

Recommendations of the City Finance and Governance Committee – 17 February 2026

Tuesday, 24 February 2026
Council

Strategic Alignment – Our Corporation

Public

Program Contact:
Rebecca Hayes, Associate
Director Governance and
Strategy

Approving Officer:
Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

The City Finance and Governance Committee considered the following Items at its meeting held on 17 February 2026 and resolved to present to Council the following recommendations for Council determination:

- Item 7.1 – Use of Artificial Intelligence and Generative AI Policy
- Item 7.2 – 2025/26 Business Plan & Budget Q2 Review

RECOMMENDATION

1. **Recommendation 1** – Item 7.1 - Use of Artificial Intelligence and Generative AI Policy

THAT COUNCIL:

1. Adopts the “Use of Artificial Intelligence and Generative AI” Policy as contained in Attachment A to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 2026.
2. Authorises the Chief Executive Officer to make any minor editorial and formatting changes as required to finalise the “Use of Artificial Intelligence and Generative AI” Policy as contained in Attachment A to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 2026.

2. **Recommendation 2** – Item 7.2 - 2025/26 Business Plan & Budget Q2 Review

THAT COUNCIL:

1. Receives the City of Adelaide 2025/26 Business Plan and Budget Quarter 2 update as contained in Attachment A to Item 7.2 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 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 7.2 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 2026.
3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 31 December 2025, which includes:
 - 3.1. An operating surplus of \$12.515m (\$6.468m higher than the budget of \$6.047m, for the period)
 - 3.2. Total operating revenue of \$128.712m (\$1.667m higher than the budget of \$127.045m, for the period)
 - 3.3. Total operating expenses (including depreciation) of \$116.197m (\$4.801m lower than the budget of \$120.998m, for the period)

- 3.4. Total Capital Expenditure of \$33.516m (\$0.122m less than the budget of \$33.638m, for the period)
 - 3.5. Net cash surplus position of \$9.803m.
 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 \$253.282m (\$1.711m higher than the adopted budget of \$251.571m)
 - 4.3. Total operating expenses (including depreciation) of \$244.741m (\$1.711m higher than the Q1 budget of \$243.030m).
 5. Approves total capital expenditure of \$120.663m for 2025/26 year (\$1.630m lower than the Q1 budget of \$122.293m).
 6. Approves total borrowings of \$50.677m projected to 30 June 2026 (\$1.141m lower than the Q1 projected borrowings of \$51.818m to 30 June 2026).
 7. Receives the Council Subsidiary Quarter 2 updates as contained as Attachments B, C, D and E to Item 7.2 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 2026.
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DISCUSSION

1. The City Finance and Governance Committee met at a meeting of the Committee on Tuesday 17 February 2026. The Agenda with public reports for the meeting can be viewed [here](#).
2. Where the resolution of the Committee differs from the recommendation published in the Committee agenda, the Committee's recommendation to the Council is listed first, with the original recommendation provided in grey and italics.
3. The following matters were the subject of deliberation:

- 3.1. Item 7.1 – Use of Artificial Intelligence and Generative AI Policy

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL:

1. Adopts the "Use of Artificial Intelligence and Generative AI" Policy as contained in Attachment A to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 2026.
2. Authorises the Chief Executive Officer to make any minor editorial and formatting changes as required to finalise the "Use of Artificial Intelligence and Generative AI" Policy as contained in Attachment A to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 2026.

For ease, Attachments A relating to Recommendation 1, Item 7.1, has been included at the end of this recommendation report.

- 3.2. Item 7.2 – 2025/26 Business Plan & Budget Q2 Review

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL:

1. Receives the City of Adelaide 2025/26 Business Plan and Budget Quarter 2 update as contained in Attachment A to Item 7.2 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 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 7.2 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 2026.
3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 31 December 2025, which includes:
 - 3.1. An operating surplus of \$12.515m (\$6.468m higher than the budget of \$6.047m, for the period)
 - 3.2. Total operating revenue of \$128.712m (\$1.667m higher than the budget of \$127.045m, for the period)
 - 3.3. Total operating expenses (including depreciation) of \$116.197m (\$4.801m lower than the budget of \$120.998m, for the period)
 - 3.4. Total Capital Expenditure of \$33.516m (\$0.122m less than the budget of \$33.638m, for the period)
 - 3.5. Net cash surplus position of \$9.803m.
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 \$253.282m (\$1.711m higher than the adopted budget of \$251.571m)
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5. Approves total capital expenditure of \$120.663m for 2025/26 year (\$1.630m lower than the Q1 budget of \$122.293m).
6. Approves total borrowings of \$50.677m projected to 30 June 2026 (\$1.141m lower than the Q1 projected borrowings of \$51.818m to 30 June 2026).

7. Receives the Council Subsidiary Quarter 2 updates as contained as Attachments B, C, D and E to Item 7.2 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 2026.

For ease, Attachments A, B, C, D & E relating to Recommendation 2, Item 7.2, have been included at the end of this recommendation report

DATA AND SUPPORTING INFORMATION

Link 1 – City Finance and Governance Committee Agenda

ATTACHMENTS

- END OF REPORT -