

# Our Corporation

## 2025/26 Business **Plan and Budget**

Final Review of Budgets  
and Projects

1 April 2025

Anthony Spartalís, Chief Operating Officer

# Introduction

## Building a Business Plan and Budget



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

## Current Position

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

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

## Current Position

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

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

## Key Financial Principle:

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

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

## Operating Budget

**Suggested Budget Amendments – NOT recommended**

Council Member suggestions

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

## Operating Budget

**Suggested Budget Amendments – Recommended**

Council Member and Administration suggestions, and identified savings

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

## Operating Budget

**25/26 Proposed Balanced Budget Based on Assumptions and Feedback**

Updated position based on amendments in the previous slide

\$'000s	2025-26 Base	Strategic Projects	Capital Projects	Service Changes	Identified Savings / opportunities	Council Member / Admin ideas	Revised Base	Adopted LTFP	Variance
<b>Income</b>									
Rates Revenues	154,908	-	-	-	-	-	154,908	154,896	12
Fees and Charges	87,368	170	328	-	319	-	88,185	86,341	1,844
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Other Income	1,047	-	-	-	-	-	1,047	1,218	(171)
<b>Total Income</b>	<b>247,777</b>	<b>823</b>	<b>328</b>	<b>99</b>	<b>319</b>	<b>-</b>	<b>249,346</b>	<b>247,101</b>	<b>2,245</b>
<b>Expenses</b>									
Employee Costs	89,394	1,249	-	605	-	-	91,248	88,853	(2,395)
Materials, Contracts & Other Expenses	79,978	(1,404)	78	164	(387)	(561)	77,868	77,757	(111)
Sponsorships, Contributions and Donations	5,600	978	-	-	(112)	-	6,466	6,334	(132)
Depreciation, Amortisation & Impairment	64,506	-	-	-	-	-	64,506	64,462	(44)
Finance Costs	717	-	-	-	-	-	717	3,626	2,909
<b>Total Expenses</b>	<b>240,195</b>	<b>823</b>	<b>78</b>	<b>769</b>	<b>(499)</b>	<b>(561)</b>	<b>240,805</b>	<b>241,031</b>	<b>226</b>
<b>Operating Surplus / (Deficit)</b>	<b>7,582</b>	<b>-</b>	<b>250</b>	<b>(670)</b>	<b>818</b>	<b>561</b>	<b>8,541</b>	<b>6,070</b>	<b>2,471</b>
<b>Capital Program</b>									
Renewal/Replacement of Assets	67,936	-	1	-	-	-	67,937	67,936	(1)
New and Upgraded Assets	39,119	-	(60)	-	-	120	39,179	39,119	(60)
Amounts received specifically for New and Upgraded Assets	-	-	(8,018)	-	-	-	(8,018)	-	8,018
<b>Net outlays on Capital</b>	<b>107,055</b>	<b>-</b>	<b>(8,077)</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>99,098</b>	<b>107,055</b>	<b>(7,957)</b>
<b>Borrowings</b>	<b>58,245</b>	<b>-</b>	<b>(8,327)</b>	<b>670</b>	<b>(818)</b>	<b>(441)</b>	<b>49,329</b>	<b>94,834</b>	<b>45,505</b>

## Current Position

**25/26 Proposed Balanced Budget**

Updated position based on Council Member and Administration Suggestions

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

**Key Financial Principle:**

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

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

Operating Budget

# AEDA Allocation

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

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

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

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

## Operating Budget

**Operating Savings/Opportunities Over Past 6 Financial Years**

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

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

# Capital Budget Renewal Program by Asset Class

## Undertaking – Renewal Program by Asset Class

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

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

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

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

## Capital Budget

# Capital Project Delivery Cost Breakdown

## Undertaking – 25/26 Project Delivery Costs

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

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

# Next Steps

## Timeline and process



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

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

Date	Topic	
3 Dec	Introduction and process for building the 2025/26 BP&B – parameters and priorities (as per LTFP and Strat Plan)	✓
10 Dec	Current position (LTFP, precommitments, retimes) and Subsidiary budget allocations (also launch member bids)	✓
11 Feb	Building the 2025/26 BP&B – assumptions, set 25/26 priorities and revenue levers	✓
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