

Councillor Davis - QoN - Renewals Program

Tuesday, 10 March 2026
Council

Council Member
Councillor Henry Davis

Public

Contact Officer:
Tom McCready, Director City
Infrastructure

QUESTION ON NOTICE

Councillor Henry Davis will ask the following Question on Notice:

These questions are in reference to slide 14 of the Capital Budget Workshop held on 21 February.

1. The Adopted budget put renewal cost at 74,918mil and the Revised AMPS are now valued at 72,717. Has council approved the variation to these AMPs?
2. What is the reason for the reduced spend across each category in the proposed Draft budget namely:
 - a. Buildings increasing from 10,680 to 13,541
 - b. Parklands and Open Space reducing from 2,934 to 1,578
 - c. Transport reducing from 29,670 to 23,569
 - d. Urban Elements reducing from 5,437 to 4,435
 - e. Water Infrastructure reducing from 10,587 to 7,653
3. If the council was to fund each underfunded category for renewals at 100% what would be the additional spend required to fulfil the Adopted AMP vs its current draft spend? I calculate it would require an additional
 - a. 74,000 for Lighting and Electrical
 - b. 1,356,000 for Parklands and Open Space
 - c. 6,011,000 for Transport
 - d. 1,002,000 for Urban Elements
 - e. 2,934,000 for Water InfrastructureBeing a total of 11,377,000 million or an increase in the total proposed Draft budget of 16.5%?
- 4) On what basis was the new proposed Draft Budget calculated?
- 5) Were staff asked to find savings in renewals to enable the council to fund its proposed LTFP?
- 6) In what year will Council reach 95% of its prudential borrowing limit according to its currently adopted LTFP?
- 7) If each category of renewals was funded at 100% of the adopted AMPs now and into the future when would council reach 95% of its prudential borrowing limit?
- 8) Why is the proposed Draft Budget different to the Revised AMPs?

REPLY

1. At its meeting on 25 November 2025 Council resolved to adopt the 2025/26 to 2034/35 Long Term Financial Plan (LTFP) which included the following recommendation:

THAT COUNCIL:

1. *Adopts the 2025 updates to the Asset Management Plans in Attachment A to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held on 18 November 2025.*
2. The variance between the proposed budget and the adopted Asset Management Plans (AMP) is due to:
 - 2.1. The revised AMP, endorsed by Council, provides commentary on the movements between the adopted AMP and the revised AMP.
 - 2.2. The revised AMP was adopted by Council through the 2025/26 - 2034/35 Long Term Financial Plan at a percentage of 94.5% of the Asset Renewal Funding Ratio for the 2026/27 Financial Year.
 - 2.3. The proposed renewal budgets consider the proposed retiming of the Main Streets Capital New and Upgrade funding, as the delivery of the two are linked.
 - 2.4. The AMPs and associated Renewal Program are reviewed on an annual basis based on current condition audit, risk and the delivery of upgrades to existing assets.
 - 2.5. There is a proposed increase in the building's renewal budget due to retiming of significant renewals such as the Adelaide Central Market Roof Renewal, retiming of the renewal contribution to the two Community Sports Building renewals in Golden Wattle Park /Mirnu Wirra (Park 21W) and Mary Lee Park (Park 27B), priority rehabilitation works required for Rundle and Gawler UPark. Additionally, the building's draft budget has been increased to make up for the shortfall in the other asset portfolios to balance out renewal expenditure across the life of the AMPs to smooth out delivery and funding requirements.
3. If 100% of its adopted AMP were funded in 2026/27, the Renewal Program would increase by \$6.093 million (or 8.1%), from the proposed draft renewal program of \$68.825 million to \$74.918 million.
4. The draft budget has been developed in line with the Asset Management Plans, addressing renewal priorities and re-timings of renewal funding aligned with Capital New and Upgrade projects.
5. No.
6. Per Council's adopted LTFP, borrowings are forecast to reach 80% of its prudential borrowing limit in 2032/33.
7. One of the financial principles adopted by Council within its LTFP is the use of borrowings to fund new and upgrade projects (including major projects) and *not* to fund operations, expenses or renewal projects. If Council resolves to fund 100% of its AMP from the 2026/27 financial year, it will need to consider increasing rates revenue, other revenue sources, or reduce operating expenditure.
8. The proposed Draft Budget varies from the revised AMP due to:
 - 8.1. The revised AMP was adopted by Council through the 2025/26 - 2034/35 Long Term Financial Plan at a percentage of 94.5% of the Asset Renewal Funding Ratio for the 2026/27 Financial Year.
 - 8.2. The proposed renewal budgets consider the proposed timing of the Main Streets Capital New and Upgrade funding as the delivery of the two are linked.
 - 8.3. The AMPs and associated Renewal Program are reviewed on an annual basis based on current condition audit, risk and the delivery of upgrades to existing assets.
 - 8.4. There is a proposed increase in the building's renewal budget due to retiming of significant renewals such as the Adelaide Central Market Roof Renewal, retiming of the renewal contribution to the two Community Sports building renewals in Golden Wattle Park /Mirnu Wirra (Park 21W) and Mary Lee Park (Park 27B), and priority rehabilitation works required for Rundle and Gawler UParks. Additionally, the buildings draft budget has been increased to make up for the shortfall in the other asset portfolios to balance out renewal expenditure across the life of the AMPs to smooth out delivery and funding requirements.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 7.5 hours.
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