

# Our Corporation

2025/26 Long Term  
Financial Plan (LTFP)

## Capital Program

Renewal Program, Significant  
Renewals and Capital New  
and Upgrade

16 September 2025  
Chief Operating Officer

# 2025/26 LTFP Roadmap

Date	Forum	Role	Topic
15 August	ARC (Workshop)	Discuss	Building the LTFP Roadmap + High level parameters and projections (current LTFP) <input checked="" type="checkbox"/>
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# Key Discussion Points

What are  
Council  
Members'  
views...

on the current  
path to 100%  
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What are  
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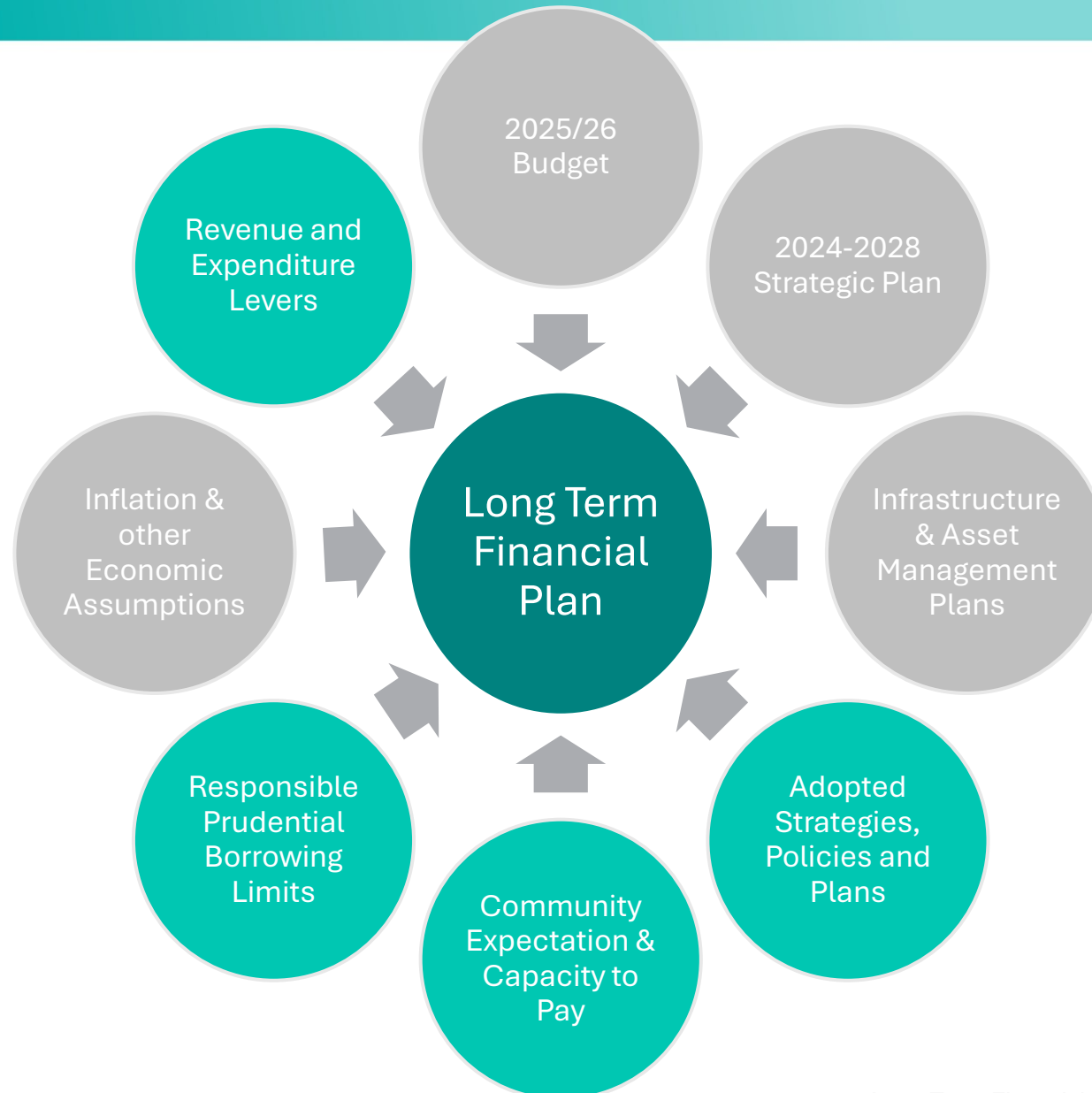
What are  
Council  
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views...

on the level of  
investment in  
New and  
Upgraded  
Assets?

What are  
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on the 1.5%  
rate revenue  
allocation to  
upgrade  
community  
buildings in the  
Park Lands?

# Basis of Preparation



# The 4 Funding Elements

Four areas to be funded, consistent with the budget:

- Operating Budget
- Strategic Projects
- **Asset Renewal Capital Program**
- **New and Upgrade Capital Program**

**The LTFP sets the parameters for the  
Annual Business Plan & Budget**

# Operating Budget

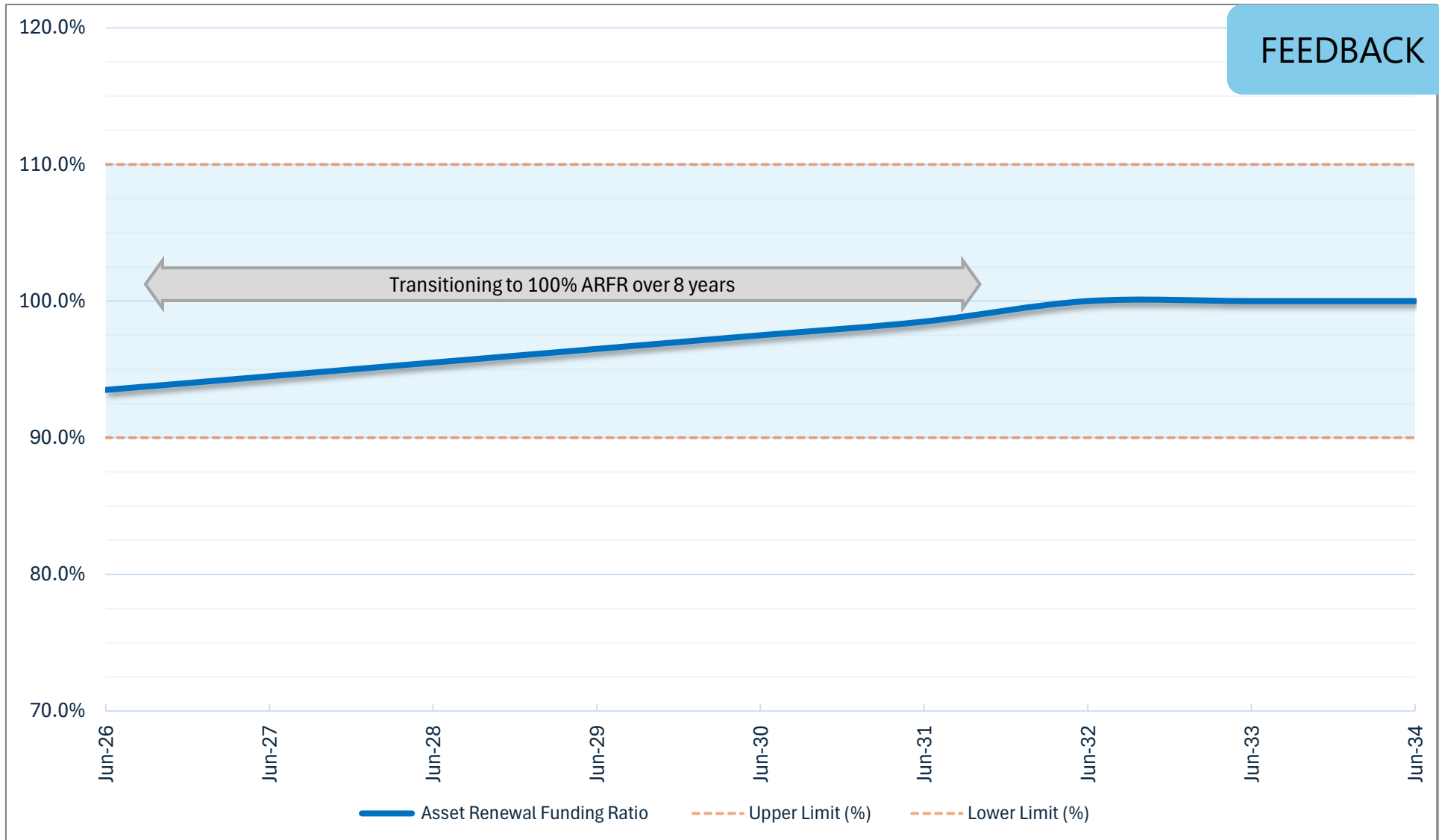
\$'000s	2025-26 Adopted Budget			2025-26 per Adopted LTFP			
	Operating	Projects	Total Adopted Budget	Operating	Projects	Total LTFP	Variance
<b>Income</b>							
Rates Revenues	154,908	0	154,908	154,896	0	154,896	12
Fees and Charges	87,948	170	88,118	86,341	0	86,341	1,777
Grants, Subsidies and Contributions	4,243	653	4,896	4,646	0	4,646	250
Other Income	1,047	0	1,047	1,218	0	1,218	(171)
<b>Total Income</b>	<b>248,146</b>	<b>823</b>	<b>248,969</b>	<b>247,101</b>	<b>0</b>	<b>247,101</b>	<b>1,868</b>
<b>Expenses</b>							
Employee Costs	89,686	1,106	90,792	88,853	0	88,853	(1,939)
Materials, Contracts & Other Expenses	72,906	5,175	78,081	71,063	6,694	77,757	(324)
Sponsorships, Contributions and Donations	5,467	865	6,332	6,334	0	6,334	2
Depreciation, Amortisation & Impairment	64,506	0	64,506	64,462	0	64,462	(44)
Finance Costs	717	0	717	3,626	0	3,626	2,909
<b>Total Expenses</b>	<b>233,282</b>	<b>7,146</b>	<b>240,428</b>	<b>234,337</b>	<b>6,694</b>	<b>241,031</b>	<b>603</b>
<b>Operating Surplus / (Deficit)</b>	<b>14,864</b>	<b>(6,323)</b>	<b>8,541</b>	<b>12,764</b>	<b>(6,694)</b>	<b>6,070</b>	<b>2,471</b>
<b>Net Outlays on Existing Assets</b>							
Capital Expenditure on Renewal & Replacement of Existing Assets		(67,937)	(67,937)		(67,936)	(67,936)	(1)
<i>add back</i> Depreciation, Amortisation and Impairment		64,506	64,506		64,462	64,462	44
<i>add back</i> Proceeds from Sale of Replaced Assets		500	500		500	500	0
<b>Net Outlays on Existing Assets</b>		<b>(2,931)</b>	<b>(2,931)</b>		<b>(2,975)</b>	<b>(2,975)</b>	<b>44</b>
<b>Net Outlays on New and Upgraded Assets</b>							
Capital Expenditure on New and Upgraded Assets		(46,361)	(46,361)		(39,119)	(39,119)	(7,242)
<i>add back</i> Amounts received specifically for New and Upgraded Assets		8,018	8,018		0	0	8,018
<i>add back</i> Proceeds from Sale of Surplus Assets		18,500	18,500		0	0	18,500
<b>Net Outlays on New and Upgraded Assets</b>		<b>(19,843)</b>	<b>(19,843)</b>		<b>(39,119)</b>	<b>(39,119)</b>	<b>19,276</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>14,864</b>	<b>(29,097)</b>	<b>(14,233)</b>	<b>12,764</b>	<b>(48,788)</b>	<b>(36,024)</b>	<b>21,791</b>
<b>Borrowings</b>			<b>50,074</b>			<b>94,834</b>	<b>44,760</b>

## Key considerations:

- Maintain transitioning Asset Renewal Funding Ratio (ARFR) to 100% over an 8-year period
- Maintain Asset Renewal Repair Fund over a 3-year period
- Update AMPs to reflect the transition
- Confirm funding assumptions for significant renewals
- Treatment of North Adelaide Golf Course

# Asset Renewal Funding Ratio (ARFR)

FEEDBACK





# Asset Management Plans (AMPs)

- The 2024/25 LTFP adjusted the AMP program to smooth the AMP and fund the average over the 10 years
- The **unindexed** smoothed 10-Year forecast expenditure based on AMPs at 100% ARFR is \$72.7m pa

AMP Renewal Forecasts (\$'000s)*	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	10 Year average
Buildings	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261
Lighting & Electrical	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305	5,305
Park Lands & Open Space	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019
Transport	28,824	28,824	28,824	28,824	28,824	28,824	28,824	28,824	28,824	28,824	28,824
Urban Elements	5,161	5,161	5,161	5,161	5,161	5,161	5,161	5,161	5,161	5,161	5,161
Water Infrastructure	9,129	9,129	9,129	9,129	9,129	9,129	9,129	9,129	9,129	9,129	9,129
<b>Total Infrastructure Renewals</b>	<b>62,698</b>	<b>62,698</b>	<b>62,698</b>	<b>62,698</b>	<b>62,698</b>	<b>62,698</b>	<b>62,698</b>	<b>62,698</b>	<b>62,698</b>	<b>62,698</b>	<b>62,698</b>
Plant, Fleet & Equipment Replacement	3,653	3,653	3,653	3,653	3,653	3,653	3,653	3,653	3,653	3,653	3,653
Delivery Resources	6,308	6,308	6,308	6,308	6,308	6,308	6,308	6,308	6,308	6,308	6,308
<b>Total Renewal &amp; Replacement of Assets</b>	<b>72,659</b>	<b>72,659</b>	<b>72,659</b>	<b>72,659</b>	<b>72,659</b>	<b>72,659</b>	<b>72,659</b>	<b>72,659</b>	<b>72,659</b>	<b>72,659</b>	<b>72,659</b>

\* Excludes Significant Renewals

# Asset Management Plans (AMPs)

- Revised **unindexed** 10-Year forecast based on an adjusted AMP to reflect the 8-Year transition is on average, \$70.8m
- A variation of \$17.4m over 10 years compared to 100% AMP

FEEDBACK

AMP Renewal Forecasts (\$'000s)*	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	10 Year average
Buildings	10,529	10,642	10,754	10,867	10,979	11,092	11,261	11,261	11,261	11,261	10,991
Lighting & Electrical	4,960	5,013	5,066	5,119	5,172	5,225	5,305	5,305	5,305	5,305	5,177
Park Lands & Open Space	2,823	2,853	2,883	2,913	2,943	2,974	3,019	3,019	3,019	3,019	2,946
Transport	26,950	27,238	27,526	27,815	28,103	28,391	28,824	28,824	28,824	28,824	28,132
Urban Elements	4,826	4,877	4,929	4,981	5,032	5,084	5,161	5,161	5,161	5,161	5,037
Water Infrastructure	8,536	8,627	8,718	8,809	8,901	8,992	9,129	9,129	9,129	9,129	8,910
<b>Total Infrastructure Renewals</b>	<b>58,623</b>	<b>59,250</b>	<b>59,877</b>	<b>60,504</b>	<b>61,131</b>	<b>61,758</b>	<b>62,698</b>	<b>62,698</b>	<b>62,698</b>	<b>62,698</b>	<b>61,193</b>
Plant, Fleet & Equipment Replacement	3,416	3,452	3,489	3,526	3,562	3,599	3,653	3,653	3,653	3,653	3,458
Delivery Resources	5,898	5,961	6,024	6,087	6,150	6,213	6,308	6,308	6,308	6,308	6,124
<b>Total Renewal &amp; Replacement of Assets</b>	<b>67,936</b>	<b>68,663</b>	<b>69,390</b>	<b>70,116</b>	<b>70,843</b>	<b>71,569</b>	<b>72,659</b>	<b>72,659</b>	<b>72,659</b>	<b>72,659</b>	<b>70,775</b>

\* Excludes Significant Renewals

# Asset Management Plans (AMPs)

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

# Significant Renewals – current assumptions

- Current adopted LTFP assumes both Adelaide Bridge and Torrens Weir renewed in line with adopted AMPs - partially funded by external grants (not yet secured)
- Rundle UPark's life extended to 2029/30 – to be reflected in updated AMP

Significant Renewals	Financial Year	Total Expenditure (\$'000s)	External Funding (\$'000s)	Net Expenditure (\$'000s)
Adelaide Bridge	2027/28 - 2028/29	60,000	(15,000)	45,000
Torrens Weir Structure	2028/29 – 2029/30	40,000	(26,666)	13,334
Rundle UPark*	2030/31 – 2031/32	15,000	-	15,000
<b>Total Significant Renewals</b>		<b>115,000</b>	<b>(41,666)</b>	<b>73,334</b>

\*Total renewal cost = \$60m; \$15m extends life to end of current leases (current adopted assumption)

# Significant Renewals – revised assumptions

FEEDBACK

Revised assumptions based on current options analysis\*:

- Strengthen the Adelaide Bridge (rehabilitate and increase the load capacity for vehicles only e.g. no tram) extending its life by 25-100 years
- Rehabilitate the Torrens Weir Structure and extend its life by 50 years
- Maintain current assumption for Rundle UPark

## Proposed revisions to AMPs / LTFP

Significant Renewals	Financial Year	Total Expenditure (\$'000s)	External Funding (\$'000s)	Net Expenditure (\$'000s)
Adelaide Bridge	2025/26 & 2029/30 - 2032/33	17,502	0	17,502
Torrens Weir Structure	2025/26-2026/27 & 2029/30 - 2032/33	24,640	0	24,640
Rundle UPark	2030/31 – 2031/32	15,000	0	15,000
<b>Total Significant Renewals</b>		<b>57,142</b>	<b>0</b>	<b>57,142</b>
<b>Variance from current LTFP</b>		<b>57,858</b>	<b>(41,666)</b>	<b>16,192</b>

\* Outlined in Confidential CEO Briefing to Council 9 September 2025

# Significant Renewals

- These significant renewals are “once in a generation” projects - funding levers beyond operating revenue alone should be considered:
  - Advocacy and external grant funding
  - Asset ownership
  - Borrowings (fixed principal and interest structure)

**Confirm current assumptions to extend,  
renew, replace or upgrade**

# New and Upgraded Assets

Council's current adopted LTFP has committed funding to:

- Mainstreet Revitalisation Upgrades
- Adelaide Central Market
- Adelaide Aquatic Centre Community Playing Field
- Brownhill and Keswick Creek - \$320k annual commitment
- Amount equivalent to 1.5% rates revenue to upgrade buildings in the Park Lands (in addition to Renewals)
- Forward commitment of \$23.2m from 2028/29, to fit within the current Prudential Borrowing Limits

# New and Upgraded Assets

The levers available to Council to deliver New and Upgraded Assets are:

- Surplus cash from operating and renewal activities
- External grant funding
- Borrowings
- Prioritising commitment

**Confirm current assumptions for new and upgraded assets**



# New and Upgraded Assets

## FEEDBACK

New and Upgraded Assets \$'000s	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	Total 10 Years
Central Market Arcade Redevelopment	1,000	-	-	-	-	-	-	-	-	-	1,000
Hindley Street Upgrade *	480	6,640	6,640	-	-	-	-	-	-	-	13,760
Gouger Street Upgrade *	2,209	9,001	3,164	-	-	-	-	-	-	-	14,374
O'Connell Street Upgrade *	612	4,135	9,203	-	-	-	-	-	-	-	13,950
Melbourne Street Upgrade *	1,850	1,683	2,867	-	-	-	-	-	-	-	6,400
Hutt Street Upgrade *	465	4,330	7,684	-	-	-	-	-	-	-	12,479
Brown Hill Keswick Creek	320	320	320	320	320	320	320	320	320	320	3,200
Aquatic Centre Community Playing Field	5,658	-	-	-	-	-	-	-	-	-	5,658
School Safety Implementation Project	150	805									955
Franklin Street Pedestrian Crossing	120	500	-	-	-	-	-	-	-	-	620
Minor Works Building – Security Upgrades	50	100	300								450
West Pallant Street Improvements	33	60									93
Public Realm Greening Program	3,932	-	-	-	-	-	-	-	-	-	3,932
UPark Central Market – Parking Guidance System	300	600									900
Community Sports Building Redevelopment - Park 21 West *	4,178	-	-	-	-	-	-	-	-	-	4,178
Community Sports Building Redevelopment - Park 27B *	3,493	-	-	-	-	-	-	-	-	-	3,493
Upgrade to Park Lands Buildings (1.5% Rates equivalent)	0	2,357	2,474	2,547	2,621	2,697	2,781	2,850	2,922	3,024	24,273
Other ^	13,534	-	-	-	-	-	-	-	-	-	13,534
Project Delivery Costs	7,977	4,580	4,898	430	441	453	465	476	486	502	20,708
Assumed forward Commitment				2,500	2,500	2,500	2,500	6,589	6,589		23,178
<b>Total New and Upgraded Expenditure</b>	<b>46,361</b>	<b>35,111</b>	<b>37,550</b>	<b>5,797</b>	<b>5,882</b>	<b>5,970</b>	<b>6,066</b>	<b>10,235</b>	<b>10,317</b>	<b>3,846</b>	<b>167,135</b>
Confirmed External Funding	8,018	2,631	4,669	0	0	0	0	0	0	0	15,318
<b>Net Capital Contribution</b>	<b>38,343</b>	<b>32,480</b>	<b>32,881</b>	<b>5,797</b>	<b>5,882</b>	<b>5,970</b>	<b>6,066</b>	<b>10,235</b>	<b>10,317</b>	<b>3,846</b>	<b>151,817</b>

\* Renewal Funding associated with these projects are contained within the AMPs

^ one-off funding for New and Upgraded Assets in 2025/26

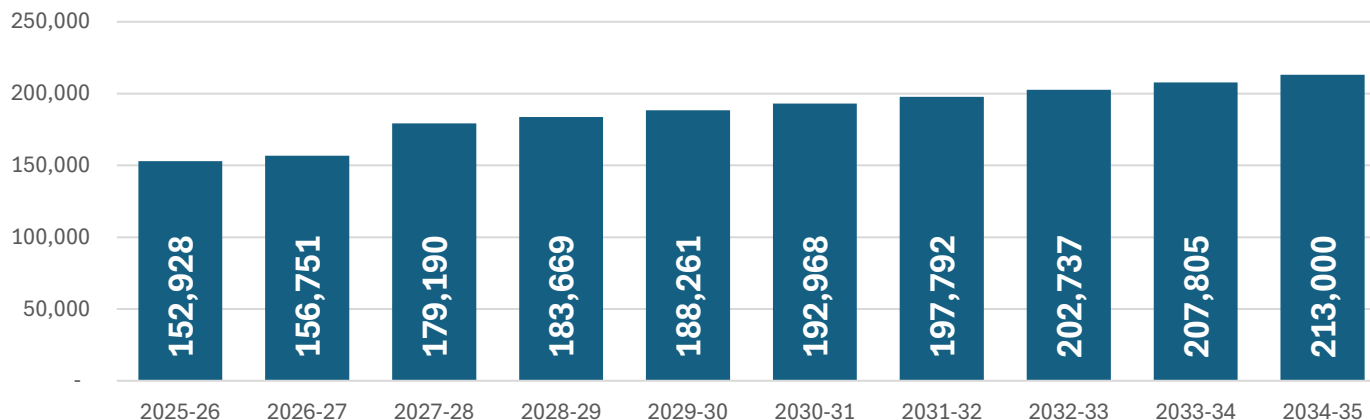
# Prudential Borrowing Limits

The maximum level of debt is prescribed by way of **prudential limits**. The Prudential Borrowing Limit adjusts on an annual basis through the calculation of 3 indicators as per the current Treasury Policy:

- Asset Test Ratio
- Interest Expense Ratio
- Leverage Test Ratio

The limit is set based on the lowest figure derived from the above calculations

Currently, the Asset Test Ratio is the calculation setting the upper limit



# Prudential Borrowing Limits

- In 2024/25, ESCOSA undertook their review of the City of Adelaide
- It identified that for the outer periods within the current adopted LTFP, Council is at its Prudential Borrowing Limit
- The Audit & Risk Committee noted that Council has been historically conservative in its Prudential Limit setting
- Borrowings is a driver to ensure intergenerational equity, e.g. those benefiting from the New and Upgraded Assets “pay” for the benefit over time

# Risks and Opportunities

- Council rate revenue growth
- Government priorities (State and Commonwealth)
- Interest rates
- Inflationary pressures - wages and materials
- Securing external funding
- Delivery of Property Strategy and Action Plan
- Delivery of endorsed Strategies not yet fully funded
- Asset valuations
- COP31 event
- North Adelaide Golf course changes
- Prudential Borrowing Limits
- AEDA Funding / Appropriation

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**Thank you –  
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