(91,249)	(381)
<b>Business Growth and Investment</b>			
Reallocation of consultant fees to partially fund an increase in FTE	(232)	(168)	64
<b>Security Costs</b>			
Increase in funding following contract negotiations	(2,400)	(2,488)	(88)
<b>Winter Weekends</b>			
Recognition of the cost to deliver the program, transferred from AEDA		(75)	(75)
<b>Adelaide Town Hall Expenditure</b>			
Increase in funding associated with the additional income	(2,884)	(3,204)	(320)
<b>Commercial Parking Expenditure</b>			
Increase in funding associated with the additional income	(10,312)	(10,667)	(355)
<b>Minor Items</b>			
Small changes trivial in nature	-	(1)	(1)
<b>Total Proposed Permanent Adjustments</b>			<b>1,235</b>

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

\$000's	Budget	Proposed	Variance
<b>Election 2026</b>			
Increase in funding	(275)	(752)	(477)
<b>City Library</b>			
New strategic project	-	(556)	(556)
<b>Future Libraries Business Case</b>			
Increase in funding	(75)	(105)	(30)
<b>City Plan Digital Tool</b>			
Savings identified	(101)	(67)	34
<b>Partner Marketing - Winter Focus</b>			
Program delivered by City Community within Operating Budget, savings released	(75)	-	75
<b>John E Brown contaminated soil removal</b>			
New strategic project	-	(135)	(135)
<b>Tree Martin Management - 2026 Migratory Season</b>			
Increase in funding	(150)	(300)	(150)
<b>Key Biodiversity Area Management Plans</b>			
Savings identified	(75)	(65)	10
<b>Housing Strategy Implementation</b>			
Savings identified	(200)	(194)	6
<b>Workforce Management Project</b>			
New strategic project		(26)	(26)
<b>Rundle Mall 50th Anniversary</b>			
Funding received to deliver program	-	250	250
<b>Rundle Mall 50th Anniversary</b>			
New strategic project	-	(250)	(250)
<b>Planning and Design Code Amendment Program Delivery</b>			
Savings identified	(100)	(80)	20
<b>World Heritage Bid for the Park Lands</b>			
Increase in funding	(178)	(258)	(80)
<b>Transport Strategy</b>			
Savings identified		21	21
<b>School Safety Review</b>			
Savings identified	(11)	7	18
<b>Review of Property Management</b>			
Project completed internally	(50)	-	50
<b>Traffic Monitoring on Lohrman Street and George Street</b>			
New strategic project	-	(15)	(15)
<b>Total Proposed Strategic Project Adjustments</b>			<b>(1,235)</b>
<b>Total Proposed Q3 Adjustments</b>			<b>-</b>

## Capital Program – Adjustments

\$000's	Budget	Proposed	Variance
<b>New and Upgrades</b>			
Works of a significant nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing	51,883	42,403	9,480
<b>Renewals</b>			
Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.	68,780	69,871	(1,091)
<b>Total Adjustment</b>	<b>120,663</b>	<b>112,274</b>	<b>8,389</b>

# Financial Indicators

	Target	Adopted	Q1	Q2	Q3
<b>Operating Surplus Ratio</b> The ratio expresses the Operating Surplus as a percentage of Total Operating Revenue.	0%-20%	3.4%	3.4%	3.4%	3.3%
<b>Net Financial Liabilities</b> The ratio expresses the Financial Liabilities as a percentage of Operating Income.	Less than 80%	35%	36%	35%	34%
<b>Asset Renewal Funding Ratio</b> The ratio expresses the expenditure on Asset Renewals as a percentage of forecast required expenditure according to the Asset Management Plans.	90%-110%	93.5%	93.5%	94.7%	96.2%
<b>Asset Test Ratio</b> The ratio expresses Borrowings as a percentage of Saleable Property Assets.	Maximum 50%	15.9%	16.4%	16.0%	14.5%
<b>Interest Expense Ratio</b> Interest expense as a percentage of General Rates Revenue (less Landscape Levy).	Maximum 10%	1.5%	1.5%	1.5%	1.5%
<b>Leverage Test Ratio</b> The ratio expresses total Borrowings relative to General Rates Revenue (less the Landscape Levy).	Maximum 1.5 years	0.33 years	0.34 years	0.33 years	0.30 years
<b>Cash Flow From Operations Ratio</b> The ratio expresses Operating Income as a percentage of Operating Expenditure plus expenditure on Renewal/Replacement of assets.	Greater than 100%	102%	104%	102%	101%
<b>Borrowings</b> The ratio expresses Borrowings as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Within Prudential Limits	32%	33%	32%	29%
<b>Borrowings</b> The ratio expresses Borrowings (Gross of Future Fund) as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Within Prudential Limits	52%	53%	52%	49%

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

## Treasury Reporting

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

**Table 1** shows the borrowing facilities taken out by Council. Council had nil borrowings as at 31 March 2026:

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

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

**Table 2** shows cash invested by Council. Council had \$10.091m in cash investments at 31 March 2026:

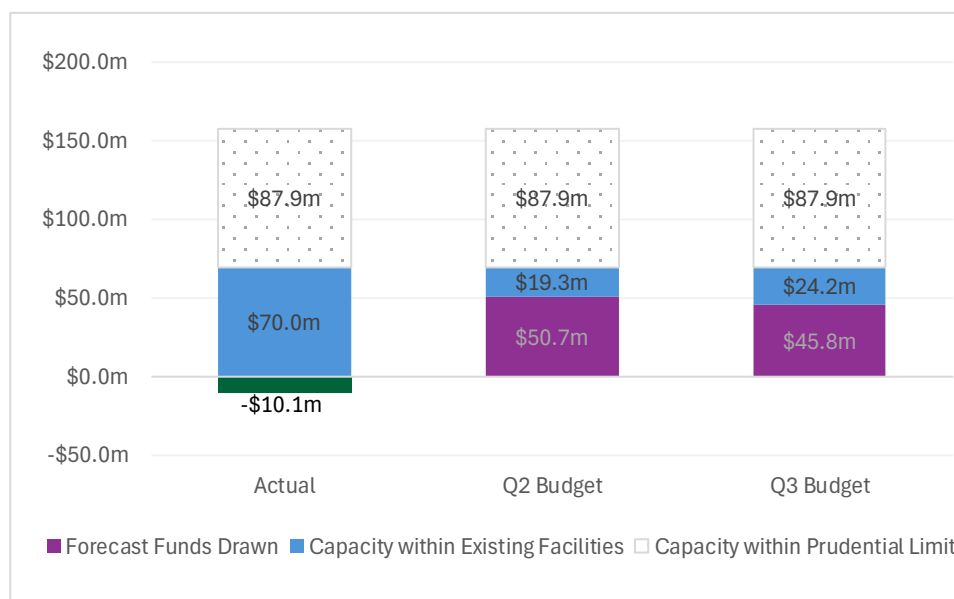
Cash & Cash Equivalents	Available	Interest Type	Interest Rate	Current Investments	Change since previous report \$'000	Maturity Date
LGFA General		Variable	4.40%	\$8.795m	\$1.509m	-
NAB		Variable	4.30%	\$0.687m	\$0.597m	-
CBA		Variable	4.10%	\$0.609m	\$0.019m	-

Total cash position without the Future Fund offset (\$32.286m) would otherwise be \$22.195m in borrowings.

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

Prudential Limit Ratio**	Comments	Limits	YTD Actual
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy).	Maximum 10%	0.01%
Leverage Test	Total borrowings relative to annual General Rates Revenue (Less Landscape Levy).	Max 1.5 years	0 years
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Maximum 50%	0%

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



# Glossary

## Budget

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

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

*Reallocation:* Reallocation of funds from one source to another.

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

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

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

## Capital Works

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

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

## Project Management Phases

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

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

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

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

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

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

## Types of Projects

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

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

# Appendix: Risk and Opportunities

## Risks and Opportunities

Council operations continue to be impacted by multiple external factors.

According to figures released by the Australian Bureau of Statistics at the end of Q3, from 2024 to 2025 the city had one of the highest residential population growth rates of any council in South Australia, at 3.2%. This growth underpins Council's aspiration for a growing City population, targeting 50,000 residents by 2036 and signals a degree of confidence for Government and private developers to potentially invest in housing developments in the CBD and North Adelaide.

Inflation remains a material strategic risk that could influence the delivery of the Business Plan and Budget. Elevated or volatile inflation affects several core costs drivers: materials, contracted services, utilities, and capital works.

Rising interest rates may increase operational and financing costs while reducing customer affordability and demand, impacting revenue, service uptake, and project delivery.

Geopolitical instability, including the Middle East conflict, alongside energy market volatility, rising inflation, and interest rate responses, is increasing the cost of doing business and may reduce customer visitation and spend.

Although not currently evident in our receivables performance, cost of living pressures represent an emerging strategic risk. Rising household expenses, particularly in housing, utilities, and essential goods, may reduce customers' capacity to meet payment obligations in a timely manner.

Leasing targets for the Market Expansion are impacted by fit-out costs and rental levels, further compounded by prospective tenants' uncertainty in committing to leases amid geopolitical instability and energy-related economic pressures.

As at 31 March 2026, CoA had been awarded \$4.6 million in grants to assist with the delivery of the capital and strategic programs. Council has submitted and is awaiting a decision on 11 grants to the value of \$5.4 million from state and federal grant schemes.

Finalisation of the State Government funding agreement is causing delays to the commencement of the Helen Mayo Park Master Plan process.

Delay to Main Streets projects, including lengthy delays to finalisation of Concept Design for Hutt Street and Detailed Design for Hindley Street are likely to result in both projects being delayed in excess of 12 months from the original program. Further, these delays may result in construction works on all five Main Streets projects converging to occur across the same financial years, with implications to budget, contractor resourcing availability and impacts to vehicle, pedestrian movements around the City and North Adelaide.

There is also a risk with timing on the Gouger Street upgrade and congestion within Market Square precinct during fit out period.

# Appendix: Financial Statements

Statement of Comprehensive Income \$'000s	Adopted Budget	Q1	Q2	Q3
<b>Income</b>				
Rates Revenue	154,908	154,908	154,908	154,908
Statutory Charges	17,809	18,507	18,854	19,111
User Charges	70,309	71,973	72,604	73,644
Grants, Subsidies and Contributions - Capital	409	409	886	1,887
Grants, Subsidies and Contributions - Operating	4,487	4,534	4,755	5,005
Investment Income	171	171	171	171
Reimbursements	181	374	374	374
Other Income	695	695	731	764
<b>TOTAL INCOME</b>	<b>248,969</b>	<b>251,571</b>	<b>253,282</b>	<b>255,864</b>
<b>Expenses</b>				
Employee Costs	90,792	90,694	90,868	91,249
Materials, Contracts and Other Expenses	84,413	87,113	88,707	90,908
Depreciation, Amortisation and Impairment	64,506	64,506	62,751	62,751
Finance Costs	717	717	2,416	2,416
<b>TOTAL EXPENSES</b>	<b>240,428</b>	<b>243,030</b>	<b>244,741</b>	<b>247,323</b>
<b>Operating Surplus (Deficit)</b>	<b>8,541</b>	<b>8,541</b>	<b>8,541</b>	<b>8,541</b>
Asset Disposal & Fair Value Adjustments	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	8,018	13,667	14,121	6,104
<b>Net Surplus / (Deficit)</b>	<b>16,559</b>	<b>22,208</b>	<b>22,662</b>	<b>14,645</b>
Changes in Revaluation Surplus – I,PP&E	-	-	-	60,642
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>16,559</b>	<b>22,208</b>	<b>22,662</b>	<b>75,286</b>

Statement of Financial Position \$'000s	Adopted Budget	Q1	Q2	Q3
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	800	800	800	800
Trade & Other Receivables	20,847	20,847	20,847	20,847
Inventories	741	741	741	741
Other Current Assets	-	-	-	-
<b>Total Current Assets</b>	<b>22,388</b>	<b>22,388</b>	<b>22,388</b>	<b>22,388</b>
<b>Non-Current Assets</b>				
Trade & Other Receivables	755	755	755	755
Equity Accounted Investments in Council Businesses	4,706	4,706	4,706	4,706
Investment Property	3,197	3,197	3,197	3,197
Infrastructure, Property, Plant and Equipment	2,134,740	2,142,735	2,142,049	2,194,302
Other Non-Current Assets	-	-	-	-
Non-Current Receivable	-	-	-	-
<b>Total Non-Current Assets</b>	<b>2,143,398</b>	<b>2,151,393</b>	<b>2,150,707</b>	<b>2,202,960</b>
<b>TOTAL ASSETS</b>	<b>2,165,786</b>	<b>2,173,781</b>	<b>2,173,095</b>	<b>2,225,348</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and Other Payables	24,280	24,883	24,884	29,361
Provisions	17,381	17,381	17,381	17,381
Borrowings (Lease Liabilities)	5,264	5,264	5,264	5,264
<b>Total Current Liabilities</b>	<b>46,926</b>	<b>47,528</b>	<b>47,529</b>	<b>52,006</b>
<b>Non-Current Liabilities</b>				
Trades and Other Payables	15,732	15,732	15,732	15,732
Borrowings	50,074	51,818	50,677	45,828
Provisions	2,109	2,109	2,109	2,109
Borrowings (Lease Liabilities)	22,658	22,658	22,658	22,658
<b>Total Non-Current Liabilities</b>	<b>90,573</b>	<b>92,317</b>	<b>91,176</b>	<b>86,327</b>
<b>TOTAL LIABILITIES</b>	<b>137,499</b>	<b>139,845</b>	<b>138,705</b>	<b>138,333</b>
<b>Net Assets</b>	<b>2,028,287</b>	<b>2,033,936</b>	<b>2,034,390</b>	<b>2,087,014</b>
<b>EQUITY</b>				
Accumulated Surplus	824,521	830,170	830,624	822,607
Asset Revaluation Reserves	1,171,995	1,171,995	1,171,995	1,232,637
Future Reserve Fund	31,771	31,771	31,771	31,771
<b>TOTAL COUNCIL EQUITY</b>	<b>2,028,287</b>	<b>2,033,936</b>	<b>2,034,390</b>	<b>2,087,014</b>

<b>Statement of Changes in Equity</b>	<b>Adopted</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
<b>\$'000s</b>	<b>Budget</b>			
Balance at the end of previous reporting period	2,011,728	2,011,728	2,011,728	2,011,728
a. Net Surplus / (Deficit) for Year	16,559	22,208	22,662	14,645
b. Other Comprehensive Income		-	-	60,642
Total Comprehensive Income	16,559	22,208	22,662	75,286
<b>Balance at the end of period</b>	<b>2,028,287</b>	<b>2,033,936</b>	<b>2,034,390</b>	<b>2,087,014</b>

<b>Statement of Cash flows</b>	<b>Adopted</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
<b>\$'000s</b>	<b>Budget</b>			
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Rates - general & other	154,042	154,042	154,042	154,042
Fees & other charges	17,815	18,513	18,860	19,617
User charges	70,470	72,133	72,764	74,304
Investment receipts	171	171	171	171
Grants utilised for operating purposes	4,487	4,534	4,755	5,005
Reimbursements	181	374	374	374
Other revenues	695	695	731	764
<b>Payments</b>				
Employee costs	(90,225)	(90,127)	(90,301)	(90,682)
Materials, contracts & other expenses	(81,676)	(84,376)	(87,669)	(90,869)
Finance Payments	(2,913)	(2,913)	(2,913)	(2,913)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>73,047</b>	<b>73,047</b>	<b>70,815</b>	<b>69,814</b>

<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Amounts Received Specifically for New/Upgraded Assets	8,018	7,350	7,805	4,265
Grants utilised for capital purposes	-	-	477	1,478
Proceeds from Surplus Assets	18,500	18,500	18,500	18,500
Sale of Replaced Assets	500	500	500	500
<b>Payments</b>				
Expenditure on Renewal/Replacement of Assets	(67,937)	(67,937)	(68,780)	(69,871)
Expenditure on New/Upgraded Assets	(46,041)	(54,036)	(51,563)	(42,083)
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)	(320)	(320)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(87,280)</b>	<b>(95,943)</b>	<b>(93,381)</b>	<b>(87,531)</b>

<b>Cash Flows from Financing Activities</b>				
<b>Receipts</b>				
Proceeds from Borrowings	19,335	27,998	26,857	22,008
<b>Payments</b>				
Repayment from Borrowings	-	-	-	-
Repayment of Lease Liabilities	(5,102)	(5,102)	(4,291)	(4,291)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>14,233</b>	<b>22,896</b>	<b>22,566</b>	<b>17,717</b>

<b>Net Increase (Decrease) in Cash Held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
plus: Cash and Cash Equivalents at beginning of period	800	800	800	800
<b>Cash &amp; Cash Equivalents at end of period</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>

<b>Uniform Presentation of Finances</b>	<b>Adopted</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
<b>\$'000s</b>	<b>Budget</b>			
<u>Income</u>				
Rates Revenue	154,908	154,908	154,908	154,908
Statutory Charges	17,809	18,507	18,854	19,111
User Charges	70,309	71,973	72,604	73,644
Grants, Subsidies and Contributions - Capital	409	409	886	1,887
Grants, Subsidies and Contributions - Operating	4,487	4,534	4,755	5,005
Investment Income	171	171	171	171
Reimbursements	181	374	374	374
Other Income	695	695	731	764
<b>TOTAL INCOME</b>	<b>248,969</b>	<b>251,571</b>	<b>253,282</b>	<b>255,864</b>
<u>Expenses</u>				
Employee Costs	90,792	90,694	90,868	91,249
Materials, Contracts and Other Expenses	84,413	87,113	88,707	90,908
Depreciation, Amortisation and Impairment	64,506	64,506	62,751	62,751
Finance Costs	717	717	2,416	2,416
<b>TOTAL EXPENSES</b>	<b>240,428</b>	<b>243,030</b>	<b>244,741</b>	<b>247,323</b>
<b>Operating Surplus / (Deficit)</b>	<b>8,541</b>	<b>8,541</b>	<b>8,541</b>	<b>8,541</b>
Net Timing adjustment for General Purpose Grant Funding	-	-	-	-
Less Grants, subsidies and contributions - Capital	(409)	(409)	(886)	(1,887)
Add Roads to Recovery funding	409	409	409	409
<b>Adjusted Operating Surplus / (Deficit)</b>	<b>8,541</b>	<b>8,541</b>	<b>8,064</b>	<b>7,063</b>
<u>Net Outlays on Existing Assets</u>				
Capital Expenditure on Renewal and Replacement of Existing	(67,937)	(67,937)	(68,780)	(69,871)
Finance lease payments for right of use assets on existing assets	(5,102)	(5,102)	(4,291)	(4,291)
add back Depreciation, Amortisation and Impairment	64,506	64,506	62,751	62,751
Grants, Subsidies and Contributions - Capital Renewal	-	-	477	1,478
Proceeds from Sale of Replaced Assets	500	500	500	500
<b>Net Outlays on Existing Assets</b>	<b>(8,033)</b>	<b>(8,033)</b>	<b>(9,343)</b>	<b>(9,433)</b>
<u>Net Outlays on New and Upgraded Assets</u>				
Capital Expenditure on New and Upgraded Assets	(46,361)	(54,356)	(51,883)	(42,403)
Amounts received specifically for New and Upgraded Assets	8,018	7,350	7,805	4,265
Grants, Subsidies and Contributions - Capital New/Upgrade	-	-	-	-
Proceeds from Sale of Surplus Assets	18,500	18,500	18,500	18,500
<b>New Outlays on New and Upgraded Assets</b>	<b>(19,843)</b>	<b>(28,506)</b>	<b>(25,578)</b>	<b>(19,638)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(19,335)</b>	<b>(27,998)</b>	<b>(26,857)</b>	<b>(22,008)</b>

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# Adelaide Central Market Authority

Quarter 3 Review: 1 January 2026 – 31 March 2026



## Executive Summary

### Leasing revenue and financial performance

Leasing revenue remained strong in Q3, with minimal rent arrears and occupancy at 98.7%. Nine lease renewals have been secured of the 14 targeted for FY25/26. Full Circle Spirits signed a lease for Stall 55 and 2 pop-ups were secured for Stall 34-36 following the completion of its redevelopment, and the Federal Hall fit out is underway and expected to be completed later in 2026.

The operating position for the period ending 31 March 2026 is \$0.801 million favourable to the YTD budget for the same period. This is a timing variance driven by \$0.397 million from the existing Market and \$0.404 million from the Market Expansion project.

The proposed Q3 Operating budget is an operating deficit of \$1.576 million, an increase of \$0.080 million compared to the Q2 Budget of an operating deficit of \$1.496 million. The proposed Q3 budget consists of (\$0.037) million for the existing Market, and \$1.539 million for the Market Expansion. The proposed increase reflects the Market Expansion Technical Services & Site Management project of \$0.080 million, as well as minor zero bottom line adjustments.

The proposed Q3 Capital New and Upgrade program is proposed to increase by \$2.223 million from \$1.214 million to \$3.447 million. Projects have been included within Q3 to ensure procurement can commence ahead of the 2026/27 Financial Year. Any underspends will be carried forward into 2026/27 to ensure projects are delivered.

In terms of risks for the expansion leasing program, the geopolitical instability and energy crisis are contributing to rising operating and fit out costs and a more cautious consumer environment, affecting prospective tenant confidence and decision-making timelines. ACMA is actively managing this through targeted leasing activity and close engagement with prospective tenants.

### Market visitation

Market visitation was steady (-1% against last year and -1% against Q2) and supported by strong community events including Sauce Day and Lunar New Year celebrations with visual displays and lion dancers in Market. Eighteen schools visited the Market during Q3, with 919 students participating in educational programs. The Producer in Residence stall maintained 100% occupancy throughout the quarter, with ongoing engagement from new and emerging food businesses.

### Marketing and events

Q3 marketing activity focused on building brand awareness and driving visitation through a strong events calendar and media opportunities. Sauce Day delivered trader profiling across media channels and In-Market Fringe previews extended the Market's cultural presence. The Easter campaign was developed, and the Digital Strategy was started this quarter, providing an internal reference guide for consistent digital engagement. ACMA procured and appointed a new Creative Media agency (SAUCE. The Creative Agency) and a new PR and Media agency (CALLIE PR).

### Operations

The Minister for Small Business supported a request for a singular exemption from the *Retail and Commercial Leases Act* to enable a change of trading hours upon the opening of the Market Expansion, which marks a significant milestone towards adapting to customers' expectations.

The Trader Sustainability Program's online learning module was launched in Q3. A new Trader Representative Committee (TRC) was elected and terms of reference reviewed, with a bi-annual meeting with the ACMA Board. A rare and serious workplace incident that occurred at Marino Meat deeply affected the Trader community with ACMA offering counselling for support.

ACMA Resourcing continued to grow in preparation for the opening, with the appointment of the Marketing & Communications Manager and Marketing Executive covering for parental leave, two casual Customer Experience Officers, and the Leasing Coordinator transitioning to a full-time role.

## Market Expansion

Leasing activity for the Market Expansion continues to progress with 24 accepted offers across key sites. The Retail Design Manager and Tenancy Coordinator are now actively working with future tenants towards their fit outs. Operational preparedness continues at pace, with ACMA working with CoA and ARUP to organise and track critical operational requirements for day 1 (opening). The Place Activation Strategy was endorsed by the Board in January and placemaking preparedness continues, including the completion of Christmas decoration concepts, detailed design and tender documentation for the PA system, and concept design for wayfinding. An EOI for the Market Expansion Arts and Culture program received strong interest, with eight mural proposals advancing to the concept stage. Development Approval was granted for the Market Facade signage, a significant step toward increased brand visibility.

## Financial Report

The below table represents the Operating Position by activity:

\$'000	March 2026 YTD			Q2 Budget	Proposed Q3 Budget	Variance
	Actual	Budget	Variance			
<b>Existing Marketing Operations</b>						
Income	4243	4279	(36)	5,695	5,635	(61)
Expenditure	(3,836)	(4,269)	433	(5,732)	(5,671)	61
<b>Total Existing Marketing Operations</b>	<b>407</b>	<b>10</b>	<b>397</b>	<b>(37)</b>	<b>(37)</b>	<b>0</b>
<b>Market Expansion</b>						
Income			-		-	-
Expenditure	(577)	(981)	404	(1,459)	(1,539)	(80)
<b>Total Marketing Expansion</b>	<b>(577)</b>	<b>(981)</b>	<b>404</b>	<b>(1,459)</b>	<b>(1,539)</b>	<b>(80)</b>
<b>Net Operating Surplus / (Deficit)</b>	<b>(170)</b>	<b>(971)</b>	<b>801</b>	<b>(1,496)</b>	<b>(1,576)</b>	<b>(80)</b>

The below table represents the Operating Position by the nature of the income and expenditure:

\$'000	March 2026 YTD			Q2 Budget	Proposed Q3 Budget	Variance
	Actual	Budget	Variance			
<b>Income</b>						
Fees and Charges	4,207	4,205	2	5,600	5,539	(61)
Grants, Subsidiaries & Contributions	10	40	(30)	50	50	-
Other Revenue	26	34	(8)	45	45	-
<b>Total Income</b>	<b>4,243</b>	<b>4,279</b>	<b>(36)</b>	<b>5,695</b>	<b>5,634</b>	<b>(61)</b>
<b>Expenditure</b>						
Salaries and Wages	(1,193)	(1,295)	102	(1,776)	(1,776)	-
Materials, Contracts & Other Expenses	(3,186)	(3,921)	735	(5,370)	(5,389)	(19)
Depreciation	(31)	(31)	-	(42)	(42)	-
Finance	(3)	(2)	-	(3)	(3)	-
<b>Total Expenditure</b>	<b>(4,413)</b>	<b>(5,249)</b>	<b>837</b>	<b>(7,191)</b>	<b>(7,210)</b>	<b>(19)</b>
<b>Net Operating Surplus / (Deficit)</b>	<b>(170)</b>	<b>(971)</b>	<b>801</b>	<b>(1,496)</b>	<b>(1,576)</b>	<b>(80)</b>

The following table represents the New and Upgrade Capital Projects. There are a number of new projects included within the 2025/26 Q3 Capital Program to ensure procurement can commence ahead of the 2026/27 Financial Year. Any underspends will be carried forward into 2026/27 to ensure projects are delivered.

Project	Plan Deliver by	Expenditure (\$'000)						Variance	Stage
		Q2			Q3				
		Project	Overhead	Total	Project	Overhead	Total		
Federal Hall Trade Waste and Water Connections^	Jun-25	6	1	7	6	1	7	0	Practical Completion
Christmas Decorations – One Market	Nov-26	175	6	181	350	9	359	(178)	Build/Construct
Market Expansion Capital Works – Ground Floor	Jun-27	1,000	26	1,026	1,000	41	1,041	(15)	Build/Construct
ACMA new backup generator	2026/27	0	0	0	450	0	450	(450)	Plan/Design
Market Expansion Placemaking – Ground Floor	2026/27	0	0	0	1,065	0	1,065	(1,065)	Plan/Design
Market Expansion Capital Works – operational readiness	2026/27	0	0	0	300	0	300	(300)	Plan/Design
ACMA additional trader storage	2026/27	0	0	0	225	0	225	(225)	Plan/Design
		<b>1,181</b>	<b>33</b>	<b>1,214</b>	<b>3,396</b>	<b>51</b>	<b>3,447</b>	<b>(2,233)</b>	

## Debtors Summary

Financial Year	Total Arrears	Current	%	30 Days	%	60 Days	%	90+ Days	%
2025/26	\$ 16,408	\$ 11,698	71%	\$ 1,238	8%	\$ 79	0%	\$ 3,393	21%
2024/25	\$ 38,584	\$ 26,714	69%	\$ 2,898	8%	\$ 4,974	13%	\$ 3,998	10%
2023/24	\$ 46,767	\$ 34,380	74%	\$ 11,169	24%	\$ 1,796	4%	-\$ 578	-1%
2022/23	\$ 9,048	\$ 6,693	74%	\$ 2,990	33%	\$ -	0%	-\$ 635	-7%

Note the minimal arrears. Percentage of rent paid in advance remains stable.

## Leasing

Q3 - The total number of Market stalls is 98.7% Occupancy	
Renewals	9 (out of 14 lease expiries in FY25/26)
Holdovers	1
New lease	1 - Stall 55
Vacancy	Stall 34 -36 structure renewal completed in March. EOI + Pop ups in Q3 Let Them Eat - sudden bankruptcy across 3 businesses (Liquidator appointed 31/3/2026)

## Risks and Opportunities

- Geopolitical instability and energy crisis, leading to increase to cost of doing business, potential decrease in customer visitation & spend
- Leasing targets in Market Expansion: Cost of fit-out + rent levels, all compounded by prospective tenants' uncertainty around lease commitments in geopolitical instability and energy crisis
- Operational Preparedness for Market Expansion.
- Timing Gouger St upgrade and risk of congestion within Market Square precinct during fit out period. A fortnightly working group with CoA and Multiplex has been initiated to mitigate risks.

## Business Plan & Budget 2025/26 and Strategic Plan Measures

The 2025/26 ACMA Business Plan and Budget includes 112 priority actions, an increase from Quarter 1 following a *Strategic Plan Pulse Check* review by the ACMA Board in October 2025. These actions span across the five strategic pillars of the ACMA Strategic Plan 2023/28: Our Customers, Our Traders, Our Business, Our Community and Our Market. At the end of Q3, tracking of progress is as follows:

Summary of 112 actions	Complete/ Ongoing/ In Progress	To be monitored/ Deferred	Off track/ At Risk
OUR CUSTOMERS	26	1	0
OUR TRADERS	16	1	0
OUR BUSINESS	37	0	0
OUR COMMUNITY	16	0	0
OUR MARKET	15	0	0
<b>TOTAL</b>	<b>110</b>	<b>2</b>	<b>0</b>

## Upcoming quarter strategic priorities: 1 April 2026 - 30 June 2026

### OUR CUSTOMERS

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

- Deliver events and activations:
  - Easter campaign
  - School holiday program
  - Tasting Australia Associated event program.
- Tourism advertising & partnerships (awareness during key tourism period, including Gather Round, Australian Tourism Exchange).
- Ongoing program of live music and free kid's activities.

### OUR TRADERS

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

- GISA Grant next steps: continuation of online training modules and one-on-one consulting (due for completion in June 2027).
- Stall 34/36 redevelopment and fit out.
- Stall 55 fit out.

### OUR BUSINESS

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

- Operational and leasing:
  - EOI for Stall 34-36.
  - Federal Hall fitout progressing
- Recruitment of Marketing & Content Coordinator and Facilities Officer (to commence employment in Q1 2026/27)

## **OUR COMMUNITY**

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

- Development of annual community plan (incorporating district strategy)
- Deliver National Reconciliation Week program

## **OUR MARKET**

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

- Integrated Communication and PR Strategy for Market Expansion and existing Market.
- Appointment of additional leasing agents to support progress
- Continue to issue execution lease documentation to secured tenants.
- Continuation of Placemaking Project and operational preparedness, including wayfinding, casual leasing furniture, people counters, PA System, play equipment, storage, shade and greening, and Public Bin Housing Upgrade Project underway.
- Award contract for Site Manager and Services Engineer (53 fit outs).
- Progress ORAT for essential operations requirements with ARUP consultant, CoA and Market Square including progress site readiness, (waste, loading dock, Building Management System with CoA/ICD.)
- Tenancy coordination and Retail Design management progressing for fit- outs.
- Facade Signage manufacture.
- Public Art project, concept design phase for up to four murals.

# Adelaide Economic Development Agency

## Quarter 3 Review

1 January 2026 – 31 March 2026

Between 1 January 2026 and 31 March 2026, items of note for AEDA:

- Tour Down Under, Adelaide Fringe, WOMADelaide and Adelaide Festival supported through Major Events and Festivals Sponsorship program
- Larger scale activations in Rundle Mall relating to festival season, Colours of Asia and Lunar New Year were delivered. The introduction of a Thursday night activation as part of Colours of Asia delivered strong uplift with approximately 45,000 visitors between 6pm and midnight
- Digital engagement through Experience ADL increased significantly, generating 399,000 website views, delivering 33,000 direct leads to city tourism operators
- Launch of Rundle Mall's 50<sup>th</sup> Anniversary program.

## Financial report

Operating Position \$000s	March YTD Results			Annual		
	Actuals	YTD Budget	Variance	2025/26 Q2 Budget	Proposed Q3 Budget	Variance Q3 to Q2 Budget
<b>Income</b>						
Rundle Mall Levy	3,124	3,103	21	4,138	4,138	-
Rundle Mall User charges	389	285	104	380	380	-
Grants and other contributions	5	-	5	-	250	250
Other income	32	7	25	10	10	-
<b>Total income</b>	<b>3,550</b>	<b>3,395</b>	<b>155</b>	<b>4,528</b>	<b>4,778</b>	<b>250</b>
<b>Expenses</b>						
Employee costs	3,154	3,477	323	4,769	4,833	64
Materials, contracts and other expenses	3,927	4,509	582	5,518	5,638	120
Sponsorship, contributions and donations	3,058	3,333	275	3,346	3,346	-
Depreciation, amortisation and impairment	68	54	(14)	72	72	-
Financing costs	6	5	(1)	7	7	-
<b>Total expenses</b>	<b>10,213</b>	<b>11,378</b>	<b>1,165</b>	<b>13,712</b>	<b>13,896</b>	<b>184</b>
<b>Operating Surplus/Deficit</b>	<b>(6,663)</b>	<b>(7,983)</b>	<b>1,320</b>	<b>(9,184)</b>	<b>(9,118)</b>	<b>66</b>
CoA appropriation of funds	6,586	7,685	(1,099)	9,184	9,118	(66)
<b>Net Surplus/(Deficit)</b>	<b>(77)</b>	<b>(298)</b>	<b>(221)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Income

- Rundle Mall Levy \$21k favourable from objections coming in lower than budgeted
- Rundle Mall User Charges \$104k favourable to budget due to concessions and casual mall leasing performing better than budgeted
- Contributions \$5k favourable due to unbudgeted sponsorship received.

## Expenditure

- Employee costs \$323k favourable due to vacancies, partially offset by temp staff (\$107k) expensed under materials, contractors and other expenses.
- Materials, Contracts and Other Expenses \$582k favourable driven by timing of budgets compared to actual spend, including strategic projects \$260k and Christmas in the Mall \$216k
- Sponsorships, Contributions and Donations \$275k favourable due to timing of Events and Festival Sponsorship \$156k and Strategic Partnerships \$87k
- Depreciation (\$14k) unfavourable to budget due to Rundle Mall Christmas decorations
- CoA appropriation of funds is \$6,586k, matching AEDA's expenditure (excluding Rundle Mall) as at Q3.

## **Proposed Quarter 3 variances and budget requests**

- Grants and Other Contributions
  - receipt of \$250k State Government grant funding for Rundle Mall 50<sup>th</sup> Anniversary
- Employee Costs
  - reallocation of budget from consultants for new Economic Research and Data Scientist role \$64k
- Materials, Contracts and Other Expenses
  - increase for Rundle Mall Anniversary strategic project of \$250k
  - increase for superannuation on sitting fees of \$9k
  - release of Pure Focus – Winter Marketing budget of \$75k. Winter Weekends was delivered by the City of Adelaide. This adjustment is to reallocate the budget in line with expenditure incurred and the 2026/27 Business Plan and Budget
  - reallocation of budget to employee costs for new Economic Research and Data Scientist role (\$64k)
- CoA appropriation of funds
  - net reduction of (\$66k) being the release of Pure Focus – Winter Marketing strategic project offset by additional budget for superannuation on sitting fees.

## **Board and Advisory Committee Term Changes**

Nil.

## **Risks and opportunities being monitored**

- Potential impact of rising fuel prices and potential lack of fuel supply on commuter and visitor behaviour to the city with consequent effect on City business reliant on foot traffic
- Upward inflationary pressures (limiting real wage growth) and consequent interest rates resulting in reduced discretionary income
- Continuing changes and activity within the higher education and international education sector particularly as it impacts VET and ELICOS providers
- The establishment of Adelaide University in January 2026 provides significant opportunities in research, commercialisation and positioning Adelaide as a leading education and innovation hub
- Continued competition to Rundle Mall from suburban shopping centres and on-line shopping
- State election and new ministers in portfolios intersecting with AEDA's Charter

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

## **AEDA Review implementation**

Since Council's adoption of the AEDA Review Implementation Plan on 24 October 2023, which detailed how the 36 actionable recommendations from the Deloitte and KPMG reviews of AEDA would be addressed, 35 actions have been completed. The one remaining item relates to the development of a long-term financial plan for AEDA. A CEO briefing on this matter was held on 23 March 2026.

## Grant Funding Approved

Nil.

## Business Plan and Budget and Strategic Plan Measures

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

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

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

As no specific actions were noted through the Board review, this is highlighted in the Governance and Operations section with no status update required.

## Activate Rundle Mall and Precincts

Operational Measures	Status	Annual Measure	Actual	Difference
Total expenditure in Rundle Mall grows by at least three percent per annum	On track	3%	5%	+2 percentage points
Engage with at least eight new brands to promote Rundle Mall as a premium location to grow their businesses	On track	8	5	-3
Rundle Mall visitation remains above 52 million*	On track	52 million – 12 month cumulative	52.4 million	+0.4 million
Three new major brand partnerships	Completed	3	11	+8
Concession income exceeds budget	Completed	Financial Year to Date	\$386,879	+\$103k FYTD
ADL Fashion Week delivered	Completed	Y/N	Delivered October 2025	Completed

\*YTD Q3 figures indicative as issues affecting one of the foot traffic sensors is currently being resolved

## City Brand and Marketing

Operational Measures	Status	Annual Measure	Actual	Difference
Brand identity created	On track	Y/N	Project commenced	-
At least two cooperative campaigns delivered	On track	2	1	-1
Increase Experience Adelaide newsletter metrics to 36%+ open rate and 1.9% click through rate	Completed	36% 1.9%	36.25% open rate 7% click through	+0.25% points +5.1% points
Provide at least three industry briefing events	Completed	3	3	0

## Growing the Visitor Economy

Operational Measures	Status	Annual Measure	Actual	Difference
At least 20 events and Festivals supported through sponsorship	Completed	20	25	+5
Maintain value of business event delegates	On track	Cumulative total	\$331m YTD	-\$9m YTD
Work with existing firms and new entrants to develop at least 10 bookable experiences	On track	10	4	-6
Visitor Experience Centre opened	Active underway	Y/N	-	-
At least 45,000 people provided with information through AEDA's visitor information services	Active underway	45,000	27,722	-18,278
Greater Adelaide Destination Management Plan (DMP) completed	On track	Y/N	-	-

## Investment and Business Growth

Operational Measures	Status	Annual Measure	Actual	Difference
Work with at least 75 inbound/expanding companies with an aim to identify an additional 2,000 new city-based jobs	On track	75	62	-13
Work with the development sector to facilitate/support an additional three residential developments in the city	Completed	3	13	+7
Provide/support at least eight programs to support emerging industries and the scaling up of businesses	Completed	8	10	+2
Increase the number of users of the data and insights component of the AEDA website	Active underway	7,000	3,442	-3,558

## Governance and Operations

Operational Measures	Status	Annual Measure	Actual	Difference
Opportunities and issues identified in the Board's annual governance review are addressed	N/A	Y/N	No specific items identified in the Board's evaluation on 11 March 2026	
An approach to funding that supports multi-year planning is applied	Active underway	Y/N	Underway	-

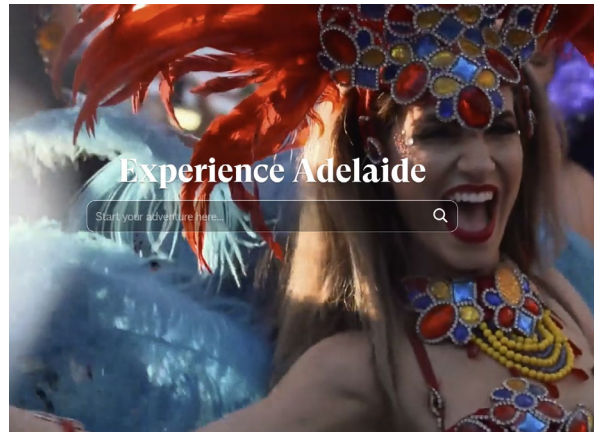
## Delivery



Visitor Information Services

Visitor Economy staff and volunteers:

- engaged 9,007 visitors across the Visitor Information Centre, City Guides, Greeters and Adelaide Town Hall tours
- a dedicated Experience ADL Visitor Information pop-up within the Santos Down Under Tour Village directed hundreds of cycling fans toward broader city retail and hospitality offerings
- met with key arrival hubs including Adelaide Airport, Adelaide Parklands Railway Station, and the Outer Harbor Cruise Terminal, to identify opportunities to enhance the visitor welcome experience
- completed familiarisation tours and briefings with the Museum of Discover (MOD), Tasting Australia, and Radelaide Tours – allowing the team to provide 'insider' recommendations to increase visitor stay length and spend
- installed an Adelaide Metro Information Kiosk within the Visitor Information Centre, providing real time transit data to improve journey planning.



Experience Adelaide

Digital engagement through Experience ADL increased significantly this quarter, generating 399,000 website views, delivering 33,000 direct leads to city tourism operators. This represents a 25% year-on-year increase in leads, achieved through organic social media and email strategy rather than paid advertising. Database optimisation initiatives saw email performance nearly double, with open rates reaching 36.25% and click-through rates hitting 6.96%. This ensures our "What's On" content is reaching a highly engaged audience and efficiently converting digital interest into economic activity for the city.



Rundle Mall 50<sup>th</sup> Birthday Program Launch

Rundle Mall officially launched its 50th Anniversary (Golden Jubilee) on 12 January with a major media call featuring the Honourable Peter Malinauskas, MP, Premier of South Australia and the Right Honourable The Lord Mayor of Adelaide, Dr Jane Lomax-Smith. The event aimed to reinforce the Mall's cultural significance. Branding for the 50<sup>th</sup> anniversary is underway with a year long program of activations planned. State government committed to providing \$250k to support delivery of the September anniversary event.



Rundle Mall Activations

Lunar New Year (Year of the Horse) and Festival Season (Feb–Mar) delivered strong precinct activation through lion dances, performances, and family-focused programming including Kids' Circus School, driving increased dwell time and sustained visitation. This contributed to total February traffic of 4,099,227 (+5% YoY), reflecting Rundle Mall's role as a key cultural and entertainment destination.

Colours of Asia (19–22 March) attracted approximately 770,000 visits to Rundle Mall, transforming Gawler Place into a highly visible cultural and culinary destination. The introduction of a Thursday night activation delivered strong uplift (+31% overall, +67% evening), with ~45,000 visitors between 6pm–midnight, approaching typical Friday volumes, reflecting Rundle Mall's the role of experience-led activation driving dwell time, converting visitation into spend across the precinct.



### Partnership Activity

Business Events Adelaide hosted the Destination SA Business Exchange at the Adelaide Convention Centre, welcoming 35 business event decision-makers and media to Adelaide. Over \$36m in future business was secured from last year's event, with high expectations expected again

The Western Jobs Expo attracted 2,300 attendees and 140 exhibitors. AEDA promoted city jobs in hospitality and hotels (15 businesses), as well as student-friendly roles (Job Shops) and careers in the festival sector and shared insights on drivers of employment in the city.

Study Adelaide Familiarisation saw 69 agents increase their understanding of Adelaide as a study destination. A gala event held on Friday 13 March featured keynote addresses from the Hon John Szakacs MP and the Lord Mayor. on Monday 16 March, AEDA participated in the Access Adelaide Exhibition at SkyCity, sharing insights with agents on industry trends and job opportunities for prospective students and how they can engage with the city community through council support.

Adelaide University's ThincSeed Pre-Accelerator opened 16 March. The Pre-Accelerator Program is a focused five-week program built for founders, past the idea stage, helping ventures test viability and prepare for structured acceleration.

SouthStart 17-19 March – expanded to a three-day program, SouthStart included two days hosted in the CBD, strengthening the city's role as the focal point for innovation activity. 'PRECINCT DAY powered by AEDA' included Investment Summit, Startup Showcase and CBD Activation, reinforcing Adelaide's positioning as a leading destination for startups and innovation-led business.

SA Games Expo (SAGE) 6-7 February – sponsored by AEDA to support the growth of the gaming sector. AEDA participated as a panel speaker in the Industry Talks program. A record 3,700+ video game developers, players and fans attended the two-day showcase event.



### Sponsored Events and Festivals

The following events and festivals, supported through the Events and Festivals Sponsorship Program, were held during Q3:

- Adelaide International (Tennis) - \$50,000
- Santos Tour Down Under - \$175,000
- Adelaide Fringe - \$290,000
- Adelaide Festival - \$350,000
- WOMADelaide Festival - \$65,000

These events/festivals are expected to generate an estimated gross economic impact of \$364,280,000 to the State and an estimated total attendance of 6,237,721. Of this, city-based attendance is expected to be approximately 4,509,807. As acquittals are not yet due, these figures are based on application estimates.

## Planned Quarter 4 Activity

Coming up from 1 April 2026 to 30 June 2026:

- Rundle Mall 50<sup>th</sup> Anniversary continues
- AFL Gather Round in Rundle Mall
- Assessment of the 2026/27 Events and Festivals Sponsorship Program that opened for applications on 5 March 2026
- Sponsored events including Adelaide Equestrian Festival – 2026 Oceania Championships, Tasting Australia and Adelaide Cabaret Festival
- Participation in Australian Tourism Exchange which is being held in Adelaide for the first time since 2018.



# Kadaltilla / Adelaide Park Lands Authority

January to March 2026  
**Quarter 3 Review**

## **Kurna Acknowledgement**

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

Kadaltilla acknowledges the traditional Country of the 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

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

# Kadaltilla / Adelaide Park Lands Authority

## Quarter 3 Review

January to March 2026

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### Executive Summary

This report details activity for the period 1 January 2026 to 31 March 2026, aligned with the achievement of the Kadaltilla Business Plan & Budget 2025/2026 and the functions of Kadaltilla. As per section 4.8.5 of the Kadaltilla Charter, no Board meeting was held in January 2026.

Between 1 January 2026 to 31 March 2026, Kadaltilla:

- Approved the draft 2026/27 Kadaltilla / Adelaide Park Lands Authority Annual Business Plan and Budget
- Received a presentation from the Adelaide Equestrian Festival regarding a proposed water jump feature in Victoria Park / Pakapakanthi (Park 16), which was subsequently endorsed by Council
- Received a presentation from Adelaide University on the cricket net relocation in Red Gum Park / Karrawirra (Park 12)
- Supported the relocation of the existing cricket nets within Red Gum Park / Karrawirra (Park 12)
- Endorsed the Commercial Park Lands Lease Agreements at The Bookmakers and The Victoria Park Kiosk within Victoria Park / Pakapakanthi (Park 16)
- Considered (in confidence) Bonython Park / Tulya Wardli (Park 27) Kiosk Expression of Interest Outcomes
- Received a report and presentation on the Adelaide Park Lands Rest Stop Design Guidelines
- Received an update from the City of Adelaide on the draft Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscapes
- Commenced a social media Follower Growth Campaign and increased followers by approximately 428% on Instagram, 80% on Facebook and 40% on LinkedIn
- Promoted the Adelaide Park Lands Partnering Opportunities document through Kadaltilla's social media platforms
- Appointed Council nominated representatives to the Board:
  - Daniel Bennett
  - Sally Underdown
  - Tim Agius
  - Allan Sumner as Deputy Board Member for Tim Agius

# Business Plan & Budget 2025/2026

## Key Actions January to March 2026

### Cultural Value

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

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

### Environmental Performance

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

Performance	Achievements and Measures
2.1 Define, protect, and enhance landscape values and design qualities	<ul style="list-style-type: none"> <li>• Landscape values and design qualities were reviewed in reports relating to the Adelaide Park Lands Trail Rest Stop Guidelines, Adelaide Equestrian Festival Proposal Water Jump, and Cricket Net Relocation – Red Gum Park / Karrawirra (Park 12)</li> </ul>
2.2 Promote ecologically sustainable initiatives and monitor tree canopy cover, biodiversity, and environmental sustainability and design quality	<ul style="list-style-type: none"> <li>• Design quality was reviewed through a report and presentation on the Adelaide Park Lands Trail Rest Stops Design Guidelines, which provide a consistent and practical framework for the planning, siting, retrofit and design of rest stops along the Adelaide Park Lands Trail</li> </ul>

Performance	Achievements and Measures
2.3 Consider climate resilience in everything we do	<ul style="list-style-type: none"> <li>A project on climate resilience has been provided through the draft Kadaltilla Business Plan and Budget 2026/27, subject to Council decision</li> </ul>
2.5 Increase the accessibility of evidence-based information	<ul style="list-style-type: none"> <li>Regular social media content was delivered in line with Kadaltilla’s Social Media Strategy, maintaining consistent engagement across Kadaltilla’s three digital platforms, and a social media Follower Growth Campaign was commenced, which has increased followers by approximately 428% on Instagram, 80% on Facebook and 40% on LinkedIn</li> </ul>

## Management and Protection

Treat the Park Lands holistically with an adaptive future focused approach

Performance	Achievements and Measures
3.1 Monitor delivery of priority projects in the Adelaide Park Lands Management Strategy	<ul style="list-style-type: none"> <li>The digital Adelaide Park Lands Management Strategy (APLMS) Strategic Project Tracker was promoted through Kadaltilla’s social media platforms</li> </ul>
3.2 Advocate for and establish Funding Mechanisms to support delivery of the Adelaide Park Lands Management Strategy	<ul style="list-style-type: none"> <li>The printed Adelaide Park Lands Partnering Opportunities document and handouts were distributed to Kadaltilla Board Members to assist with funding discussions</li> <li>The Adelaide Park Lands Partnering Opportunities document was promoted through Kadaltilla’s social media platforms</li> </ul>

## Expert Advice

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

Performance	Achievements and Measures
4.1 Provide advice on plans, projects, and policies for the Adelaide Park Lands	<ul style="list-style-type: none"> <li>The advice of Kadaltilla was endorsed and adopted by Council as relevant</li> </ul>
4.2 Engage with City of Adelaide and State Government including input into State Government initiatives	<ul style="list-style-type: none"> <li>A briefing was requested from the State Government regarding its MotoGP proposal and potential impacts on the Adelaide Park Lands</li> </ul>

Performance	Achievements and Measures
4.3 Review leasing and licensing and event management policies together with other relevant Park Lands use policies	<ul style="list-style-type: none"> <li>Commercial Park Lands Lease Agreements at The Bookmakers and The Victoria Park Kiosk within Victoria Park / Pakapakanthi (Park 16) were endorsed</li> <li>The relocation of the existing cricket nets within Red Gum Park / Karrawirra (Park 12) was supported</li> <li>The concept design for a new water jump feature in Victoria Park / Pakapakanthi, for use annually by the Adelaide Equestrian Festival, was supported</li> <li>The Bonython Park / Tulya Wardli (Park 27) Kiosk Expression of Interest Outcomes was discussed (in confidence)</li> </ul>
4.4 Strengthen Kadaltilla's engagement with City of Adelaide, State Government, and adjoining Councils	<ul style="list-style-type: none"> <li>The City of Adelaide and State Government engaged with Kadaltilla</li> </ul>
4.5 Increase the profile of the Kadaltilla Board	<ul style="list-style-type: none"> <li>Kadaltilla's social media platforms continued to inform and educate the public about the Board's activities and initiatives, providing insights into ongoing projects, strategic priorities, and opportunities for community engagement</li> </ul>

## Governance

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

Performance	Achievements and Measures
5.1 Maximise utilisation of skills, knowledge and enthusiasm of Kadaltilla through effective meetings that foster dialogue and the development of shared thinking	<ul style="list-style-type: none"> <li>Formal and informal opportunities were provided to share advice and expertise on the Adelaide Park Lands, including through meetings, workshops, and the Kadaltilla portal</li> </ul>
5.2 Develop a high level of knowledge and understanding of the Park Lands amongst Members through regular site visits and briefings	<ul style="list-style-type: none"> <li>A briefing was requested from the State Government regarding its MotoGP proposal and potential impacts on the Adelaide Park Lands</li> </ul>
5.3 Seek early input into issues relating to the Park Lands to	<ul style="list-style-type: none"> <li>Kadaltilla was provided with advice on plans, projects and policies for the Adelaide Park Lands</li> </ul>

Performance	Achievements and Measures
ensure Kadaltilla advice is timely and relevant	<ul style="list-style-type: none"> <li>• Ten items were reviewed by Kadaltilla between February 2026 and March 2026, including two external presentations</li> </ul>
5.4 Monitor developments subsequent to Kadaltilla advice	<ul style="list-style-type: none"> <li>• The advice of Kadaltilla was endorsed and adopted by Council as relevant</li> </ul>
5.5 Advocate for the value of Kadaltilla as a proactive, accountable, independent, skills-based Board that advises on Park Lands management and protection	<ul style="list-style-type: none"> <li>• Kadaltilla provided advice to the Council and the State Government on strategic matters relating to the Adelaide Park Lands</li> </ul>
5.6 General purpose accounts are operational	<ul style="list-style-type: none"> <li>• General purpose accounts were maintained by the City of Adelaide and Kadaltilla makes appropriate use of available finances provided by Council</li> </ul>
5.7 Annual Business Plan and Budget is in place for Kadaltilla	<ul style="list-style-type: none"> <li>• An Annual Business Plan and Budget was prepared in accordance with legislative and Charter requirements, and is in place for Kadaltilla</li> </ul>
5.8 Kadaltilla makes appropriate use of available finances provided by Council	<ul style="list-style-type: none"> <li>• Quarterly finance reports were presented to Council</li> <li>• Financial management was undertaken in accordance with legislative and Charter requirements</li> </ul>
5.9 The Adelaide Park Fund is operational	<ul style="list-style-type: none"> <li>• The Adelaide Park Lands Fund is operational, and monies are received and expended according to the provisions of Kadaltilla's Charter</li> </ul>
5.10 Kadaltilla's Annual Report is prepared detailing achievement of the aims and objectives of the APLMS, Strategic Plan, and Business Plan and Budget	<ul style="list-style-type: none"> <li>• An Annual Report was prepared in accordance with legislative and Charter requirements</li> </ul>
5.11 Kadaltilla is insured according to the requirements of the Local Government Mutual Liability Scheme	<ul style="list-style-type: none"> <li>• Kadaltilla maintains insurance coverage in line with the requirements of the Local Government Mutual Liability Scheme</li> </ul>

## Upcoming - Quarter 4 of 2025/26

Activities to be undertaken between 1 April to 30 June 2026 include:

- Kadaltilla Site Tour to Victoria Park / Pakapakanthi (Park 16) and surrounds
- Strategic planning workshop with Kadaltilla Board Members
- Finalisation of Kadaltilla's 2026/27 Business Plan and Budget
- 2026 bp Adelaide Grand Final – SA Motor Sport Board Event Consultation

## Budget Position

### January to March 2026

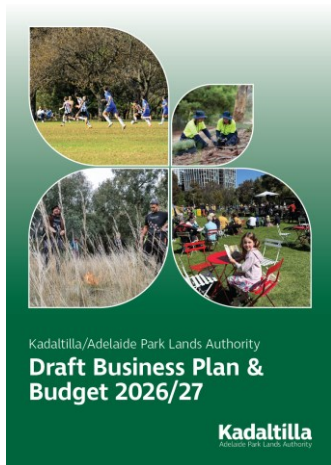
Year-to-date expenditure for the 2025/2026 financial year is \$84,000 favourable, primarily due to lower sitting fees, materials, contracts, and other expenses. All other expenditure areas are broadly consistent with planned allocations and financial targets.

\$'000s	YTD Actual	YTD Budget	Variance	2025/26 Q2 Budget	2025/26 Q3 Budget
Grants, Donations, Sponsorships	0	0	0	323	323
<b>Total Revenue</b>	0	0	0	323	323
Employee Costs	(104)	(131)	27	(180)	(180)
Materials, Contracts and Other Expenses	(36)	(92)	56	(143)	(143)
Sponsorships, Contributions and Donations	0	0	0	0	0
<b>Total Expenditure</b>	(140)	(223)	83	(323)	(323)
<b>Operating / Deficit</b>	(140)	(223)	83	0	0

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

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

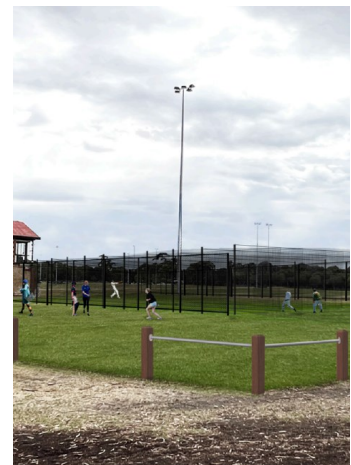
# Quarter 3 Key Highlights



Approved the draft 2026/27 Kadaltilla / Adelaide Park Lands Authority Annual Business Plan and Budget



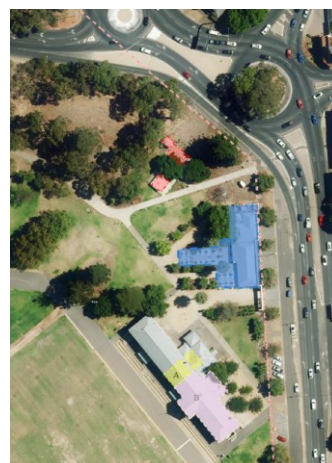
Received a presentation from the Adelaide Equestrian Festival regarding a proposed water jump feature in Victoria Park / Pakapakanthi (Park 16), which was subsequently endorsed by Council



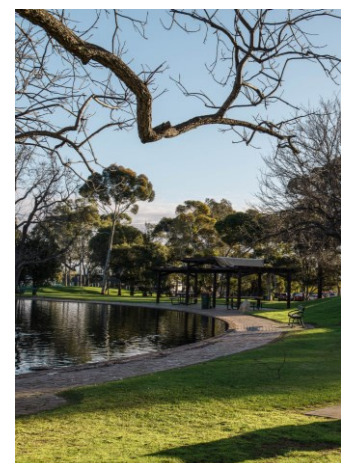
Received a presentation from Adelaide University on the cricket net relocation in Red Gum Park / Karrawirra (Park 12)



Supported the relocation of the existing cricket nets within Red Gum Park / Karrawirra (Park 12)



Endorsed the Commercial Park Lands Lease Agreements at The Bookmakers and The Victoria Park Kiosk within Victoria Park / Pakapakanthi (Park 16)



Considered (in confidence) Bonython Park / Tulya Wardli (Park 27) Kiosk Expression of Interest Outcomes



Received a report and presentation on the Adelaide Park Lands Rest Stop Design Guidelines



Received an update from the City of Adelaide on the draft Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscapes



Commenced a social media Follower Growth Campaign and increased followers by approximately 428% on Instagram, 80% on Facebook and 40% on LinkedIn



Promoted the Adelaide Park Lands Partnering Opportunities document through Kadaltilla's social media platforms



Appointed Council nominated representatives to the Board

# Kadaltilla

Adelaide Park Lands Authority

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

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



# Brown Hill Keswick Creek Stormwater Project

## Project Newsletter

March 2026

### Welcome

We have started the year strong with construction commencing at 2 new project locations:

- Betty Long Gardens, Torrens Park
- Cross Road to Hampton Street, Hawthorn

Both of these projects are being delivered with support from the Australian Government, via the Disaster Ready Fund and Urban Rivers and Catchments Program.

The Board's pursuit for additional capital funding has also continued, with a pre-budget submission being lodged with The Treasury of the Australian Government earlier this year.

### In This Edition

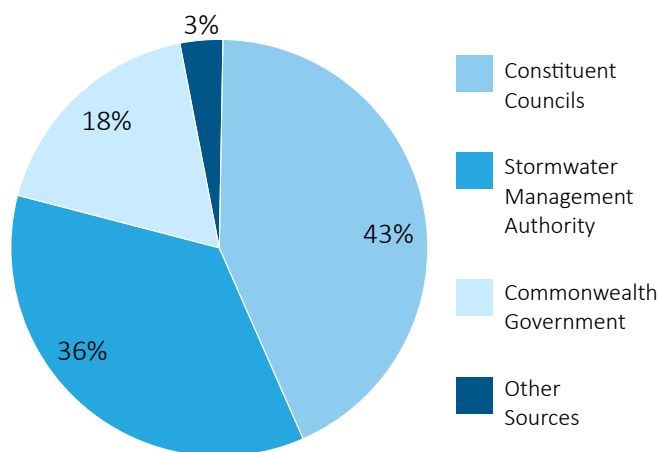
- Financial Summary
- Summary of Completed Projects
- 2025/26 Maintenance Budget
- Our Approach to Project Delivery

# Financial Summary

## Capital Funding Summary as at 28 February 2026

\$83.9m in capital funding has been received and has contributed towards delivery of \$73.9m of capital works. An additional \$8.3m of capital works are currently in progress.

- \$36.2m from the 5 Constituent Councils – the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens.
- \$29.9m from the Stormwater Management Authority.
- \$15m from the Commonwealth Government, being portion of a total \$21.6m commitment provided under 3 grant programs.
- \$2.8m from other sources including property owner contributions to projects and smaller State Government grant programs.



**Capital Funding Contributors**

## 2025/26 Operating Summary as at 28 February 2026

	Actual YTD	Budget YTD	Variance \$
Income	\$1,157,624	\$987,584	\$170,040
Expenses	\$660,507	\$679,797	(\$19,290)
<b>Net Surplus</b>	<b>\$497,117</b>	<b>\$307,787</b>	<b>\$189,330</b>
Depreciation	\$193,124	\$325,047	(\$131,923)



The Audit and Risk Committee and Board recently endorsed the draft annual budget for 2026/27. This budget will see continued delivery of works in upper Brown Hill Creek, along with further development of design plans for the remaining works in lower Brown Hill Creek.

The Board’s pursuit for additional capital funding has continued, with a pre-budget submission being lodged with The Treasury of the Australian Government earlier this year. If successful, this funding will enable delivery of the Stage 3 Keswick Creek Flow Diversion.

## Summary of Completed Works

### Maintenance Responsibility

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

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

Additional projects have been recently completed in Netley, North Plympton and Millswood. These locations are being incorporated within the Board's asset management plan, including preparation of project maps defining maintenance responsibilities.

## 2025/26 Maintenance Budget

### Annual Maintenance Actual vs Budget to 28 February 2026

YTD Actual	YTD Budget	Variance \$
\$180,257	\$237,360	(\$57,103)

<sup>1</sup> The Glenside GPTs have been cleaned twice this financial year, with another clean scheduled before winter.

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

## Our Approach to Project Delivery

*The Board is responsible for the design and construction of the flood mitigation works outlined in the Stormwater Management Plan, including channel upgrades to Brown Hill Creek. This requires an approximate doubling of the flow capacity of the existing creek by widening the channel and/or raising the height of the existing channel walls.*

### Design Principles

There are various construction approaches that can be taken to achieve the flood mitigation and other outcomes of the project. We work with individual property owners in each location to develop an appropriate design, whether the impacted land is privately owned or public open space. In progressing from the concept designs outlined in the Stormwater Management Plan to the detailed design of the channel upgrades, the following design principles are upheld:

- 1** Minimise earthworks and extent of land disturbed in private property.
- 2** Pursue opportunities for naturalised channel solutions in public open space.
- 3** Minimise tree removals where feasible and avoid or minimise tree impacts for those that are selected to remain.
- 4** Develop channel wall solutions that are easy to construct, with a robust and long asset life and low ongoing maintenance requirements.
- 5** Offer opportunities for high amenity finishes.

## Our Approach to Project Delivery

### Public vs Private Land

Delivery of creek capacity upgrades in public open space provides a unique opportunity to achieve enhanced community and environmental outcomes. The delivery approach seeks to achieve channel naturalisation and biodiversity outcomes with a focus on protection of significant trees, improved water quality and habitat for native species, and opportunities for increased amenity and community interaction. The watercourse rehabilitation is guided by Ecological Management Plans that focus on protecting local flora and fauna while enhancing biodiversity in the project area. The Ecological Management Plans have a focus on:

- Mitigating sedimentation and bank erosion to maintain quality habitat
- Addressing declared and environmental weeds to prevent competition with native species
- Improving native biodiversity by planting local and indigenous native species
- Enhancing canopy cover by planting new native trees
- Enhancing strata complexity to support diverse fauna by planting a variety of groundcover and understorey flora species that will enhance foraging and nesting opportunities

Some recent examples include the extension of the Wilberforce Walk shared use corridor in Everard Park, the Victoria Park/Pakapakanthi Wetland in the South Park Lands, and the establishment of channel crossings at Wyatt and Packard Street in North Plympton to improve green canopy and pedestrian/cyclist access.



Upper Brown Hill Creek, in particular, is located predominantly within private property, either over back fences or integrated within the yards of residential properties. In some instances, the creek traverses beneath dwellings creating a heavily constrained and challenging construction environment. When delivering creek capacity upgrades on privately owned land, the focus is on reinstatement of existing amenity. In the design phase, we work closely with property owners to determine their key objectives, whether that be keeping the corridor as narrow as possible to retain a larger yard area, creating a more naturalised aesthetic, or protecting particular trees and/or structures.



## Our Approach to Project Delivery

A Design Guide has been developed to establish a palette that reinforces the qualities and characteristics of Brown Hill Creek and is reflective of the project’s aspirations to provide infrastructure that considers aesthetics, resilience, sustainability and is practical to implement and easy to maintain. The Design Guide is intended as a reference manual for use by the implementation team responsible for delivery of the project, and as a style-guide to assist property owners to understand the treatments possible for reinstatement within their properties.



### Tree Impacts and Revegetation Strategy

The requirement to widen the existing channel means impacts to trees along the creek corridor are inevitable. In seeking to determine a channel alignment and cross-section that minimises tree removals and impacts as much as practicable, the Board applies the following hierarchy of controls:

- Preservation and protection of Significant and Regulated Trees is given the highest priority.
- Native trees are prioritised over non-native trees.
- Weed exotic trees are removed wherever possible.

This hierarchy of controls is applied within a broader suite of challenges and conflicting interests within the watercourse corridor, such as the protection of existing dwellings and structures, and land ownership. This typically means that:

- There are greater opportunities to minimise tree removals and impacts and achieve naturalised channel outcomes in public open space; and
- Tree removals and impacts for sections of the creek on private property are strongly influenced by the existing development and property owner’s preferences.

The Board is committed to the protection and improvement of the watercourse and riparian ecosystems and undertakes replacement tree plantings and revegetation of all disturbed land (subject to the property owner’s consent and selections). The Board has developed a list of suitable native species for watercourse and surrounds, informed by Green Adelaide’s planting recommendations and principles for maintaining healthy waterways.

For each project location being delivered, the Board engages an Arborist as part of its delivery team from the concept design through to the completion of construction. The Arborist assesses all trees that could potentially be impacted by the channel upgrades and collaborates with the design consultant and property owners to minimise tree removals and impacts. The Arborist is also responsible for overseeing the contractor’s implementation of the Tree Protection Plan for the works.

## Internal Audit Progress Report

Friday, 22 May 2026

Audit and Risk Committee

Strategic Alignment - Our Corporation

**Program Contact:**

Rebecca Hayes, Associate

Director Governance & Strategy

Public

**Approving Officer:**

Anthony Spartalis, Chief

Operating Officer

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## EXECUTIVE SUMMARY

This report provides an update on Council's Internal Audit Plan, outlining the findings and recommendations of internal audits completed, and the progress of any agreed actions. The Audit and Risk Committee (ARC) last received an Internal Audit Progress Report at its meeting on 6 February 2026.

Four actions have been completed since February 2026.

Currently, there are 26 open actions of which six are overdue.

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

This report details the Council's current Internal Audit Actions which includes information about:

- Internal Audit Actions that have been completed since the last Internal Audit Progress report to ARC in February 2026;
- Extensions granted by the Chief Executive Officer for the completion date of Internal Audit Actions;
- The number and status of Overdue Actions; and
- A summary of the status of all Internal Audit Actions.

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## RECOMMENDATION

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as contained in Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 22 May 2026.
  2. Notes the progress of the completion of Internal Audit Actions as contained in Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 22 May 2026.
-

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<b>Strategic Alignment – Our Corporation</b> Internal audit is an essential component of a good governance framework. It is a mechanism that enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively and efficiently, and to advise how it can improve performance.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Delays in completing internal audit actions can expose an organisation to operational, financial, compliance, and reputational risks by allowing control weaknesses to persist. It can also undermine accountability, damage stakeholder confidence, and negatively impact organisational culture.
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such audits suggest a range of improvement opportunities related to an area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
25/26 Budget Allocation	\$250,000 is budgeted for external consultancy support in accordance with the 2025-26 internal audit program.
Proposed 26/27 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
25/26 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

# DISCUSSION

## Background

1. The role of Internal Audit is to provide independent assurance that the Council's risk management, governance and internal controls processes are operating effectively.
2. The Audit and Risk Committee (ARC) receives all Internal Audit reports. It reviews and monitors Council's responsiveness to findings and recommendations of the Internal Auditor, other external providers and in house advice.

## Internal Audit Actions

3. All recommendations arising from the Internal Audit and Strategic Reviews are reported to the Strategic Risk and Internal Audit (SRIA) Group.
4. All recommendations and agreed actions, responsibilities and timeframes for implementation are recorded in the Council's process mapping and management software, Process Manager (Promapp).
5. The implementation status of recommendations is tracked and reported to SRIA and ARC.

## Completed Actions

6. Four internal audit recommendations from previous Audits have been completed since February 2026. These completed recommendations are outlined in the table below:

No.	Internal Audit ID	Audit Title
1	I00744	Voters Roll – Enrolment Hubs and List of Businesses
2	I00848	Emergency Management – Workplace Emergency Evacuation Plans, Induction Packs, Training for certain groups and refresher course for Council Commanders
3	I00974	Legislative Compliance – Traders Representative Committee Terms of Reference
4	I00981	Record Keeping – Save all relevant documents from Sharepoint sites in Content Manager

- 6.1. Twenty-six recommendations are currently in progress.

## Extensions

7. All requests for an extension of a due date for completion of an Internal Audit Action require the approval of the Chief Executive Officer. This process ensures that there is appropriate accountability before an extension is granted.
8. Since the last report to ARC in February 2026, one action has been approved for an extension. The action and the rationale for its extension are listed below in the table:

No.	Internal Audit Actions	Rationale for Extension	Original Due Date	Revised Due Date
1	I00743 Voters Roll – Promote enrolment to vote	The action will be completed to align with the Enrol phase of the upcoming campaign.	31 March 2026	30 June 2026

## Overdue Actions

9. The status of all currently overdue actions is provided in the table below:

Internal Audit ID	Audit Title	Status
I00679	Asset Inspection – update the Water Infrastructure Asset Management Plan	In progress, due for completion 30 June 2026
I00757	Review of the Adelaide Economic Development Agency – develop the AEDA Long Term Financial Plan	In progress, due for completion 30 November 2026

Internal Audit ID	Audit Title	Status
I00835	Post Audit Implementation Review – review and update the Adelaide Design Manual with a view to simplify and cost items within the manual	In progress, due for completion 30 June 2026
I00838	Post Audit Implementation Review – online training and awareness for all employees and leaders when completing and approving timesheets	In progress, due for completion 31 December 2026
I00841	Local Government Security Framework – update the Strategic Risk Register	In progress, due for completion 31 August 2026
I00973	Internal Legislative Compliance 2025 – finalise the AEDA Long-Term Financial Plan	In progress, due for completion 30 November 2026

### Status of Actions

10. A summary of the status of actions is shown in the below table, with the Agreed Action Progress Report accessed via [Link 1](#). This table includes the February totals reported to ARC, enabling members to compare progress across actions.

Risk Level	Status	February	May
<b>High</b>	Complete	2	1
Issues represent a control weakness which could have or is having major adverse effect on the ability to achieve project objectives.	Overdue	4	4
	In Progress	5	4
	<b>Total Open</b>	<b>9</b>	<b>8</b>
<b>Moderate</b>	Complete	6	1
Issues represent a control weakness which could have or is having a moderate effect on the ability to achieve project objectives	Overdue	1	1
	In Progress	8	7
	<b>Total Open</b>	<b>9</b>	<b>8</b>
<b>Low</b>	Complete	3	2
Issues represent a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives.	Overdue	1	1
	In Progress	7	5
	<b>Total Open</b>	<b>8</b>	<b>6</b>
<b>N/A</b>	Complete	5	0
Improvement Opportunity	Overdue	0	0
	In Progress	4	4
	<b>Total Open</b>	<b>4</b>	<b>4</b>
<b>TOTAL (May)</b>			<b>26</b>

11 In summary, progress on the implementation of Internal Audit Actions since the last report to ARC in February 2026, is reflected in the following table.

Risk Level	Definition	Open Feb	Complete	Overdue	In Progress	Open May
<b>High</b>	Issues represent a control weakness which could have or is having major adverse effect on the ability to achieve project objectives	<b>9</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>8</b>
<b>Moderate</b>	Issues represent a control weakness which could have or is having a moderate effect on the ability to achieve project objectives	<b>9</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>8</b>
<b>Low</b>	Issues represent a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives	<b>8</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>6</b>
<b>N/A</b>	Improvement Opportunity	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>
<b>TOTAL</b>		<b>30</b>	<b>4</b>	<b>6</b>	<b>20</b>	<b>26</b>

## DATA AND SUPPORTING INFORMATION

[Link 1 – Agreed Action Progress Report](#)

## ATTACHMENTS

Nil

- END OF REPORT -

## Internal Audit Scopes

Friday, 22 May 2026

Audit and Risk Committee

Strategic Alignment - Our Corporation

**Program Contact:**

Rebecca Hayes, Associate

Director Governance & Strategy

Public

**Approving Officer:**

Anthony Spartalis, Chief

Operating Officer

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## EXECUTIVE SUMMARY

The purpose of this report is to present the Audit and Risk Committee (ARC) with the following internal audit scopes for noting and feedback:

- Project Management Framework
- Strategic Third-Party Relationship Management Review

These internal audits are in accordance with the 2025-2028 Internal Audit Plan.

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## RECOMMENDATION

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Project Management Framework Internal Audit scope as contained in Attachment A to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 22 May 2026 and provides the following feedback:
    - 1.1. \_\_\_\_\_
    - 1.2. \_\_\_\_\_
  2. Notes the Strategic Third Party Relationship Management Review scope as contained in Attachment B to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 22 May 2026 and provides the following feedback:
    - 2.1. \_\_\_\_\_
    - 2.2. \_\_\_\_\_
-

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<p><b>Strategic Alignment – Our Corporation</b></p> <p>Outcome – Effective Leadership and Governance</p> <p>Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its functions legally, effectively and efficiently.</p>
Policy	Not as a result of this report
Consultation	The internal audit scopes were presented to the Strategic Risk and Internal Audit Group at its meeting on 9 April 2026.
Resource	Not as a result of this report
Risk / Legal / Legislative	Internal audit is an essential component of a good governance framework. It is the mechanism that enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, and effectively, and to advise how it can improve performance.
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such, audits suggest a range of improvement opportunities related to the area being reviewed, ensuring functions and services align Council processes to best practice standards.
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
25/26 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

# DISCUSSION

## Background

1. In 2025 BDO were appointed as the City of Adelaide's (CoA) Internal Audit partners.
2. Following BDO's appointment, Administration worked with BDO through a facilitated workshop to develop a 3-year Internal Audit Plan 2025-2028 (the Plan).
3. At the Strategic Risk and Internal Audit (SRIA) Group meeting on 13 November 2025, SRIA approved the Plan and recognised that this Plan is a rolling Plan which will be tested each year to ensure emerging priorities have been identified. Where necessary the Plan will be amended to focus on any new priorities.
4. At its Special Meeting held on 27 November 2025, the Audit and Risk Committee (ARC) noted the Internal Audit Plan, acknowledging SRIA's approval of the Plan and its rolling nature, including the ability to adjust audit priorities in response to emerging risks and organisational needs.
5. The Plan includes several internal audits (the Audit) that can be facilitated using Council's resources.
6. Internal audits are performed, either in-house by the Risk and Audit Advisor or by BDO, Council's internal audit partner, or by a specialist external provider where required.
7. The Risk and Audit Advisor will focus on operational and transactional compliance audits. BDO will perform the strategic and compliance audits, where specialised skills and expertise are required. This approach ensures that appropriate assurance is provided to the Council including ARC in a way that achieves best value for money, leveraging our in-house and external capabilities where appropriate (i.e. alignment of internal approach versus BDO).
8. Each Audit has been identified as a risk mitigation to Council's Strategic Risks.
9. These Audits are essential to ensure that the Council is complying with legislation, regulations and policies that govern our operations. The audits will look at the following key areas:
  - 9.1. Legal and Regulatory Compliance
  - 9.2. Risk Mitigation
  - 9.3. Reputation Protection
  - 9.4. Operational Efficiency
  - 9.5. Transparency and Accountability and
  - 9.6. Support future decision-making
10. The following Audits will commence in Q4 of 2025/26
  - 10.1. Project Management Framework; and
  - 10.2. Strategic Third-Party Relationship Management Review.

## Project Management Framework

11. The Project Management Framework Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope can be found in Attachment A.
12. The objective of this Audit is to assess the design adequacy and operating effectiveness of CoA's project management framework, key controls across the project lifecycle, and its alignment to leading practice.
13. SRIA considered the audit scope with BDO at its meeting on 9 April 2026. The scope was endorsed by SRIA.

## Scope

14. The scope as detailed in Attachment A will focus on project governance and oversight through alignment of roles and responsibilities, and strategic planning and implementation.
15. The audit will also review the end-to-end project management process and gateways, delegations of authority and governance charters.
16. In addition, it will assess the adequacy and maturity of the CoA's project management practices using BDO's Project Management Maturity Assessment Models.

17. The Audit will be undertaken in consultation with Administration. Following the completion of the Audit a draft report will be discussed with the relevant stakeholders regarding agreed management actions and the factual accuracy of the findings.
18. The final report, incorporating management responses and an agreed action plan, together with responsible persons and target dates for completion of actions, will be presented to SRIA and subsequently to ARC.

#### **Strategic Third-Party Relationship Management Review**

19. The Strategic Third-Party Relationship Management Review Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope can be found in Attachment B.
20. The objective of this Audit is to assess the design and operating effectiveness of the CoA's third-party relationship management framework and processes with a focus on strategic partnerships, collaboration and affiliations.
21. SRIA considered the Audit scope with BDO at its meeting on 9 April 2026. The scope was endorsed by SRIA.

#### Scope

22. The scope as detailed in Attachment B will consider CoA's third-party relationship management framework, with a focus on the following areas:
  - 22.1. Relationship between CoA strategic objectives and third-party partnerships;
  - 22.2. Delegations of authority to engage and commit third parties;
  - 22.3. Identify key third party relationships/bodies;
  - 22.4. Strategy, coordination and communication; and
  - 22.5. Ongoing management, renewal, variation, termination and exit/transition management.
23. As a result of BDO's meetings with each Director, ARC is advised that the audit scope may be adjusted. If adjusted, ARC will be provided an update.
24. In addition to meeting with each Director, BDO will also engage with the General Managers of Adelaide Central Market Authority and Adelaide Economic Development Agency.
25. Other relevant stakeholders will be consulted during the audit.
26. Following the completion of the Audit a draft report will be discussed with the relevant stakeholders regarding agreed management actions and the factual accuracy of the findings.
27. The final report, incorporating management responses and an agreed action plan, together with responsible persons and target dates for completion of actions, will be presented to SRIA and subsequently to ARC.

#### **Next steps**

28. ARC is asked to review the attached scopes and provide feedback where required.
29. Any feedback provided by ARC will be assessed and incorporated into the scopes where appropriate.

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## ATTACHMENTS

**Attachment A** – Project Management Framework Internal Audit Scope

**Attachment B** – Strategic Third-Party Relationship Management Review Internal Audit Scope

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- END OF REPORT -

## PROJECT BRIEF

<b>Project Title:</b>	<b>City of Adelaide - Project Management Framework Review</b>
<b>Project Contact:</b>	<b>Rebecca Hayes, Associate Director, Governance &amp; Strategy</b>
<b>Project Objective:</b>	The objective of this internal audit is to assess the design adequacy and operating effectiveness of City of Adelaide’s (CoA) project management framework and key controls across the project lifecycle, and its alignment to leading practice. The review will provide assurance over the effectiveness, consistency, and governance of project management practices and identify improvement opportunities.
<b>Scope &amp; Approach:</b>	<p>The scope of this review will consider CoA’s project management framework, with a focus on the following areas:</p> <ul style="list-style-type: none"> <li>• Project Governance and Oversight <ul style="list-style-type: none"> <li>– Alignment of roles and responsibilities</li> <li>– Alignment with strategic planning and implementation</li> </ul> </li> <li>• End-to-end Project Management Process and Gateways, including: <ul style="list-style-type: none"> <li>– Identification</li> <li>– Approval stages</li> <li>– Planning</li> <li>– Delivery</li> <li>– Risk management and escalation</li> <li>– Project reporting and performance monitoring</li> <li>– Commissioning and handover</li> <li>– Close-out / post-delivery review</li> </ul> </li> <li>• Delegations of authority / approvals</li> <li>• Governance charters</li> </ul> <p>As part of this review, we will assess the adequacy and maturity of the CoA’s project management practices using BDO’s Project Management Maturity Assessment Model which reflects leading project management practices (e.g. PMBOK / PMI Standard, PRINCE2, P3M3, ISO 21502PMBO) and has been tailored to reflect CoA’s operational environment.</p> <ol style="list-style-type: none"> <li>1. Strategic Alignment &amp; Project Initiation</li> <li>2. Governance Structure &amp; Oversight</li> <li>3. Roles, Responsibilities &amp; Capability</li> <li>4. Delegations of Authority &amp; Approvals</li> <li>5. Stage Gates &amp; Project Lifecycle Controls</li> <li>6. Planning &amp; Baseline Management</li> <li>7. Risk, Issues &amp; Escalation</li> <li>8. Reporting &amp; Performance Monitoring</li> <li>9. Change Control</li> <li>10. Commissioning, Handover &amp; Benefits Realisation</li> <li>11. Close out &amp; Lessons Learned</li> <li>12. Framework Enablement (Templates, Guidance &amp; Systems)</li> </ol> <p>The full Project Management Maturity Assessment to be applied, including detailed criteria for each domain and definition of maturity levels, is provided in <b>Appendix 1</b>.</p> <p>This project will be undertaken in consultation with the Project Management Office and Governance &amp; Strategy teams.</p> <p>Our approach includes the following phases:</p>

## PROJECT BRIEF

### Phase 0: Project Kick Off and Planning

Project Kick Off and Planning will focus on establishing the foundation for an effective engagement, including consultation, confirmation of timelines and deliverables, identification of any issues and scope exclusions, outlining our information requests and commencing access to relevant documentation.

An initial kick off meeting will confirm roles and responsibilities, introduce CoA representatives and the BDO team and confirm contact details of nominated engagement personnel.

### Phase 1: Process Discovery

The Process Discovery phase included the following two (2) stages:

#### 1a - Document Collation and Process Interviews

- Obtain CoA's suite of project management documentation including project management framework, governance charters, delegations, end-to-end project management processes and gateways (identification, approval stages, planning, delivery, commissioning and handover, change management frameworks and close-out / post-delivery review) and any other relevant documents.
- Obtain project register information for the past 12 months.
- Conduct interviews with nominated CoA representatives to gain an understanding of the key processes and systems used in the project management framework across the organisation.
- Identify the key risk areas within the project management framework processes, with reference to the relevant strategic risk 'bow tie' assessment.

#### 1b - Process and Documentation Review

- Gain an understanding of CoA's suite of project management related documentation obtained in Phase 1a.
- Document, at a high level, the key project management framework processes for each of the 12 Project Management Maturity Model domains, highlighting the key controls in place (manual and system based) to address the identified key risk areas.

### Phase 2: Assessment of Process Adequacy

The Process Adequacy phase includes the following two (2) stages:

#### 2a - Adequacy Assessment and Risk/Control Gap Analysis

- Consider the alignment of project management framework documentation against the Project Management Maturity Model.
- For each of the project management domain areas, conduct an assessment of the design of project management processes/controls against the criteria outlined in the BDO Project Management Maturity Assessment Table.
- Based on the control gap analysis and assessment, identify areas requiring improvement from a control and/or process improvement perspective.
- Agree areas that require specific 'walkthroughs' and/or 'testing'.

#### 2b - Walkthroughs and Testing

## PROJECT BRIEF

Project Title:	City of Adelaide - Project Management Framework Review	
	<ul style="list-style-type: none"> <li>• Via review of project register documentation, and consultation with CoA representatives, select a representative sample of project management activities for testing.</li> <li>• Conduct ‘walkthroughs’ and/or ‘testing’ of project management activities, where appropriate, to assess:             <ul style="list-style-type: none"> <li>– Compliance with CoA’s project management framework and relevant policies/procedures</li> <li>– Operating effectiveness of project management processes/controls within each of the 12 project management domain areas.</li> </ul> </li> <li>• Based on the results of ‘walkthroughs’/’testing’, identified areas requiring improvement from a control and/or process improvement perspective. Also consider outcomes of the internal audit on the relevant strategic risk ‘bow tie’ assessment.</li> </ul> <p>Note: The review will not provide assurance over individual project outcomes; however, selected projects may be sampled to evaluate compliance with the project management framework and the operating effectiveness of key controls.</p> <p><b>Phase 3: Process Improvement</b></p> <ul style="list-style-type: none"> <li>• Hold preliminary discussions with CoA representatives to confirm accuracy of audit findings.</li> <li>• Work with CoA’s representatives to develop tailored solutions to address any identified control gaps and/or process improvement opportunities.</li> </ul> <p><b>Phase 4: Report Results</b></p> <ul style="list-style-type: none"> <li>• Prepare a summary of findings providing CoA with recommendations for enhancing the project management framework.</li> <li>• Hold closing meetings with CoA representatives regarding audit outcomes.</li> <li>• Prepare draft report and provide to CoA representatives for management comments.</li> <li>• Finalise report.</li> </ul>	
Timeframe:	Project delivery by end of June 2026.	
Project Resources:	<p>The estimated total cost to complete this project is \$25,000 - \$30,000 (GST exclusive).</p> <p>Out of pocket costs (including travel and accommodation, if required) will be billed at cost, kept to a minimum and agreed with you prior to them being incurred.</p>	
Prepared by:	BDO	
Agreed by:	<p>Peter Horsman - Partner BDO</p> <p>/ /2026</p>	<p>Rebecca Hayes - Associate Director, Governance &amp; Strategy</p> <p>/ /2026</p>

# PROJECT BRIEF

## Appendix 1 - Project Management Maturity Assessment Model

Domain	Ratings and Criteria				
	Level 1 - Ad hoc	Level 2 - Repeatable	Level 3 - Defined	Level 4 - Managed & Measured	Level 5 - Optimised
1. Strategic Alignment & Project Initiation	Projects initiated reactively or opportunistically. Business need and strategic alignment not clearly articulated or documented. Benefits, options and risks not formally considered prior to approval.	Basic project initiation documents exist but are inconsistently completed. Strategic alignment and benefits are described at a high level but not assessed using defined criteria.	Standardised project initiation process in place, including documented business need, strategic alignment, options analysis, preliminary benefits, risks and resourcing. Initiation artefacts are required prior to approval.	Project initiation quality is reviewed and challenged by governance bodies or PMO. Projects are prioritised using defined criteria aligned to strategic objectives and delivery capacity.	Data-driven project prioritisation embedded. Benefits hypotheses tracked from initiation through delivery. Initiation data informs portfolio optimisation, forecasting and continuous improvement.
2. Governance Structure & Oversight	Project governance arrangements are unclear or informal. Decision-making forums are inconsistent, and accountabilities are poorly defined. Decisions and actions are not reliably documented.	Governance forums exist for some projects, but terms of reference, escalation pathways and decision rights are inconsistently applied across the organisation.	Defined and documented project governance framework in place, including roles, committees, terms of reference, meeting cadence and decision authorities. Governance artefacts are consistently maintained.	Governance effectiveness is actively monitored. Decision timeliness, action completion and escalation effectiveness are tracked. Independent assurance or health checks are performed for higher-risk projects.	Governance is risk-tiered and optimised. Oversight is proportionate to project complexity. Governance performance is continuously improved based on outcomes, assurance results and lessons learned.
3. Roles, Responsibilities & Capability	Roles and responsibilities are unclear or overlapping. Project outcomes depend heavily on individual capability rather than defined roles. Sponsorship and accountability are inconsistent.	Key roles are broadly defined, but responsibilities, capability expectations and training requirements are inconsistent. Capability development is ad hoc.	Clear role definitions and RACI established for sponsors, project managers, steering committees and PMO. Minimum capability and training expectations defined.	Resource capacity, capability and independence (e.g. assurance roles) are actively managed. Succession and contingency planning is in place for key project roles.	Continuous capability uplift embedded through communities of practice, coaching and structured learning. Workforce planning aligned to the forward project pipeline.

## PROJECT BRIEF

4. Delegations of Authority & Approvals	Approval pathways are unclear or inconsistently followed. Delegations are not well understood and approvals are not reliably evidenced.	Delegations exist but are not clearly mapped to project stages or financial thresholds. Compliance varies across projects.	Delegations of authority clearly documented and mapped to project stage gates, cost thresholds and risk levels. Approvals are evidenced and auditable.	Compliance with delegations is monitored. Exceptions are identified, escalated and addressed. Delegations are periodically reviewed for ongoing suitability.	Risk-based delegations optimised and embedded in digital workflows, providing real-time visibility, control and audit trail.
5. Stage Gates & Project Lifecycle Controls	No consistent project lifecycle or stage gates. Projects progress without formal review points or minimum artefact requirements.	Some stage gates exist but are inconsistently applied. Entry and exit criteria are unclear and tailoring is unmanaged.	Defined end-to-end project lifecycle with mandatory stage gates. Minimum artefacts, entry/exit criteria and tailoring rules are documented and applied.	Stage-gate compliance is monitored. Quality reviews occur prior to approvals. Gate decisions are linked to tolerances and forecast confidence.	Stage gates streamlined and optimised using risk-based tailoring and data insights. Lessons learned are systematically used to refine lifecycle controls.
6. Planning & Baseline Management	Project plans are incomplete or inconsistent. Scope, schedule and cost baselines are not formally established or approved.	Basic planning occurs but baselines are not consistently set or controlled. Planning quality varies between projects.	Integrated project management plans developed and approved, covering scope, schedule, cost, quality, resources, risk and communications. Baselines are established and controlled.	Forecast accuracy and baseline variance are monitored. Tolerance management is embedded, and corrective actions are taken based on performance data.	Advanced planning capability embedded, including reusable estimation models, scenario planning and continuous improvement driven by performance metrics.
7. Risk, Issues & Escalation	Risks and issues are managed reactively. Registers are absent or incomplete. Escalation pathways are unclear.	Risk and issue registers exist but quality and usage are inconsistent. Escalation depends on individual judgement rather than defined thresholds.	Standard risk and issue management approach implemented, including defined thresholds, escalation pathways, ownership and reporting cadence.	Risk trends, control effectiveness and emerging risks are actively reviewed. Early warning indicators are used for higher-risk projects.	Predictive risk management embedded. Systemic risk themes inform framework updates, governance decisions and portfolio optimisation.
8. Reporting & Performance Monitoring	Project reporting is inconsistent and subjective. RAG status lacks clear definition and linkage to baselines.	Regular reporting occurs but metrics and formats vary. Reporting is descriptive rather than decision-focused.	Standard reporting framework implemented, including schedule, cost, scope, risk, issues, benefits and decisions.	Performance KPIs are monitored at project and portfolio level. Reporting quality is reviewed and supports timely governance decisions.	Automated, integrated reporting with trend and predictive analytics. Reporting continuously

## PROJECT BRIEF

			Definitions are clear and consistently applied.		refined to meet stakeholder and decision-maker needs.
9. Change Control	Scope and change are poorly controlled. Changes are implemented without formal assessment or approval.	Change logs exist but approvals and impact assessments are inconsistent.	Formal change control process in place, including impact assessment on cost, schedule, risk and benefits, with defined approval thresholds.	Change trends analysed and tolerance breaches escalated. Change impacts are visible at governance and portfolio level.	Optimised change pathways with proportionate controls. Lessons learned reduce rework and improve planning accuracy.
10. Commissioning, Handover & Benefits Realisation	Handover to operations is informal. Operational readiness and benefit ownership are unclear.	Basic handover checklists exist but are inconsistently applied. Benefits tracking is limited.	Defined commissioning and handover process implemented, including readiness criteria, acceptance testing and benefits ownership.	Post-implementation reviews conducted. Benefits are tracked post-delivery and issues are transitioned to BAU with accountability.	Benefits realisation embedded and measured over time. Feedback loops improve future business cases, planning and governance.
11. Close-out & Lessons Learned	Projects are closed informally or not at all. Lessons learned are rarely captured or used.	Close-out occurs inconsistently. Lessons are documented but not systematically reused.	Formal project close-out process implemented, including documentation, contract closure (where applicable) and lessons learned with owners.	Lessons learned are reviewed at PMO/governance level and inform updates to frameworks, templates and training.	Continuous improvement system embedded. Maturity assessments repeated and uplift demonstrated over time.
12. Framework Enablement (Templates, Guidance & Systems)	Templates and guidance are fragmented or outdated. Version control is weak and usage is inconsistent.	Some standard templates exist but use is optional and not monitored.	Controlled template and guidance library implemented, including tailoring rules and training support.	Usage and compliance monitored. Workflow and systems support approvals, document control and audit trail.	Automation and integrated tooling optimise delivery, reporting and decision-making. Framework continuously refined based on user feedback and performance data.

## PROJECT BRIEF

<b>Project Title:</b>	<b>City of Adelaide - Strategic Third Party Relationship Management Review</b>
<b>Project Contact:</b>	<b>Rebecca Hayes, Associate Director, Governance &amp; Strategy</b>
<b>Project Objective:</b>	The objective of this project is to assess the design and operating effectiveness of the City of Adelaide’s (CoA) third-party relationship management framework and processes with a focus on strategic business partnerships, collaborations and affiliations.
<b>Scope &amp; Approach:</b>	<p>The scope of this review will consider CoA’s third-party relationship management framework, with a focus on the following areas:</p> <ul style="list-style-type: none"> <li>• Relationship between CoA strategic objectives and third party partnerships</li> <li>• Delegations of authority to engage and commit third parties</li> <li>• Risk appetite</li> <li>• Procurement and contract due diligence processes</li> <li>• Compliance and governance</li> <li>• Fraud and corruption management</li> <li>• Conflict of interest management</li> <li>• Coordination and communication</li> <li>• Ongoing management, monitoring and reporting (performance, compliance, issues)</li> <li>• Renewal, variation, termination, and exit/transition management.</li> </ul> <p>Further specific focus areas will be agreed between BDO and CoA.</p> <p>This project will be undertaken in consultation with the Governance &amp; Strategy teams.</p> <p>Our approach includes the following phases:</p> <p><b>Phase 0: Project Kick-off and Planning</b></p> <p>Project kick-off and planning will focus on establishing the foundation for an effective engagement, including consultation, confirmation of timelines and deliverables, identification of issues and scope exclusions, outlining our information requests, and commencing access to relevant documentation.</p> <p>An initial kick-off meeting will confirm roles and responsibilities, introduce CoA representatives and the BDO team, and confirm the contact details of nominated engagement personnel.</p> <p><b>Phase 1: Process Discovery</b></p> <p>The Process Discovery phase included the following two (2) stages:</p> <p><b>1a - Document Collation and Process Interviews</b></p> <ul style="list-style-type: none"> <li>• Obtain CoA’s suite of third-party relationship management framework documentation, including: delegations of authority, risk appetite, due diligence processes, compliance and governance, contract management, fraud and corruption, conflict of interest, and coordination and communication.</li> </ul>

## PROJECT BRIEF

Project Title:	City of Adelaide - Strategic Third Party Relationship Management Review
	<ul style="list-style-type: none"> <li>• Conduct interviews with nominated CoA representatives to gain an understanding of the key processes and systems used in the third-party relationship management framework across the organisation.</li> <li>• Obtain and review a register of strategic third-party arrangements.</li> <li>• Identify the key risk areas within the third-party relationship management framework processes, with reference to the relevant strategic risk ‘bow tie’ assessment.</li> </ul> <p><b>1b - Process and Documentation Review</b></p> <ul style="list-style-type: none"> <li>• Gain an understanding of CoA’s suite of third-party management related documentation obtained in Phase 1a.</li> <li>• Document, at a high level, the key third-party relationship management framework processes, highlighting the key controls in place (manual and system-based) to address the identified key risk areas.</li> </ul> <p><b>Phase 2: Assessment of Process Adequacy</b></p> <p>The Process Adequacy phase includes the following two (2) stages:</p> <p><b>2a - Adequacy Assessment and Risk/Control Gap Analysis</b></p> <ul style="list-style-type: none"> <li>• Consider the alignment of the third-party management framework and processes against leading business practices.</li> <li>• Based on review of documentation and interviews, identify current processes and controls, and validate whether these are in alignment with Council’s established frameworks and policies.</li> <li>• Through use of a Risk and Control Matrix, map current controls and processes to risks to identify risk exposure.</li> <li>• Based on the control gap analysis and assessment, identify areas requiring improvement from a control and/or process improvement perspective.</li> <li>• Agree areas that require specific ‘walkthroughs’ and/or ‘testing’.</li> </ul> <p><b>2b - Walkthroughs and Testing</b></p> <ul style="list-style-type: none"> <li>• Via review of third party register information, and consultation with CoA representatives, select a representative sample of key third-party relationship management activities for testing.</li> <li>• Conduct ‘walkthroughs’ and/or ‘testing’ of key third party management activities, where appropriate, to assess:             <ul style="list-style-type: none"> <li>– Compliance with CoA’s third-party relationship management framework and relevant policies/procedures</li> <li>– Operating effectiveness of internal controls within the third-party relationship management framework and processes.</li> </ul> </li> <li>• Based on the results of walkthroughs/testing, identify areas requiring improvement from a control and/or process improvement perspective. Also consider outcomes of the internal audit on the relevant strategic risk ‘bow tie’ assessment.</li> </ul>

## PROJECT BRIEF

<b>Project Title:</b>	City of Adelaide - Strategic Third Party Relationship Management Review	
	<p><b>Phase 3: Process Improvement</b></p> <ul style="list-style-type: none"> <li>• Hold preliminary discussions with CoA representatives to confirm accuracy of audit findings.</li> <li>• Work with CoA's representatives to develop tailored solutions to address any identified control gaps and/or process improvement opportunities.</li> </ul> <p><b>Phase 4: Report Results</b></p> <ul style="list-style-type: none"> <li>• Prepare a summary of findings providing CoA with recommendations for enhancing the third-party management framework.</li> <li>• Hold closing meetings with CoA representatives regarding audit outcomes.</li> <li>• Prepare draft report and provide to CoA representatives for management comments.</li> <li>• Finalise report.</li> </ul>	
<b>Timeframe:</b>	Project delivery by end of June 2026.	
<b>Project Resources:</b>	<p>The estimated total cost to complete this project is \$30,000 - \$35,000 (GST exclusive).</p> <p>Out of pocket costs (including travel and accommodation, if required) will be billed at cost, kept to a minimum and agreed with you prior to them being incurred.</p>	
<b>Prepared by:</b>	BDO	
<b>Agreed by:</b>	<p><b>Peter Horsman - Partner BDO</b> / /2026</p>	<p><b>Rebecca Hayes - Associate Director, Governance &amp; Strategy</b> / /2026</p>