2026-36 Long Term Financial Plan - Draft for Public Consultation

Strategic Alignment - Our Corporation

Public

Tuesday, 14 August 2026
Audit and Risk Committee

Program Contact:
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Approving Officer:
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EXECUTIVE SUMMARY

This report presents the Draft 2026/27 - 2035/36 Long Term Financial Plan for the Audit and Risk Committee's consideration for the purposes of public consultation.

The Draft 2026/27 - 2035/36 Long Term Financial Plan (LTFP) demonstrates that the City of Adelaide can maintain long-term financial sustainability while continuing to invest in critical infrastructure, community assets and strategic initiatives. The Draft LTFP has been developed in alignment with Council's Strategic Plan, Infrastructure and Asset Management Plans, 2026/27 Annual Business Plan and Budget, and adopted financial principles.

Key outcomes of the Draft LTFP include:

- Financial sustainability is maintained over the ten-year planning period through ongoing operating surpluses, responsible expenditure management and sustainable revenue growth.
- Asset renewal funding progressively improves, with the Asset Renewal Funding Ratio increasing to 100% by 2031/32, ensuring infrastructure is renewed at the rate it is consumed and reducing the risk of future asset deterioration.
- Approximately $849 million in asset renewal expenditure is forecast over the life of the Draft LTFP, together with approximately $142 million in new and upgraded assets, supporting community services, economic activity and city growth.
- Borrowings remain within Council's adopted prudential limits throughout the LTFP period and continue to be used appropriately to fund long-lived assets that deliver benefits across multiple generations.
- Significant asset renewals remain the most material long-term financial challenge, including Adelaide Bridge, Torrens Weir and Rundle UPark. The Draft LTFP adopts a conservative position by assuming these projects are funded by Council unless external funding is secured.
- Advocacy for State and Federal funding remains a priority, recognising the regional and state significance of several major infrastructure assets and the substantial benefits external contributions could deliver to Council's long-term financial position.
- Opportunities to strengthen financial resilience are actively being pursued, including strategic property initiatives, investment through the Future Fund, growth in the city rate base, and productivity improvements through digital transformation and artificial intelligence.

Overall, the Draft Long Term Financial Plan provides a balanced and sustainable pathway that supports the ongoing delivery of services, responsible stewardship of community assets, and investment in Adelaide's future while maintaining affordability, financial flexibility and resilience.

RECOMMENDATION

The following recommendation will be presented to Council on 25 August 2026 for consideration

THAT AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes Audit and Risk Committee feedback on the Draft 2026/27 - 2035/36 Long Term Financial Plan document set out in **Attachment A** to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee on 14 August 2026.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation The Long Term Financial Plan is one of the City of Adelaide's legislatively required Strategic Management Plans. It is a fundamental part of responsible management and reporting of City finances and underpins the City's financial sustainability.
Policy	The Draft 2026/27 - 2035/36 Long Term Financial Plan has been prepared in accordance with the 2026/27 Business Plan and Budget and all endorsed Financial Policies.
Consultation	A public consultation on the Draft 2026/27 - 2035/36 Long Term Financial Plan will open at 9.00am on Wednesday 26 August 2026 and close 11.59pm Tuesday 15 September 2026.
Resource	The 2026/27 Business Plan and Budget and Draft 2026/27 to 2035/36 Long Term Financial Plan identifies how Council's resources will be allocated in meeting the 2026/27 deliverables and objectives of the Strategic Plan.
Risk / Legal / Legislative	Council is required under the *Local Government Act 1999 (SA)* to develop and maintain a Long Term Financial Plan as part of its suite of Strategic Management Plans. The Draft LTFP has been prepared to support Council in meeting these statutory obligations. Failure to maintain a contemporary Long Term Financial Plan may reduce Council's ability to effectively assess long-term affordability, infrastructure funding requirements and emerging financial risks. The Draft LTFP assists Council in identifying and managing long-term financial, operational and infrastructure risks while supporting informed decision-making.
Opportunities	Public consultation will provide the community with an opportunity to provide feedback on the Draft LTFP. Community members can provide feedback on issues that affect them with the commitment of Council to provide pathways for their input.
26/27 Budget Allocation	Not as a result of this report
Proposed 27/28 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
26/27 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 Long Term Financial Plan (LTFP) is one of Council's key Strategic Management Plans. The LTFP projects Council's financial performance, position and cashflows over a ten-year period and assists Council in evaluating the affordability and sustainability of future decisions.
2. As South Australia's capital city council, the City of Adelaide is responsible for maintaining significant public infrastructure and delivering services that support residents, business workers, students, and visitors. The scale and complexity of these responsibilities require long-term planning to ensure financial sustainability is maintained while responding to changing community needs and external pressures.
3. The Draft LTFP has been prepared based on Council's adopted strategic priorities, current service levels, asset management requirements and a range of economic and financial assumptions relating to inflation, growth, workforce costs and interest rates.

Financial Sustainability

4. The Draft LTFP continues Council's focus on maintaining financial sustainability and building upon the improvements achieved through previous budget repair initiatives. The Draft LTFP adopts a long-term approach to balancing operating performance, infrastructure investment, debt affordability and service delivery requirements.
5. The Draft LTFP has been developed in accordance with Council's financial principles, including intergenerational equity, transparent decision making, appropriate use of borrowings and sustainable asset renewal funding.
6. The financial projections indicate that Council can maintain positive long-term financial outcomes while responding to increasing infrastructure renewal requirements and continuing to invest in strategic priorities.

Asset Renewal and Infrastructure Investment

7. A key feature of the Draft LTFP is the funding pathway established to address the asset renewal requirements identified through the adopted Infrastructure and Asset Management Plans. The Draft LTFP progressively increases funding for asset renewal and is forecast to achieve a 100% Asset Renewal Funding Ratio by 2031/32.
8. The Draft LTFP includes investment in the renewal and maintenance of roads, footpaths, buildings, parks, public spaces and other community infrastructure, together with provision for significant future renewals including Adelaide Bridge, Torrens Weir and Rundle UPark.
9. Over the ten-year period, the Draft LTFP includes approximately $849 million in asset renewal expenditure and approximately $142 million for identified new and upgraded assets.

Revenue and Borrowings

10. The Draft LTFP assumes rates revenue growth broadly aligned with inflation while incorporating development growth and targeted increases necessary to support long-term asset renewal funding requirements. This approach seeks to balance affordability considerations with Council's responsibility to maintain services and infrastructure.
11. Borrowings continue to be used as an appropriate funding mechanism for major infrastructure projects and long-lived assets that provide benefits across generations. Projected debt levels remain within Council's adopted prudential limits throughout the period of the Draft LTFP.

Risk and Opportunities

12. The Draft LTFP identifies a range of risks and opportunities that may impact future financial outcomes, including inflation, workforce costs, construction cost escalation, interest rate movements, legislative reform and availability of external funding.
13. The Draft LTFP also identifies opportunities to improve long-term financial resilience through strategic property initiatives, future fund investments, digital transformation, productivity improvements and continued advocacy for external funding contributions toward major infrastructure projects.

Key Outcomes

14. The Draft 2026/27 - 2035/36 Long Term Financial Plan demonstrates that the City of Adelaide can maintain long-term financial sustainability while continuing to invest in critical infrastructure, community assets and

strategic city-shaping initiatives. The Draft LTFP has been developed in alignment with Council's Strategic Plan, Infrastructure and Asset Management Plans, 2026/27 Annual Business Plan and Budget, and adopted financial principles.

15. Key outcomes of the Draft LTFP include:

    15.1. Financial sustainability is maintained over the ten-year planning period through ongoing operating surpluses, responsible expenditure management and sustainable revenue growth.

    15.2. Asset renewal funding progressively improves, with the Asset Renewal Funding Ratio increasing to 100% by 2031/32, ensuring infrastructure is renewed at the rate it is consumed and reducing the risk of future asset deterioration.

    15.3. Approximately $849 million in asset renewal expenditure is forecast over the life of the Draft LTFP, together with approximately $142 million in new and upgraded assets, supporting community services, economic activity and city growth.

    15.4. Borrowings remain within Council's adopted prudential limits throughout the planning period and continue to be used appropriately to fund long-lived assets that deliver benefits across multiple generations.

    15.5. Significant asset renewals remain the most material long-term financial challenge, including Adelaide Bridge, Torrens Weir and Rundle UPark. The Draft LTFP adopts a conservative position by assuming these projects are funded by Council unless external funding is secured.

    15.6. Advocacy for State and Federal funding remains a priority, recognising the regional and state significance of several major infrastructure assets and the substantial benefits external contributions could deliver to Council's long-term financial position.

    15.7. Opportunities to strengthen financial resilience are actively being pursued, including strategic property initiatives, investment through the Future Fund, growth in the city rate base, and productivity improvements through digital transformation and artificial intelligence.

16. Overall, the Draft LTFP provides a balanced and sustainable pathway that supports the ongoing delivery of services, responsible stewardship of community assets, and investment in Adelaide's future while maintaining affordability, financial flexibility and resilience.

Consultation Process

17. Audit and Risk Committee feedback on the draft LTFP is sought at this meeting and will be provided back to Council.

18. The LTFP's guiding principles and assumptions were discussed in the Audit and Risk Committee through a workshop at its 12 June 2026 meeting.

19. Following the approval of Council, the Draft 2026/27 - 2035/36 Long Term Financial Plan will be placed on public consultation for a period of 21 days – from 9.00am on Wednesday 26 August to 11.59pm Tuesday 15 September 2026.

Next Steps

20. Council will undertake public consultation in accordance with Council's consultation policy and guidelines.

21. At its meeting of 22 September 2026, Council will be provided a report that summarises community feedback received through consultation.

22. At its meeting on 20 October 2026, City Finance and Governance Committee will receive a report with the recommendation that Council at its 27 October 2026 meeting adopt the Draft LTFP (including any updates incorporated from the consultation).

ATTACHMENTS

Attachment A – Draft 2026/27 - 2035/36 Long Term Financial Plan

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