

Q1 2025/26 BP&B Update

Friday, 14 November 2025

Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:

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Public

Approving Officer:

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EXECUTIVE SUMMARY

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

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

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

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

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

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

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

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Receives the City of Adelaide 2025/26 Business Plan and Budget Quarter 1 update as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 14 November 2025.
2. Approves adjustments for the 2025/26 Business Plan and Budget (BP&B) as identified in this report and reflected in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held 14 November 2025.

3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 30 September 2025, which includes:
 - 3.1. An operating surplus of \$9.678m (\$4.407m higher than the budget of \$5.271m, for the period)
 - 3.2. Total operating revenue of \$64.500m (\$2.554m higher than the budget of \$61.946m, for the period)
 - 3.3. Total operating expenses (including depreciation) of \$54.822m (\$1.853m lower than the budget of \$56.675m, for the period)
 - 3.4. Total Capital Expenditure of \$17.321m (\$7.823m higher than the budget of \$9.498m, for the period)
 - 3.5. Net cash surplus position of \$5.185m.
 4. Approves budgeted year end Operating Position, which includes:
 - 4.1. An operating surplus of \$8.541m (consistent with the adopted budget of \$8.541m)
 - 4.2. Total operating revenue of \$251.571m (\$2.602m higher than the adopted budget of \$248.969m)
 - 4.3. Total operating expenses (including depreciation) of \$243.030m (\$2.602m higher than the adopted budget of \$243.030m).
 5. Approves total capital expenditure of \$122.293m for 2025/26 year (\$7.995m higher than the adopted budget of \$114.298m).
 6. Approves total borrowings of \$51.818m projected to 30 June 2026 (\$1.744m higher than the adopted projected borrowings of \$50.074m to 30 June 2026).
 7. Receives the Council Subsidiary Quarter 1 updates as contained as Attachments B, C, D and E to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 14 November 2025.
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IMPLICATIONS AND FINANCIALS

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

DISCUSSION

2025/26 BUSINESS PLAN PRIORITIES

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

Our Community

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

Our Environment

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

Our Economy

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

Our Places

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

Our Corporation

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

FINANCIAL SUMMARY

Year-to-Date

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

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

Projected Annual Financial Summary

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

PROJECT DELIVERY SUMMARY

Strategic Projects

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

Capital Works Program

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

ADJUSTMENTS TO THE 2025/26 BUSINESS PLAN AND BUDGET

Operating Program

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

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

Capital Program

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

COUNCIL SUBSIDIARIES SUMMARY

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

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

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

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

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

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

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

28.1. Total operating income of nil

28.2. Total operating expenditure of \$0.042m.

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

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

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

Attachment B – Adelaide Central Market Authority Q1 Update

Attachment C – Adelaide Economic Development Agency Q1 Update

Attachment D – Kadaltilla / Adelaide Park Lands Authority Q1 Update

Attachment E - Brown Hill Keswick Creek Stormwater Board Update

- END OF REPORT -