Councillor Martin - QoN - City Growth

Tuesday, 28 July 2026
Council

Council Member
Councillor Phillip Martin

Public

Contact Officer:
Anthony Spartalis, Chief Operating Officer

QUESTION ON NOTICE

Councillor Phillip Martin will ask the following Question on Notice:

'Could the Administration confirm that income received by the City of Adelaide has increased by $65 million dollars a year in the term of the current Council and, in relation to any additional revenue;

1. What is the proportion of the that revenue driven by CPI or other inherent cost escalations
2. What has been the increase in the same period in residential rate growth, business rate growth or growth in any other rateable category
3. What is the estimated cost of delivering maintenance, services and facilities to accommodate this growth and
4. Based on the experience since the end of 2022, what is the Administration's best estimate of the number of residents and businesses in the City of Adelaide by 2026?'

REPLY

1. Income received by the City of Adelaide has not increased by $65 million dollars a year in the term of the current Council. It has increased by $54.296m – from $215.485m to $269.781m – during that period (2022/23 – 2026/27). It should be noted that the increase has been incremental annually, over a range of different factors. Figures below:

	Actual 2022/23	Actual 2023/24	Actual 2024/25	Q3 Forecast 2025/26	Budget 2026/27
Revenue					
Rates	124,957	135,538	144,084	154,908	165,626
Fees & Charges	79,076	90,033	88,578	92,755	98,334
Grants	7,696	8,638	6,820	6,892	4,717
Other Income	3,756	4,199	3,708	1,309	1,104
Total Revenue	**215,485**	**238,408**	**243,190**	**255,864**	**269,781**
% Change		10.6%	2.0%	5.2%	5.4%
Expenses					
Employee Costs	72,478	77,786	80,062	91,249	97,796
Materials, Contracts, etc	87,226	96,247	92,246	90,907	98,155
Depreciation	53,137	55,008	60,332	62,751	66,075
Finance Costs	952	891	1,075	2,416	2,779
Total Expenses	**213,793**	**229,932**	**233,715**	**247,323**	**264,805**
% Change		7.5%	1.6%	5.8%	7.1%
Operating Surplus	**1,692**	**8,476**	**9,475**	**8,541**	**4,976**

2. What is the proportion of the that revenue driven by CPI or other inherent cost escalations?

2.1. Revenue has increased by 25.2% across the current Council term, equivalent to an average increase of approximately 6% per annum. This increase reflects a combination of factors, including:

2.1.1. Annual rate revenue increases (based on CPI);

2.1.2. Growth in the number of rateable properties;

2.1.3. Budget repair measures adopted by Council (to lift investment in assets given the previous under-investment noted by ESCOSA in its February 2025 advice (illustrative example from the ESCOSA advice: "Over the 10 years to 2022-23, the Council accumulated an operating deficit of $24.6 million and an annual average ARFR of 73.9 per cent, signifying an underspend on asset renewals.");

2.1.4. Increases in the volume of fees and charges collected; and

2.1.5. Growth in other revenue sources.

2.2. Over the same period, cumulative CPI growth is estimated at 21.3%. As Council income is derived from multiple revenue streams, it is not possible to precisely attribute a proportion of the total increase solely to CPI or inherent cost escalation factors.

2.3. Note that adding 3.8% property growth recorded in the period 2022/23 – 2026/27 to the 21.3% CPI increase over the same period essentially accounts for the 25.2% revenue increase noted in 2.1 above. That is – revenue growth has effectively comprised CPI increase plus property growth.

3. What has been the increase in the same period in residential rate growth, business rate growth or growth in any other rateable category?

3.1. Revenue raised from residential rates increased from $29.4 million in 2022/23 financial year to a projected $40.4 million in the 2026/27 financial year, representing growth of $11 million (37.4%).

3.2. Revenue raised from business rates increased from $89.6 million in 2022/23 financial year to a projected $118.5 million in the 2026/27 financial year, representing growth of $28.9 million (32.3%).

4. What is the estimated cost of delivering maintenance, services and facilities to accommodate this growth?

4.1. Operating expenditure is projected to increase by 23.9% across the Council term, from $216.793 million in 2022/23 to $264.805 million in 2026/27.

4.2. This increase reflects a range of factors including inflationary pressures, employee costs (through Enterprise Agreement and service changes), contracted services, utility costs, asset maintenance requirements and growth-related service demand. Over the same period, cumulative CPI growth is estimated at 21.3%.

4.3. It is not possible to identify accurately the separate proportion of operating expenditure directly attributable to growth in resident and business numbers, as Council services and infrastructure support the broader community and visitor population.

5. <u>Based on the experience since the end of 2022, what is the Administration's best estimate of the number of residents and businesses in the City of Adelaide by 2026?</u>

5.1. Based on Council's rateable property records, the number of residential properties has increased from 16,712 in 2022/23 to 17,350 in 2026/27, representing growth of 638 (3.8%).

5.2. The number of non-residential properties has increased from 10,013 in 2022/23 to 10,393 in 2026/27, representing growth of 380 (also 3.8%).

5.3. Based on Forecast.id population estimates, the resident population of the City of Adelaide increased from 26,314 residents at 30 June 2022 to 30,173 residents at 30 June 2025, representing growth of 3,859 residents (14.7%) over the period. The resident population is forecast to increase to approximately 31,000 residents by 2027.

5.4. Based on Forecast.id business data, the number of registered businesses in the City of Adelaide increased from 12,246 businesses at 30 June 2022 to 12,975 businesses at 30 June 2025, representing growth of 729 businesses (6.0%) over the period.

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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