

2026/27 Business Plan & Budget - Final for Approval

Tuesday, 16 June 2026

City Finance and Governance Committee

Strategic Alignment - Our Corporation

Program Contact:

Rebecca Hayes, Associate Director Governance & Strategy

Public

Approving Officer:

Anthony Spartalis, Chief Operating Officer

EXECUTIVE SUMMARY

This report seeks the Committee's recommendation for Council to adopt the 2026/27 Business Plan and Budget (BP&B) in accordance with the provisions of the *Local Government Act 1999* (SA) (the Act). A report for adoption of valuations and declaration of rates, and adoption of the BP&B, will be presented to Council for adoption at its meeting on 23 June 2026.

The 2026/27 BP&B has been developed within the context of the City of Adelaide being South Australia's Capital City Council and a city in nationally heritage-listed Park Lands that welcomes over 350,000 visitors daily, supports over 13,000 local businesses and is home to more than 30,100 residents. It is the final BP&B for this term of Council and is set to continue to deliver on Council's Strategic Plan 2024-2028, and other key strategies.

The key focus of Council in developing the 2026/27 BP&B is budget repair after continued financial pressures. It includes expenditure of over \$316 million to support city growth, the local economy, city-wide improvements, protecting our Park Lands and greening our city. A \$111.422 million capital program ensures Council can deliver well maintained streets, parks and other vital assets for the community.

The 2026/27 BP&B reflects Council's recognition of the need to repair its budget position so it can make necessary investments in public infrastructure and deliver the services our community deserves now and in the future. Council has adopted financial principles and reviewed approaches to Council's core revenue bases which include rates, and fees and charges.

Total borrowings are projected to be \$81.344 million at the end of the financial year.

The budget delivers a surplus operating position of \$4.976 million.

RECOMMENDATION

The following recommendation will be presented to Council on 23 June 2026 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL

1. In accordance with Section 123 of the Act and Regulation 6 of the *Local Government (Financial Management) Regulations 2011* (the Financial Management Regulations), and
2. Having considered in accordance with Section 123(6) of the Act:
 - a. all submissions made to the Council during the public consultation period; and
 - b. the following new or revised information in the possession of the Council that is relevant to the material contained in the Draft Business Plan,

adopts the 2026/27 Business Plan set out in Attachment B to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held 16 June 2026 noting that there are no significant changes to the 2026/27 Business Plan following internal review and public consultation throughout May 2026.

3. In accordance with Section 123 of the Act and Regulation 7 of the Financial Management Regulations, adopts the 2026/27 Budget set out in Attachment A to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held 16 June 2026 which the Council has considered in conjunction with and determined to be consistent with the Council's Business Plan.
 4. Approves the 2026/27 Budget delivering an operating surplus of \$4.976 million.
 5. Approves the 2026/27 Budget with projected borrowings of \$81.344 million at the end of 2026/27.
 6. Approves the 2026/27 Budget delivering a capital program of \$111.422 million of which \$68.825 million in renewal works will deliver an Asset Renewal Funding Ratio of 94.6%.
 7. Approves the 2026/27 Business Plan & Budget for Council's Subsidiary Adelaide Central Market Authority provided as Attachment B to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held 16 June 2026.
 8. Approves the 2026/27 Business Plan & Budget for Council's Subsidiary Adelaide Economic Development Agency provided as Attachment C to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held 16 June 2026.
 9. Approves the 2026/27 Business Plan & Budget for Council's Subsidiary Kadaltilla / Adelaide Park Lands Authority provided as Attachment D to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held 16 June 2026.
 10. Notes the 2026/27 Business Plan and Budget includes a capital allocation of \$0.320 million and \$0.179 million operating contribution for Brown Hill Keswick Creek Stormwater Board (Regional Subsidiary).
 11. Authorises the Chief Executive Officer to make any necessary changes to the 2026/27 Business Plan & Budget document arising from this meeting, together with any editorial amendments and finalisation of the document's formatting and graphic design.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Focus on budget repair and ensure responsible financial management through the principle of intergenerational equity while delivering quality services.
Policy	The approved public consultation was undertaken in accordance with Council's Public Consultation Policy.
Consultation	Community consultation on the Draft 2026/27 BP&B commenced at 9.00am on Tuesday 5 May 2026 and concluded on 11:59pm Tuesday 26 May 2026. Council received a report containing the results of the consultation at its meeting on 9 June 2026.
Resource	The 2026/27 BP&B identifies how Council's resources will be allocated in meeting the 2026/27 deliverables and objectives of the Strategic Plan and other related plans and strategies.
Risk / Legal / Legislative	Council's 2026/27 BP&B is developed in accordance with section 123 of the <i>Local Government Act 1999</i> (SA), and sections 6 and 7 of the <i>Local Government (Financial Management) Regulations 2011</i> .
Opportunities	The BP&B process is a key way in which Council shares information and seeks the views and feedback of the community to inform its decision making, supporting transparent and accountable governance.
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 Budget Allocation	The 2026/27 BP&B provides the budget for the 2026/27 financial year.
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

Background

1. The *Local Government Act 1999* (SA) (the Act) requires that an annual Business Plan and Budget (BP&B) must be drafted by Council, consulted on with the community and adopted annually by Council after 31 May for the ensuing financial year, and, except in a case involving extraordinary administrative difficulty, before 15 August for the financial year.
2. The 2026/27 BP&B has been developed within the context of the City of Adelaide being South Australia's Capital City Council and a city in nationally heritage-listed Park Lands that welcomes over 350,000 visitors daily, supports over 13,000 local businesses and that is home to more than 30,100 residents.
3. The 2026/27 BP&B is the final BP&B for this Council and the third BP&B that delivers on the City of Adelaide Strategic Plan 2024-2028, which was adopted by Council in December 2023, with the vision of "Our Adelaide. Bold. Aspirational. Innovative."
4. Once adopted, the Administration will commence delivery and implementation of the BP&B and will report progress and achievements to Council on a quarterly basis. This is an important transparency and accountability measure to ensure the community and Council have assurance on the outcomes for the community and that services continue to be delivered to expected standards.

Developing the 2026/27 BP&B

5. Council Members have given thorough and robust consideration to the Draft 2026/27 BP&B through a series of engagements, including CEO briefings, workshops and reports.
6. The 2026/27 BP&B was built on agreed financial principles and prioritises the delivery of our services and infrastructure upgrades accordingly. The financial principles which underpin the 2026/27 BP&B are summarised below:
 - 6.1. Adopting fees and charges that are fair and equitable and reflect the cost of services provided.
 - 6.2. Continuing delivery of at least a minimum of the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI).
 - 6.3. Maintain the current rating system and operating surplus.
 - 6.4. Capitalise on external funding, fast-tracking projects that attract such funding, recognising the potential need for increased borrowings in order to respond to external funding opportunities which require matched funding.
 - 6.5. Funding new or enhanced services, assets or maintenance that require an increase in operating costs from the adjustment of priorities, rate or other revenues, and/or through savings – not from borrowings.
 - 6.6. Capital renewal expenditure will be based on asset management plans and prioritised based on audit condition and risk.
 - 6.7. Borrowings will be used to fund new and upgrade projects (which include major projects) and will not be used to fund operations, expenses or renewal projects.
 - 6.8. Short-term borrowings will be used to fund the Asset Renewal Repair Fund (from 2025/26 through to 2027/28), to ensure the increased spending required through the revised Asset Management Plans can be spread over a longer period to meet community expectation, and their capacity to pay is managed over time through sustainable rate increases.
 - 6.9. Capital enhancements (new and upgrade) in line with Council decisions to fund main street revitalisations, greening and upgrades to Park Lands buildings

Priorities for 2026/27

7. The 2026/27 BP&B focuses on delivering the City of Adelaide Strategic Plan 2024-2028 by prioritising the following Key Actions:

Our Community

- 7.1. Enable community-led services which increase wellbeing, social connections and participation in active lifestyles, leisure, recreation and sport.
- 7.2. Elevate the City's reputation for exceptional and unique arts and cultural experiences by encouraging and providing arts, culture and events partnerships, grants and sponsorship opportunities.

Our Environment

- 7.3. Continue the support for the Kadaltilla/ Adelaide Park Lands Authority Subsidiary and the delivery of the Kadaltilla Charter and Business Plans.
- 7.4. Lead and advocate for the environmental value, productivity, quality and biodiversity of the Park Lands, squares, open space and streetscapes.

Our Economy

- 7.5. Continue the support for the Adelaide Central Market Authority (ACMA) Subsidiary and the delivery of the ACMA Charter and Business Plans.
- 7.6. Continue the support for the Adelaide Economic Development Agency (AEDA) Subsidiary and the delivery of the AEDA Charter and Business Plans.

Our Places

- 7.7. Maintain and improve disability, LGBTQIA+ and vulnerable or minority group access and inclusion.
- 7.8. Work with partners to support safer road user behaviour.

Our Corporation

- 7.9. Demonstrate bold capital city leadership and robust governance with our community at the heart of our decisions.
- 7.10. Work with local, national and international partners to deliver the outcomes of the Strategic Management Framework to move our city into the future.

Repairing Council's Budget Position

8. To drive the delivery of the Strategic Plan 2024-2028 and our diverse range of strategies, there is a continued focus on budget repair after continued financial pressures that have impacted our ability to renew assets, upgrade infrastructure and provide core community services.
9. For the 2026/27 BP&B, Council intends to address this through:
 - 9.1. A focus on delivery of key projects and infrastructure upgrades within the Strategic Plan 2024-2028
 - 9.2. Delivery of core council services
 - 9.3. Delivery of a financially sustainable budget with an equitable approach to income generation, in line with our Long-Term Financial Plan
 - 9.4. Delivery of an operating position to service our debt and meet the ongoing cost requirements of our Asset Management Plans, working towards a target of 100% asset renewals
 - 9.5. A moderate rate increase based on CPI that supports the community and businesses during this period of economic instability
 - 9.6. Prioritising our operational budget, grants and sponsorships and where there are opportunities to partner with other levels of Government, seek co-funding.
10. In addition, Council has reviewed its fees and charges, and in this budget will undertake changes to the approach to administering some fees, while increasing other fees consistent with increased costs to deliver services and meet inflationary increases.

Council's Budget Position

11. Consistent with these principles of responsible financial management, the 2026/27 BP&B delivers an operating surplus position of \$4.976 million from our core operating budget, as follows:
 - 11.1. Total operating income of \$269.781 million
 - 11.2. Total operating expenditure (including depreciation) of \$264.805 million
12. A proposed capital program of \$111.422 million is outlined within the plan, inclusive of a \$68.825 million asset renewal program, to deliver on many of the priorities set by Council.
13. A suite of key financial sustainability indicators (KFIs) is used to measure Council's financial performance, to guide decision making on major projects and to secure its continued financial sustainability. Three nationally recognised financial sustainability indicators have been adopted in principle by local government in Australia and are utilised by City of Adelaide. These are:

- 13.1. The Operating Surplus Ratio between 0% and 20% (2026/27 budget 1.8%)
- 13.2. The Net Financial Liabilities Ratio less than 80% (2026/27 budget 36%)
- 13.3. The Asset Renewal Funding Ratio between 90% and 110% (2026/27 94.6%)
- 14. Borrowings are projected to increase by \$35.516 million to \$81.344 million at the end of the financial year, as a result of the capital program delivery. This remains within prudential limits (the suite of ratios Council uses to assess prudential borrowings) being:
 - 14.1. Asset Test Ratio below 50% (2026/27 budget 25.8%)
 - 14.2. Interest Expense Ratio below 10% (2026/27 budget 1.9%)
 - 14.3. Leverage Test Ratio below 1.5 years (2026/27 budget 0.51 years)
- 15. All KFI's in the 2026/27 Business Plan and Budget are within the approved targets.
- 16. The Operating Surplus Ratio (1.8%), whilst within the target range (0%-20%), is considered to be at risk.

Opportunities and Risks

- 17. The 2026/27 BP&B presents a compelling investment program to deliver for our city and community. Appropriate consideration has been given to a range of risks to delivery. Although not an exhaustive list, such risks include:
 - 17.1. Challenging procurement market
 - 17.2. Challenging recruitment market
 - 17.3. Challenging materials and contractor availability
 - 17.4. Capacity of existing resources to address an infrastructure focus

Subsidiary Budget

- 18. Council owns and operates three subsidiaries as a part of its operations. They are included in the business plan and budget as follows:
 - 18.1. Adelaide Central Market Authority (ACMA) has prepared a budget with an overall operating deficit of \$3.383 million (inclusive of Strategic Projects of \$2.660 million). The deficit comprises a business as usual operating deficit of \$0.723 million, in addition to investment of \$2.660 million in activities preparing for the market expansion. Further detail on the activities and detailed budget can be found in ACMA's 2026/27 Business Plan and Budget (**Attachment B**).
 - 18.2. Adelaide Economic Development Agency (AEDA) has prepared a budget to deliver a range of programs designed to stimulate the city's economic growth. The budgeted income of \$4.612 million generated from Rundle Mall will be utilised specifically to support and promote the Rundle Mall Precinct. The remaining services delivered by AEDA are funded through the City of Adelaide through an appropriation of funds. AEDA has prepared a budget with an overall operating expenditure of \$14.700 million (inclusive of Strategic Projects of \$0.914 million). Further detail on the activities and detailed budget can be found in AEDA's 2026/27 Business Plan and Budget (**Attachment C**).
 - 18.3. Kadaltilla / Adelaide Park Lands Authority has prepared a break-even budget, largely funded through an external grant. Further detail on the activities and detailed budget can be found in Kadaltilla's 2026/27 Business Plan and Budget (**Attachment D**).
 - 18.4. In addition to the owned and operated subsidiaries, contributions to the Brown Hill Keswick Creek Stormwater Board include minor operational \$0.179 million and capital \$0.320 million budgets.

Community Consultation

- 19. At its meeting on 28 April 2026, Council approved the Draft 2026/27 BP&B for the purpose of public consultation, which commenced 5 May 2026 and concluded 26 May 2026.
- 20. The public consultation activities undertaken exceeded statutory requirements and offered a range of engagement methods for our community to consider Council's 2026/27 Draft BP&B and provide feedback.
- 21. During the consultation period, Council received:
 - 21.1. 226 Our Adelaide survey forms
 - 21.2. 17 written submissions via emails or letters
 - 21.3. One verbal submission
 - 21.4. Four community members spoke to Council at its public meeting on 26 May 2026

- 21.5. Approximately 55 interactions with community members at the four in-person sessions at the Meander Market – North Adelaide, Hutt Street Library, Adelaide Central Market and the City Library.
 22. Key themes of the submissions and responses related to:
 - 22.1. Active, transport, movement and accessibility
 - 22.2. Rates, fees and cost of living
 - 22.3. Park Lands, environment and greening
 - 22.4. Social and community development, including wellbeing and inclusion
 - 22.5. Core services, maintenance and amenity.
 23. Further detail is available within the report considered by Council at its meeting on 9 June 2026 [\[Link 1\]](#)
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DATA AND SUPPORTING INFORMATION

[Link 1](#) Council Report – 2026/27 Business Plan & Budget – Receipt of Consultation Submissions

ATTACHMENTS

Attachment A - 2026/27 Business Plan & Budget

Attachment B - 2026/27 ACMA Business Plan & Budget

Attachment C - 2026/27 AEDA Business Plan & Budget

Attachment D - 2026/27 Kadaltilla / Adelaide Park Lands Authority Business Plan & Budget

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