



# AUDIT AND RISK COMMITTEE

## Agenda and Reports

for the meeting on

Friday, 6 February 2026

at 9.00 am

in the Colonel Light Room, Adelaide Town Hall

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Our Adelaide.  
**Bold.**  
**Aspirational.**  
**Innovative.**

AUDIT AND RISK COMMITTEE  
Meeting Agenda, Friday, 6 February 2026, at 9.00 am

Membership	The Lord Mayor (ex-officio) 1 Council Member 4 External Independent Members 2 Proxy Council Members
Quorum	3
Presiding Member	Nicolle Rantanen Reynolds
Committee Members	The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio) Mark Davies Matthew Fletcher John Jovicevic Councillor Janet Giles

## Agenda

Item	Pages
<b>1. Acknowledgement of Country</b>	
'Council acknowledges that we are meeting on traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.	
And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.'	
<b>2. Apologies and Leave of Absence</b>	
Nil	
<b>3. Confirmation of Minutes</b>	
That the Minutes of the meeting of the Audit and Risk Committee held on 27 November 2025, be taken as read and be confirmed as an accurate record of proceedings.	
View public 27 November 2025 Minutes <a href="#">here</a> .	
<b>4. Declaration of Conflict of Interest</b>	
<b>5. Presiding Member Reports</b>	
<b>6. Reports</b>	
<b>6.1</b> 2025-26 End of Year Financial Reporting Process & External Timetable	4 - 50
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<b>6.4</b> 2026/27 BP&B – priorities, parameters, assumptions and current position	80 - 98
<b>6.5</b> 2025/26 Business Plan & Budget Q2 Review	99 - 193
<b>6.6</b> Unsolicited Proposals Policy and Guideline	194 - 213
<b>6.7</b> Internal Audit Progress Report	214 - 219

- 7. Emerging Key Risks**
- 8. Independent Member Discussion**
- 9. Other Business**
- 10. Exclusion of the Public** 220 - 221

In accordance with sections 90(2),(3) and (7) of the *Local Government Act 1999* (SA) the Audit and Risk Committee will consider whether to discuss in confidence the reports contained within section 11 of this Agenda.

- 11. Confidential Item**
- 11.1 Activity of Strategic Risk and Internal Audit Group [S90(3) (i)] 222 - 231
- 12. Closure**

# Agenda Item 6.1

## 2025-26 End of Year Financial Reporting Process & External Timetable

Strategic Alignment - Our Corporation

**Program Contact:**

Nicole Van Berkel, Manager  
Financial Planning & Reporting

Public

**Approving Officer:**

Anthony Spartalis, Chief  
Operating Officer

## EXECUTIVE SUMMARY

This report seeks Audit and Risk Committee endorsement of the External Audit terms of engagement, provisional timetable and audit plan.

The *Local Government Act 1999* (SA) and the *Local Government (Financial Management) Regulations 2011* require an audit opinion assuring that the Council financial statements have been prepared in accordance with Australian Accounting Standards, together with an opinion on financial internal controls. Galpins has been engaged as the audit firm to provide an opinion on the veracity of the Annual Financial Statements.

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THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the endorsement by the Audit and Risk Committee that the External Audit Plan, as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026, is consistent with the scope of the External Audit engagement and relevant legislation and standards.
2. Approves the proposed 2025-26 End of Year Financial Reporting process and External Audit Timetable as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
3. Notes the External Auditor's independence declaration in relation to the audit engagement for the year ended 30 June 2026 as detailed in Attachment B to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
4. Approves the External Audit Letter of Engagement as contained in Attachment B to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
5. Authorises the certification of the financial statements, in their final form, to be signed by the Chief Executive Officer and the principal member of Council as set out in Part 4 (14) of the Regulations.

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# IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<b>Strategic Alignment – Our Corporation</b> Financial sustainability is critical to achieving our vision and Council will carefully manage its revenue, costs, debts and assets.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Regulation 10 of the <i>Local Government (Financial Management) Regulations 2011</i>
Opportunities	Not as a result of this report
25/26 Budget Allocation	The external Audit Fees of \$82,000 are fully budgeted for in Operating Expenditure
Proposed 26/27 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
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

1. The objective and scope of the external audit and audit obligations are established by the *Local Government Act 1999* (SA) (the Act) and *Local Government (Financial Management) Regulations 2011* (the Regulations). Specifically, the conduct of the annual external audit is set out in Section 129 of the Act, while the Regulations also refer to auditing standards and consideration of internal controls. The Act also requires a separate report on matters arising from the audit report be provided to the Audit and Risk Committee, as well as the principal member of Council, who must ensure that copies are provided to the other members of Council.
2. The Australian Auditing Standards recommends that the auditor sends an engagement letter documenting and confirming the auditor's acceptance of the appointment, objectives and scope, the auditor's responsibilities and the form of any reports. The Letter of Engagement received from Galpins has been included as **Attachment B**, with example reports included as **Attachment C** (Independent Auditor's Report on the Financial Report) and **Attachment D** (Assurance Report on the Internal Controls) .
3. Under the Regulations, the financial statements of the Council must include a certification of financial statements, in a form determined by the Minister, signed by the Chief Executive Officer and the principal member of the Council as set out in Part 4 (14) of the Regulations.
4. There is further requirement under section 126(4) of the Act for the Audit and Risk Committee to review the annual financial statements to ensure that they fairly represent the state of affairs of the Council.
5. The Audit and Risk Committee Terms of Reference state that the Audit and Risk Committee shall oversee the relationship with the External Auditor, including, but not limited to:
  - 5.1. Recommending the approval of the External Audit terms of engagement.
  - 5.2. Endorsing the External Audit Timetable and the Annual External Audit Plan.
  - 5.3. Assess the external auditor's independence and objectivity.
  - 5.4. Meet with the External Auditor at least once a year, without management present.
  - 5.5. Review findings of the External Audit with the External Auditor.
  - 5.6. Review the effectiveness of the External Audit and oversee actions to follow up on matters raised by the External Auditor.
6. A provisional timetable has been prepared, setting out the key dates to ensure end of year reporting is completed in a timely and efficient manner.
7. Galpins is scheduled to carry out their interim internal control and financial statement testing during the period 27 April to 16 May 2026.
8. The final audit concentrating on Council's Financial Statements will be carried out during the period 10 August to 28 August 2026.
9. The purpose of the External Audit is primarily to enable the External Auditor to express an opinion on the veracity of the Annual Financial Statements and financial internal controls. It is standard practice of the External Auditor to plan and organise the External Audit independently of management. A copy of Galpins' proposed External Audit Plan is included as **Attachment A**.
10. The Audit and Risk Committee's Terms of Reference require that the Committee meet the External Auditor at least once a year, without management being present, to discuss their merit and any issues arising from the External Audit. In line with the proposed audit timetable, the September 2026 meeting which will receive the Auditor's Report is considered an appropriate forum for this meeting to occur.
11. The External Auditors are required to provide a report on matters arising from the audit including management's comments on those issues, where applicable. This report will be provided to the Audit and Risk Committee for consideration. The Audit and Risk Committee's Terms of Reference also require the Committee to review any Letter of Representation that the External Auditors may wish to be signed by the Chief Executive Officer, on Council's behalf. Subject to any outstanding issues in relation to the External Audit being resolved on a timely basis, it is proposed to sign the Annual Financial Statements together with the required Letter of Representation following the Audit and Risk Committee meeting in September 2026.
12. The final report for presentation to Council of the Financial Statements is planned for the meeting of Council scheduled in September 2026.

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## ATTACHMENTS

**Attachment A** – Annual External Audit Plan

**Attachment B** – Letter of Engagement – Financial Statements and Internal Controls

**Attachment C** – Example Independent Auditor's Report on the Financial Report

**Attachment D** – Example Assurance Report on the Internal Controls

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- END OF REPORT -



Accountants, Auditors & Business Consultants

## 2025/26 External Audit Plan

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## 1. AUDIT SCOPE

### ***Applicable Financial Reporting Framework***

The financial report of City of Adelaide and its subsidiaries (together referred to in this plan as the Council) is a general purpose financial report. The financial report prepared by council comprises the consolidated Statement of Comprehensive Income, a consolidated Statement of Financial Position, a consolidated Statement of Changes in Equity, a consolidated Statement of Cash Flows, notes disclosures and certification of the financial statements.

The financial report is prepared in compliance with section 127 of the *Local Government Act 1999*, in accordance with relevant Australian Accounting Standards and in accordance with the requirements set out in the Model Financial Statements (as required by the *Local Government (Financial Management) Regulations 2011*).

### ***Opinion on the Financial Report***

The financial statements prepared for each financial year must be audited by the council's auditor as required by section 127(3) of the *Local Government Act 1999*. The auditor must provide to the council an opinion with respect to the financial statements (s129(3)(a)).

We are to provide an opinion as to whether council financial report presents fairly, in all material aspects, the financial position of the council as at the end of current financial year, and its financial performance and its cash flow for the year ended on that date in accordance with the *Australia Accounting Standards, Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

### ***Opinion on the Internal Controls***

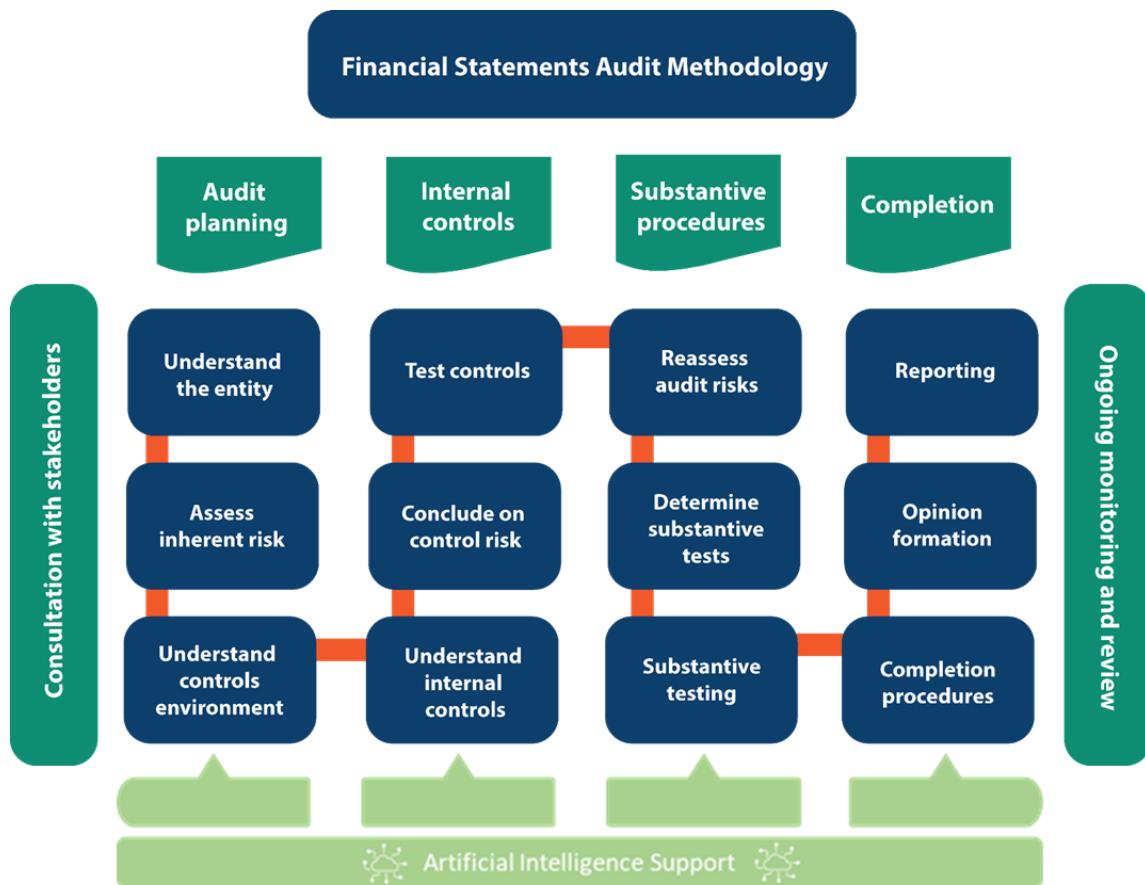
Section 125(1) requires council to ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records. The auditor must provide audit opinion as to whether the controls audited are sufficient to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with the law (s129(3)(b)).

Section 125(2) of the Act, in conjunction with section 10A of the Local Government (Financial Management) Regulations 2011, requires internal financial controls of council to be designed and implemented in accordance with the *Better Practice Model – Internal Financial Controls*.

We are to provide an opinion whether council has complied, in all material aspects, with section 125 of the *Local Government Act 1999* only as it relates to financial internal controls established by Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with law for the period being audited.

## 2. AUDIT METHODOLOGY

The Galpins Audit Methodology is a risk-based methodology consisting of four main stages – Audit Planning, Internal Controls, Substantive Procedures and Completion. Further detail regarding these stages is provided below.



Our audit methodology incorporates all the key elements of a traditional audit approach, enhanced with the addition of modern audit techniques and artificial intelligence technology to create our own unique, industry leading methodology.

The stages are managed in an environment of ongoing monitoring and review and consultation with stakeholders.

## Audit planning

*The objective of the audit planning stage is to develop an understanding of the entity, its unique characteristics and requirements, allowing us to tailor our audit approach accordingly.*

- We research and document the entity's industry, regulatory environment, legislative responsibilities, financial reporting environment and internal governance arrangements.
- We perform analytical review, carry out structured interviews with management and other relevant staff and conduct walkthroughs to gain an understanding of the internal controls at the entity level and the financial reporting process.
- Based on this knowledge, we identify and rank the risks of material misstatement, fraud, and non-compliance with legislation
- Materiality for the engagement is determined for the financial statements as a whole; for individually significant items, and a threshold for clearly trivial differences is also established.
- The overall audit strategy is then developed, and audit procedures defined to achieve an efficient and effective audit approach to mitigate identified risks.

## The Galpins Difference

Through our roles in leadership positions for industry groups and Audit and Risk Committees, and the significant breadth and depth of our **specialist experience in local government**, Galpins is uniquely placed to provide **thought leadership and insights** to help your business. We benchmark financial performance, compare leading practices and emerging trends, and provide insights into common risks and opportunities.

## Internal controls

*We design and perform tests of internal controls to determine the risk of material misstatement in the financial statements, and add value by identifying opportunities for improvement in processes and controls.*

- Informed by the insights gained from our planning, we obtain an understanding of key internal financial controls and perform tests of design and effectiveness for these controls.
- We use the results of control testing to refine our assessment of the risks of material misstatement and design further audit procedures to reduce risk where necessary.
- We apply our significant experience in the design, implementation and audit of internal control environments and activities to identify opportunities for improvement in our clients' internal financial controls

## The Galpins Difference

Galpins utilises our own **award-winning** risk-based controls selection methodology to target our testing at the controls that are most important to the entity, providing a greater level of assurance that key financial controls are in place and functioning effectively.

## Substantive procedures

*Using the latest Artificial Intelligence Assisted Audit Techniques, we analyse every transaction in the financial ledger, supporting identification of high-risk transactions. Informed by insights gained from planning, controls testing and AI analysis, we design and perform tests of account balances and transaction streams.*

- We use cutting edge Artificial Intelligence Assisted Audit Techniques to risk-rate 100% of financial transactions in the general ledger, using at least 28 different criteria.
- We perform advanced anomaly detection and trend analysis using next-generation Artificial Intelligence Assisted data analytics layered with machine learning and natural language capabilities.
- The results of this analysis are combined with our own manual research and risk assessment techniques to identify specific high risk transactions to be tested, such as suspicious manual journals and payments, and provide insights into the financial health of the entity, performance trends, and other risk factors requiring audit attention.
- We design targeted substantive procedures, including analytical review and tests of detail, to address identified risks.
- The results of substantive testing performed during the audit are evaluated to determine the extent to which risks have been addressed. This enables us to develop a final assessment of the risk of material misstatement.

## The Galpins Difference

Galpins is an early adopter of **Artificial Intelligence Assisted Audit** technology, and is investing heavily to ensure we support the continuous improvement of the tools and remain at the forefront of this powerful new technology.

## Completion

*This stage consolidates all of the audit work performed during the previous stages to determine the appropriate audit opinion and report results to management and those charged with governance.*

- We evaluate the results of audit testing and determine whether adjustments to the financial statements are required.
- We review the final financial statements to provide support regarding the best presentation of these reports.
- Following discussions with management, we prepare a management letter/s providing relevant feedback on the entity's financial operations, performance, internal controls, and legislative compliance together with recommendations for improvements.
- Based on our final assessment of the risk of material misstatement, we issue an audit opinion regarding the presentation of the financial statements.

## The Galpins Difference

Galpins audit reporting provides **real assurance, not just a list of exceptions**. We provide an overall view of the effectiveness of your financial internal control environment, and visibility of changes over time. We are proud of the quality of our reporting, and are always improving. We aim to provide exceptional value to our clients by sharing our knowledge and insights, and providing **pragmatic, actionable recommendations** appropriate to council's unique characteristics.

### 3. SUMMARY AUDIT PLAN

#### Audit Plan Summary Table – Statement of Comprehensive Income – Income

Account balance	Key Business cycle	2025	2024	Key Audit Matter	Audit Approach	Inherent risk
Rates and charges	Rates	144,084	135,538	N/A	Controls and Substantive	High
Statutory charges	User Pay Income	17,193	15,598	N/A	Controls and Substantive	Moderate
User charges	User Pay Income	71,385	74,435	N/A	Controls and Substantive	High
Grants	Grants	6,820	8,638	Section 4.4	Controls and Substantive	Moderate
Investment Income	Investment Income	1,048	1,265	N/A	Substantive	Low
Reimbursements	Other revenue	1,659	1,639	N/A	Substantive	Low
Other Income	Other revenue	988	1,292	N/A	Substantive	Low
Net gain – equity accounted businesses	Other revenue	13	3	N/A	Substantive	Low
		243,190	238,408			

#### Audit Plan Summary Table – Statement of Comprehensive Income – Expenses

Account balance	Key Business cycle	2025	2024	Key Audit Matter	Audit Approach	Inherent risk
Employee costs	Payroll	80,062	77,786	N/A	Controls and Substantive	High
Materials, contracts and other expenses	Purch/Procurement and contracting	92,246	96,247	N/A	Controls and Substantive	High
Depreciation, amortisation and impairment	Fixed assets / Project costing	60,332	55,008	Sections 4.1/4.2/4.3	Controls and Substantive	High
Finance costs	Other expenses	1,075	891	N/A	Substantive	Low
Net loss – equity accounted businesses	Other expenses	-	-	N/A	Substantive	Low
		233,715	229,932			

#### Audit Plan Summary Table – Statement of Comprehensive Income – Other SCI items

Account balance	Key Business cycle	2025	2024	Key Audit Matter	Audit Approach	Inherent risk
Physical resources received free of charge	Fixed assets / Project costing	1,262	464	Sections 4.3	Controls and Substantive	Moderate
Asset disposal & fair value adjustments	Fixed assets	(11,547)	(6,160)	Sections 4.1/4.2	Controls and Substantive	High
Amounts received specifically for new/upgrade assets	Grants	4,703	5,521	Section 4.4	Controls and Substantive	Moderate
Changes in revaluation surplus - I,PP&E	Fixed assets	124,105	158,673	Sections 4.1/4.2/4.3	Controls and Substantive	High
Share of OCI - equity accounted council businesses	Other revenue	666	2,125	N/A	Substantive	Low
Impairment (expense) / recoupments offset to ARR	Fixed assets / Project costing	(11,424)	-	Sections 4.1/4.2/4.3	Controls and Substantive	High
Rehabilitation provision recognised directly in ARR	Fixed assets / Project costing	-	(4,950)	N/A	Substantive	Low
		(5,582)	(175)			

## Audit Plan Summary Table – Statement of Financial Position – Assets

Account balance	Key Business cycle	2025	2024	Key Audit Matter	Audit Approach	Inherent risk
Cash and cash equivalents	Banking	2,288	2,077	N/A	Controls and Substantive	High
Trade and other receivables current	Debtors	29,860	38,314	N/A	Controls and Substantive	Moderate
Inventories	Inventories	749	804	N/A	Substantive	Low
Other current assets	Other assets	45,500	18,500	N/A	Substantive	Moderate
Trade and other receivables non-current	Debtors	812	932	N/A	Controls and Substantive	Moderate
Equity accounted investments	Other assets	5,065	4,066	N/A	Substantive	Low
Other non-current assets	Other assets	87	26,153	N/A	Substantive	Low
Infrastructure, property, plant & equipment	Fixed assets / Project costing	2,159,705	2,009,872	Sections 4.1/4.2/4.3	Controls and Substantive	High
Investment property	Fixed assets / Project costing	4,705	3,065	Section 4.2	Controls and Substantive	Moderate
		2,248,771	2,103,783			

## Audit Plan Summary Table – Statement of Financial Position – Liabilities

Account balance	Key Business cycle	2025	2024	Key Audit Matter	Audit Approach	Inherent risk
Trade and other payables current	Accounts Payable	32,916	30,087	N/A	Controls and Substantive	High
Borrowings current	Borrowings	3,314	5,077	N/A	Substantive	Low
Provisions current	Provisions	13,877	18,858	N/A	Substantive	Moderate
Trade and other payables non-current	Accounts Payable	16,063	16,232	N/A	Controls and Substantive	High
Borrowings non-current	Borrowings	71,072	39,318	N/A	Substantive	Low
Provisions non-current	Provisions	2,076	1,998	N/A	Substantive	Moderate
		139,318	111,570			

## Audit Plan Summary Table – Statement of Financial Position – Equity

Account balance	Key Business cycle	2025	2024	Key Audit Matter	Audit Approach	Inherent risk
Accumulated surplus	Other business cycles	810,417	783,588	N/A	Substantive	Low
Asset revaluation reserves	Fixed assets / Project costing	1,284,676	1,171,995	Sections 4.1/4.2/4.3	Controls and Substantive	High
Other reserves	Equity	14,360	36,630	N/A	Substantive	Low
		2,109,453	1,992,213			

## 4. KEY AUDIT MATTERS

Key audit matters are those matters that, in the auditor's professional judgement, are of most significance in the audit of the financial report. We address these matters in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 4.1 Valuation of infrastructure assets

Why the matter is significant	Overall audit response
Infrastructure assets are valued at fair value, based on depreciated replacement costs which is comprised by the gross replacement cost less accumulated depreciation.	Our audit will include (where applicable) but is not limited to the following activities:
<p>Council values the gross replacement cost using the estimated average cost (unit cost) at which it could construct a substitute asset of comparable quality in the normal course of business. There is inherent subjectivity involved in making judgments in relation to assumptions used to estimate unit rates which also involved determining the:</p> <ul style="list-style-type: none"> <li>▪ components of assets that are replaced at different times in the asset lifecycle</li> <li>▪ costs required to replace these components using current prices for materials, labour, and plant costs</li> <li>▪ indices for measuring subsequent changes in unit rates (noting that council has recently begun applying indexation based on LGPI).</li> </ul>	<ul style="list-style-type: none"> <li>▪ reconciling closing balances to the asset register/s</li> <li>▪ reconciling the movements in note 7 to the asset register/s</li> <li>▪ reviewing methodology and supporting calculations for internally performed valuations</li> <li>▪ reviewing the basis for valuation used by external valuers</li> <li>▪ assessing the competence of external valuers (experts) in accordance with Australian Auditing Standards</li> <li>▪ performing analytical review of valuation reports to understand the drivers behind any significant changes in asset values</li> <li>▪ reviewing the fair value hierarchy disclosed in note 7 for each category of asset</li> <li>▪ reconciling the useful lives used to calculate the accumulated depreciation and depreciation for the period to revaluation reports</li> <li>▪ obtaining an understanding of the currency of asset condition data, and methodologies used to collect this data</li> <li>▪ reviewing useful lives for different components in comparison to condition data, other local government entities, and industry standards</li> <li>▪ performing a recalculation of depreciation</li> <li>▪ reviewing the methodology used by Council to perform componentisation of infrastructure assets and comparing the methodology used to Council's actual asset management practices and to other local government entities</li> <li>▪ reconciling the unit rates used for different components of infrastructure assets to the unit rates provided in revaluation reports / other supporting documents (e.g. actual contract rates)</li> <li>▪ reviewing the unit rates in comparison to other local government entities, and</li> <li>▪ assessing the adequacy of disclosures in the financial report.</li> </ul>
The useful lives of assets and the measurement of accumulated depreciation are determined by external valuers and management. Estimated useful lives are a significant unobservable input which materially impacts asset valuations. The appropriate useful life depends on many different factors that vary between councils, including asset management strategies adopted, target service levels, maintenance strategies applied, traffic volumes, soil conditions, levels of flooding, construction materials used, etc. Useful lives should be informed by up-to-date condition data. Significant judgement is used to determine the different useful lives for different components of assets and to calculate the accumulated depreciation since original construction using these estimated useful lives.	
The significant professional judgments used to estimate gross replacement cost and accumulated depreciation directly influence the calculation of depreciation expense.	
A number of infrastructure asset classes, including roads, footpaths, Kerb & Water Table, public lighting & electrical, and stormwater & drainage, have been valued by council officers, increasing the inherent risk of errors.	
The 2024/25 External Audit Completion Report recommends that council continues to monitor the need for more frequent formal revaluations, and formalises the indexation process between valuation cycles.	
ESCOSA report flags concerns re valuation of Adelaide Bridge and Torrens Weir.	

## 4.2 Valuation of land and buildings

Why the matter is significant	Audit response
<p>Land and buildings are valued at fair value. The basis of valuation to be used for these assets depends on a number of factors such as the nature of the asset, purpose of their use, the highest and best use of the asset, and potential restrictions to the disposal of these assets among other factors.</p>	<p>Our audit will include (where applicable) but is not limited to the following activities:</p> <ul style="list-style-type: none"> <li>▪ reconciling closing balances to the asset register/s</li> <li>▪ reconciling the movements in note 7 to the asset register/s</li> <li>▪ reviewing the basis for valuation used by external valuers</li> <li>▪ assessing the competence of external valuers (experts) in accordance with Australian Auditing Standards</li> <li>▪ performing analytical review of valuation reports to understand the drivers behind any significant changes in asset values</li> <li>▪ obtaining an understanding of the currency of building condition data, and methodologies used to collect this data</li> <li>▪ analysing the nature of the land and building assets to conclude whether the fair value hierarchy provided in note 7 for each category of asset is reasonable</li> <li>▪ reconciling the useful lives used to calculate accumulated depreciation and depreciation expense for the period to the revaluation reports</li> <li>▪ reviewing useful lives for different components in comparison to condition data, other local government entities, and industry standards</li> <li>▪ performing a recalculation of depreciation, and</li> <li>▪ assessing the adequacy of disclosures in the financial report.</li> </ul>
<p>Valuation of land depends on whether the land is classified as Crown land or community land. Community land and Crown land are valued using unobservable (level 3) inputs as the allowance for the restriction on sale (requiring Ministerial consent) is an unobservable input, and is likely to have a significant effect on valuation.</p>	
<p>Land, where Council has an unfettered right to sell, is typically valued at current market value based on their highest and best use. Level 2 inputs are primarily used for unrestricted land during the valuation process.</p>	
<p>Valuation of buildings depends on the nature of these assets. Some Council buildings have no active market due to the specialised nature of the assets and the services they provide. For such buildings, fair value is usually determined on the basis of replacement with a new building having similar service potential. Valuation techniques used to measure fair value of these buildings include significant unobservable inputs (level 3).</p>	
<p>For buildings that have an active market, valuation is assessed on market value principles which is deemed to be their fair value based on level 2 inputs. The most significant input into this valuation approach is sales transactions of comparable properties within the local area, adjusted for any pertinent differences.</p>	
<p>The significant professional judgments used to estimate the value of buildings directly influence the calculation of annual depreciation expense for these assets.</p>	
<p>Councils building portfolio includes investment properties, which involve different valuation considerations including availability of market data and consideration of 'market' vs 'income' methodologies.</p>	
<p>Council and State Government have entered into an agreement to develop a new Adelaide Aquatic Centre.</p>	
<p>Completion of Central Market Arcade Redevelopment is expected during the 2026 financial year, with Council expected to obtain building access rights before 30 June 2026.</p>	
<p>Buildings are due for revaluation (most recent valuation conducted during the reporting period ended 30 June 2021), and indexation has not been applied. Together with the recent increases in construction costs and high sector-wide valuations, there is a risk of significant revaluation increment in 2026.</p>	

### 4.3 Accounting treatment of capitalisation of assets

Why the matter is significant	Audit response
<p>Councils are asset intensive and highly dependent on large portfolios of assets to deliver services to the community. Hence, there is a high volume of transactions and significant amounts involved in relation to capitalisation of assets. The 2026 ABP identifies over \$46m investment into new and upgrade capital projects and \$67m in asset renewal.</p> <p>Due to the unique characteristics of Council's assets, a number of considerations are considered when an item of expenditure is capitalised, including:</p> <ul style="list-style-type: none"><li>▪ whether Council is incurring capital expenditure on physical resources that are controlled by Council. Determining control can involve significant professional judgement to analyse the characteristics of an asset, including considerations beyond legal ownership</li><li>▪ inclusions and exclusions of costs at initial recognition of an asset in accordance with AASB 116, including internal salaries and wages</li><li>▪ treatment dismantling and removal costs and/or site restoration under AASB 137</li><li>▪ borrowing costs to be capitalised into the cost of IPPE where the asset is a "qualifying asset" per AASB 123, and</li><li>▪ accounting for subsequent costs and defining the nature of these costs as being capital or maintenance expenditure.</li></ul> <p>Capitalisation decisions can require a high degree of professional judgement, and are a fraud risk area (capital vs expense / capitalisation of wages / timing / depreciation rates).</p> <p>The 2024/25 External Audit Completion Report noted delays in capitalisation of projects due to the asset team not having sufficient As-Constructed Drawings. The report further identifies that the manual capitalisation process was lengthy, complicated and resulted in significant additional effort required by both Council's finance team as well as the audit team to complete the audit within reporting timeframe.</p>	<p>Our audit will include but is not limited to the following activities:</p> <ul style="list-style-type: none"><li>▪ performing analytical procedures to define whether the amounts capitalised for the financial year were in line with our expectations and understanding of the council</li><li>▪ reviewing internal policies and controls in place for capitalisation of assets</li><li>▪ reviewing methodologies and supporting calculations for capitalisation of wages</li><li>▪ reviewing calculations for internal plant hire rates, including assessment of appropriateness and currency</li><li>▪ selecting a sample of additions and performing an assessment of the nature of the addition to conclude whether it has been recognised in accordance with Australian Accounting Standards</li><li>▪ reviewing the Work In Progress (WIP) schedule and selecting a sample of transfers out to ensure that the asset was appropriately valued and capitalised in the right account</li><li>▪ obtaining an understanding of the process and controls for identifying and capitalising completed WIP projects, and</li><li>▪ reviewing the WIP schedule in order to identify projects that should have been capitalised but were not.</li></ul>

## 4.4 Revenue recognition

Why the matter is significant	Audit response
<p>AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities provide the framework for determining the timing of revenue recognition for councils.</p> <p>Income from capital and other specific purpose grants may require recognition over time as performance obligations are met (where these obligations are sufficiently specific and arise from enforceable contracts), and a liability recognised for unspent monies. Analysis of funding agreements and the application of professional judgement is required in making such determinations.</p> <p>The 2024/25 External Audit Interim Management letter identifies that council's ability to effectively spend grants "has been limited due to the shortage of contractors or internal resources".</p>	<p>Our audit will include but is not limited to the following activities:</p> <ul style="list-style-type: none"> <li>▪ performing analytical procedures to identify any variance that may represent a risk or incorrect application of AASB 15 and/or AASB 1058</li> <li>▪ reviewing a sample of grant agreements and assessing whether agreements contain sufficiently specific performance obligations</li> <li>▪ evaluating the accounting policies used by Council to account for grants in accordance with AASB 15 and AAB 1058, and</li> <li>▪ testing a sample of financial transactions for compliance with Australian Accounting Standards.</li> </ul>

## 4.5 Management override of controls

Why the matter is significant	Audit response
<p>Management is inherently in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare a fraudulent report by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, the risk of material misstatement due to fraud is, by default, a significant risk.</p>	<p>Our audit will include but is not limited to the following activities:</p> <ul style="list-style-type: none"> <li>▪ reviewing the appropriateness of journal entries recorded in the general ledger</li> <li>▪ risk assessing all manual journals posted in the ledger using AI Assisted Audit Techniques to identify any high risk journals for further testing</li> <li>▪ testing the effectiveness of controls over the posting and authorisation of journals</li> <li>▪ reviewing accounting estimates and accounting policies requiring the application of professional judgement for potential biases (including depreciation, capital vs expense classifications, provisions, timing of revenue recognition)</li> <li>▪ performing final analytical procedures to conclude as to whether the financial report is consistent with our understanding of the entity</li> <li>▪ obtaining written representation from Management, and</li> <li>▪ reviewing key controls mitigating the risks of management override, including <ul style="list-style-type: none"> <li>○ IT access controls</li> <li>○ fraud prevention and control framework</li> <li>○ policy framework</li> <li>○ delegations</li> <li>○ oversight committees</li> <li>○ independent review of key reports, including exception reports, reconciliations, audit trails of changes to master files, payroll and AP details.</li> </ul> </li> </ul>

## 5. KEY BUSINESS CYCLES – CONTROLS APPROACH

### 5.1. High risk areas where audit will place reliance on controls

The Galpins audit methodology requires a controls approach for account balances and business cycles with inherent risks assessed as high. The account balances and business cycles listed below are considered high risk areas due to the materiality of the account balances, the high volume of transactions involved, and other reasons outlined below:

Key Business Cycles	Account balance/s	Why the risk is High
Purchasing and Procurement / Contracting	Materials, Contracts & Other expenses	<ul style="list-style-type: none"> <li>- One of the largest expense items</li> <li>- high volume of transactions / data – subject to error</li> <li>- fraud risk area (procurement, payments, and credit cards)</li> <li>- procurement and contracting are key focus areas for external regulators e.g. ICAC and the SA Audit Office.</li> </ul>
Fixed Assets Project costing	IPPE, Depreciation expense, Asset Disposals and FV adjustments, Asset Revaluation Reserves, Impairment expense, Physical Resources Received Free of Charge	<ul style="list-style-type: none"> <li>- Involves Key Audit Matters requiring high degree of professional judgement (see Section 4 Key Audit Matters)</li> <li>- councils are infrastructure and PPE intensive and highly dependent on these assets to deliver services</li> <li>- largest account balance in the Statement of Financial Position</li> <li>- significant ROU assets</li> <li>- high volume of transactions / data – subject to error</li> <li>- fraud risk area (capitalisation of assets / expense vs capital / depreciation).</li> </ul>
Accounts Payables	Trade and other payables	<ul style="list-style-type: none"> <li>- One of the largest liabilities</li> <li>- opportunity for understatements</li> <li>- if there is a poor use of accrual basis of accounting it can be indicative of poor culture</li> <li>- payments represent an opportunity for fraud.</li> </ul>
Rates / Rates Rebates	Rates and charges	<ul style="list-style-type: none"> <li>- One of the largest revenue items</li> <li>- often used as a reference point for analysing expenditure decisions</li> <li>- high level of rate exemptions</li> <li>- politically sensitive – reputational risk involved if rates are raised incorrectly.</li> </ul>
User Pay Income	User charges (Parking fees / Off-Street Parking, Property lease income)	<ul style="list-style-type: none"> <li>- One of the largest revenue items</li> <li>- Accuracy/timing/cut-off of income recognition reliant on appropriate integration of data from subsidiary systems</li> <li>- high volume of transactions / data – subject to error</li> <li>- commercial considerations</li> <li>- decentralised across a number of different sites / departments charging fees to the community, consistency in internal controls is important for ensuring user pays principles are applied consistently.</li> </ul>
Payroll	Employee costs	<ul style="list-style-type: none"> <li>- One of the largest expense items</li> <li>- high volume of transactions / data – subject to error.</li> <li>- errors can impact individuals financially.</li> </ul>
Banking	Cash and cash equivalents	<ul style="list-style-type: none"> <li>- Material balance</li> <li>- fraud risk</li> <li>- any instances of errors and/or fraud it can be indicative of broader errors in financial reporting</li> <li>- poor attitude to cash controls may be indicative of overall culture related to the controls environment</li> <li>- public money.</li> </ul>

## 5.2. Moderate risk areas where audit will place reliance on controls

The Galpins audit methodology provides that auditors can adopt either a controls or substantive approach for areas with inherent risks assessed as moderate. We have outlined below the medium risk areas where audit intend to place some reliance on controls.

Key Business Cycles	Account balance	Reasons for controls approach
General ledger	All accounts	<ul style="list-style-type: none"> <li>- Values from all business cycles are captured in the GL, and therefore any concerns over GL controls are pervasive across all financial statement balances</li> <li>- good controls to ensure completeness and accuracy of the GL are essential to ensure the fair presentation of the financial report.</li> </ul>
Debtors	Trade and other receivables	<ul style="list-style-type: none"> <li>- Material balance</li> <li>- valuation assertion can only be fully addressed by performing a review of the internal controls related to debt collection, review of debtors ageing profile and reconciliation process in place to reconcile the GL to the subsidiary ledgers.</li> </ul>
Receiving	Trade and other receivables	<ul style="list-style-type: none"> <li>- Material balance</li> <li>- Completeness and Existence assertions can only be fully addressed by reviewing receiving processes to ensure that receipts are accurately recorded.</li> </ul>
User Pay Income	Statutory charges	<ul style="list-style-type: none"> <li>- One of the largest revenue items</li> <li>- accuracy and timing/cut-off of income recognition reliant on appropriate integration of data from subsidiary systems and appropriate accounting policies</li> <li>- high volume of transactions / data – subject to error</li> <li>- commercial considerations</li> <li>- decentralised across a number of different sites / departments charging fees to the community.</li> </ul>
Grants	Grants / Amounts Received Specifically for new upgraded assets.	<ul style="list-style-type: none"> <li>- Councils expected to have a large number of grants received, as council delivers a broad range of services and delivers a large number of projects</li> <li>- per AASB 15 and AASB 1058, income from capital and other specific purpose grants may require recognition over time as performance obligations are met (where these obligations are sufficiently specific and arise from enforceable contracts)</li> <li>- 2024/25 External Audit Interim Management Letter identifies that council's ability to effectively spend grants "has been limited due to the shortage of contractors or internal resources"</li> <li>- controls to review income recognition, and to ensure conditions of grants are met, are essential to ensure the fair presentation of the financial report.</li> </ul>
Credit Cards	Materials, Contracts & Other expenses	<ul style="list-style-type: none"> <li>- Amounts are not material, and only a small number of cards are in circulation (approx. 40); however the use of public money is politically sensitive (qualitative factors).</li> <li>- fraud risk area. The nature rather than the significance of the amount may cause public opinion concerns.</li> </ul>

### 5.3. Moderate risk areas where audit will not place reliance on controls

The table below details the medium risk areas where audit understands that key assertions at risk can be addressed through substantive procedures (i.e. no separate controls testing).

Key Business Cycles	Account balance	Reasons for substantive approach
Employee Provisions	Provisions	<ul style="list-style-type: none"><li>- Key assertion at risk (valuation) can be addressed through substantive procedures (e.g. analytical procedures, recalculation and analysis of inflation and discount rates used)</li><li>- controls related to hourly rates, leave approvals, existence of the employees included in the payroll reports, maintenance of employees' data master file, and collection of payroll data that impacts on the calculation of the provisions are covered in the audit of payroll business cycle controls.</li></ul>
Other current assets	Other financial asset at cost, Prepayment for development contract	<ul style="list-style-type: none"><li>- Key assertions at risk (valuation and classification) can be addressed through substantive procedures. These procedures include:<ul style="list-style-type: none"><li>▪ inspecting documentation (contracts, statements, etc)</li><li>▪ reviewing council minutes</li><li>▪ discussions with management.</li></ul></li></ul>

## 6. CONTROLS OPINION

### 6.1. Financial Internal Controls Selected for Audit

In forming a controls opinion the auditor must assess the internal controls of the council based on criteria provided in the *Better Practice Model – Internal Financial Controls* (section 19(1)(3) of the *Local Government (Financial Management) Regulations 2011*).

*The Better Practice Model – Internal Financial Controls* (BPM) provides a number of internal financial controls within different business cycles that address a variety of inherent risks. A risk based approach is used to determine the key business cycles, and key risks within these business cycles, that we have determined as critical for the purpose of issuing a controls opinion.

The initial list of key core controls for the following key business cycles have been identified as critical for the purpose of issuing a controls opinion this financial year (further details in Appendix 1):

Business cycles	Account Balance	BPM controls	Inherent Risk
Purchasing and Procurement / Contracting	Materials / Contracts / Other Expenses	7	High
Fixed Assets / Project costing	IPPE, Depreciation expense, Asset Disposals & FV adjustments, ARR	11	High
Accounts Payables	Accounts Payables	8	High
Rates / Rates Rebates	Rates charges	8	High
Payroll	Employee Costs	7	High
Banking	Cash and cash equivalents	5	High
User Pays Income	User charges Statutory charges	5	High
IT General Controls	All accounts	17	High
Credit cards	Materials / Contracts / Other Expenses	5	Moderate
General Ledger	All accounts	8	Moderate
Budgets	All accounts	2	Moderate
Debtors	Debtors	5	Moderate
Receipting	Debtors / Rates and charges / Statutory charges / User charges / Other income	2	Moderate
Grants	Grants / Amounts Received Specifically for new upgraded assets	2	Moderate
<b>Total number of controls</b>		<b>92</b>	

The audit of internal financial controls of a council referred to in section 129 must be carried out in accordance with the Australian Standards on Assurance published by the Auditing and Assurance Standards Board, specifically ASAE 3000 – *Standard on Assurance Engagements* and ASAE 3150 – *Assurance Engagements on Controls*.

During our interim audit we perform tests of design and effectiveness of the internal financial controls selected. Based on the results of the control testing, we form our controls opinion. The overall assessment of the risk of non-compliance with s125 of the *Local Government Act 1999* (refer to section 1. *Audit Scope*) and the related findings are rated as follows:

Category	Description
<b>High Risk Weaknesses</b>	The issue described could lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
<b>Moderate Weaknesses</b>	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.
<b>Low Risk Weaknesses</b>	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the Council's financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the Council's internal controls and non-compliance with s125 of the Local Government Act.

A prioritised list of controls from the Better Practice Model is provided in Appendix 1. After completing our tests of effectiveness of internal controls we perform a control risk assessment for each account balance. The control risks are combined with our initial inherent risk assessment performed during our audit planning stage for determining the risk of material misstatements for each account balance (see section 7 of this plan for more details).

## 6.2. IT Entity Level Controls

In addition to consideration of Better Practice Model controls, our 2025/26 financial year audit will include a review of the following IT controls (in so far as they relate to financial risk):

IT Areas	Topics covered
IT Entity Level Controls	<ul style="list-style-type: none"> <li>- IT Governance</li> <li>- IT Strategic Planning</li> <li>- Adequate financial resources</li> <li>- Adequate IT Personnel resources</li> <li>- IT Risk Management</li> </ul>
Change Management	<ul style="list-style-type: none"> <li>- Process for changes to software / programs</li> <li>- Process for changes to IT Infrastructure</li> </ul>
Information Security	<ul style="list-style-type: none"> <li>- Physical access to the Data Centre, alarms, fire protection, air conditioning</li> <li>- Logical access to the network</li> <li>- Remote access to the network</li> <li>- Logical access to the financial system</li> </ul>
Backup and recovery	<ul style="list-style-type: none"> <li>- Backup process</li> <li>- IT Disaster Recovery Plan</li> <li>- Business Continuity Plan</li> </ul>
Third Party IT Providers	<ul style="list-style-type: none"> <li>- Understanding outsourced IT services</li> <li>- Access of Third Parties to the network</li> <li>- Business Continuity Plan</li> </ul>

## 7. RISK OF MATERIAL MISSTATEMENTS

Risk of material misstatement consists of the following components:

Risks	Definition
Inherent risks	How susceptible to fraud or error the financial statements assertions are given the nature of the entity, considering internal and external factors such as competency of staff, availability of information, prior period misstatements, accounting systems, level of supervision, etc before consideration of any related controls. The inherent risk assessment is performed during the planning stage when obtaining an understanding of the entity's business.
Controls risks	Risk of a misstatement due to error or fraud that could occur and not be prevented or detected by Council's internal controls. The assessment of internal controls risks is performed during the internal controls stage after performing tests of internal controls.

The risk of material misstatement will be based on the combination of inherent and controls risks as demonstrated in the table below:

		Inherent Risks		
		HIGH	MEDIUM	LOW
Controls Risks	HIGH	H	H	M
	MEDIUM	H	M	L
	LOW	M	L	L

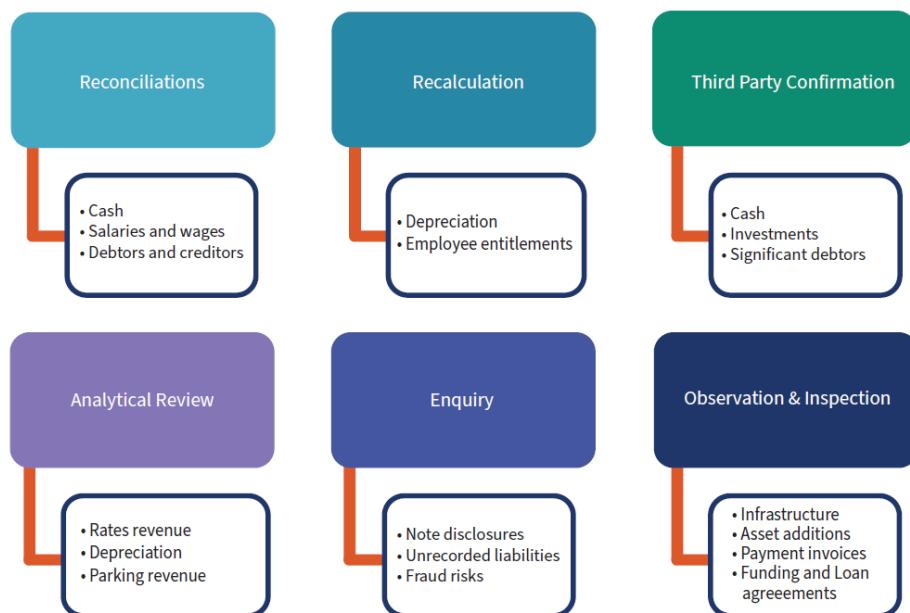
The risk of material misstatement will determine the nature and extent of our audit procedures and sample sizes to be utilised. Once we assess the risk of material misstatements (RoMM) we will design our substantive audit procedures to address identified risks. The table below summarises the impact of risk of material misstatements on our audit strategy:

Inherent Risk	Controls Risk	RoMM	Impact on audit strategy
Low	Low	Low	High reliance on controls/minimum level of substantive tests
	Medium	Low	Medium reliance on controls/low level of substantive tests
	High	Medium	No reliance on controls/medium level of substantive tests
Medium	Low	Low	High reliance on controls/low level of substantive tests
	Medium	Medium	Medium reliance on controls/medium level of substantive tests
	High	High	No reliance on controls/high level of substantive tests
High	Low	Medium	High reliance on controls/medium level of substantive tests
	Medium	High	Low reliance on controls/high level of substantive tests
	High	High	No reliance on controls/high level of substantive tests

## 8. SUBSTANTIVE PROCEDURES

From our risk analysis (please refer to section 7 of this plan), we are able to design and refine appropriate substantive procedures, including analytical review and test of details, to address identified risks of material misstatements of financial statements.

Testing methods to be applied to account balances and transactions include:



Please refer to the audit timetable indicating the dates for our final visit to perform our final substantive procedures (please refer to section 10 of this plan).

Audit will request authorisation from Council to request an independent confirmation from banks of information such as Council's account balances, securities, treasury management instruments, documents and other related information held by banks on behalf of Council.

We will also require Council to request its lawyers to send a 'Legal Representation Letter' to us, identifying any matters with potential financial reporting implications (a template of the letter will be provided by the auditors).

## 9. AUDIT COMPLETION

This stage consolidates all the audit work performed during the previous stages. We perform a final risk of material misstatements assessment and conclude whether procedures performed were sufficient to reduce the audit risk to an acceptable level. We evaluate the results of audit testing and determine whether adjustments to the financial statements are required. We also review the final financial statements to promote the best presentation of these reports.

An audit completion report will be provided to the audit committee members containing:

- Our audit clearance
- Final Management Letter
- Final report detailing key matters addressed during the audit
- Draft financial statement auditor's report and controls opinion, and
- List of immaterial uncorrected misstatements (IUMs).

## 10. AUDIT TIMETABLE

The following is an indicative timetable for the audit. Actual audit dates will be negotiated with the Council to ensure that dates are convenient, and all deadlines are met.

Audit Activities	Indication of Dates
1. Initial Meetings with Finance Management and Key Staff	20 <sup>th</sup> January 2026
2. Detailed Audit Plan / Audit Program Development	February / March
3. Presentation of Audit Plan to Audit & Risk Committee (ARC)	6 <sup>th</sup> February
4. Interim Site Visit 1 (Risk & Internal Controls Workshops)	Late February / Early March
5. Interim Site Visit 2 (Internal controls review)	Late April / Early May
6. Interim Management Letter	May
7. Presentation of Interim Management Letter to ARC	June (TBC)
8. Final Audit Visit - subsidiaries	Week beginning 10th August
9. Final Audit Visit - council	Week beginning 17th August
10. Audit Completion Report (with audit clearance)	September
11. Presentation of opinion to ARC	23 <sup>rd</sup> September (TBC)
12. Final auditor's reports	On Receipt of the final certified financial reports

## 11. CONTACT DETAILS



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## **APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS**

## PURCHASING AND PROCUREMENT

## Risks

- R1 Council does not obtain value for money in its purchasing and procurement.
- R2 Purchases of goods and services are made from non-preferred suppliers.
- R3 Purchase orders are either recorded inaccurately or not recorded at all.
- R4 Purchase orders are made for unapproved goods and services.
- R5 Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Core
R1,R2	Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Core
R3	Purchase order numbers are either system generated and/or sequentially numbered.	Core
R3	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Core

## CONTRACTING

## Risks

- R1 Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.
- R2 Council does not obtain value for money in relation to its Contracting.
- R3 Commitments are made for unapproved goods and services

RISKS	Control	Control Type
R1,R2	There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy.	Core
R1	Council maintains a current contract register.	Core
R1 R2	Tender box are kept securely	Core

## FIXED ASSETS

## Risks

- R1 Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent.
- R2 If fixed assets are not securely stored, they may be subject to damage or theft.
- R3 If fixed assets are not valued correctly, the management reports and financial statements will be misstated. For example, incorrect carrying values may result from the use of inappropriate depreciation rates.
- R4 Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives and residuals.
- R5 Fixed Asset maintenance and/or renewals are inadequately planned.

RISKS	Control	Control Type
R1	There is a process in place for the verification of fixed assets which is reconciled to the FAR.	Core
R1	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	Core
R1	Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties.	Core
R1	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	Core
R1	Asset register calculations are reviewed for accuracy.	Core
R3	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.	Core
R4	Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values.	Core
R5	Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.	Core

## PROJECT COSTING

## Risks

R1 Projects are either inaccurately recorded or not recorded at all.

R2 Appropriate approvals are not received for the establishment and changes in project scope or costs.

RISKS	Control	Control Type
R1, R2	Actual project costs are regularly compared to budgets; significant variances are investigated by relevant staff.	Core
R1	Processes are in place for establishing and changing project scope and budgets with approvals in accordance with Delegations of Authority.	Core
R2	There is an on-going review of current projects having regard to project scope and delivery within budget and with variations communicated and endorsed within relevant Delegations of Authority.	Additional

## ACCOUNTS PAYABLE

**Risks**

- R1 Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
- R2 Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all.
- R3 Disbursements are not authorised properly.
- R4 Accounts are not paid on a timely basis.
- R5 Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Core
R5	Access to the supplier masterfile is restricted to authorised staff	Core
R2,R5	Separation of Accounts Payable and Procurement duties.	Core
R3	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Core
R1	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Core
R4	Relevant staff to review aged payables listing on a predetermined basis and investigate where appropriate.	Core
R5	Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately.	Core
R5	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Additional

## RATES / RATES REBATES

## Risks

- R1 Council does not raise the correct level of rate income.
- R2 Rates and rate rebates are either inaccurately recorded or not recorded at all.
- R3 The Property master file data does not remain pertinent.
- R4 Rates are not collected on a timely basis.

RISKS	Control	Control Type
R1,R2	Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable.	Core
R2	Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run.	Core
R1	There is a rating policy in place that is reviewed annually that provides clear guidance on rating methodology and relevant rebates and remissions in line with legislation.	Core
R2	Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation.	Core
R2	All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	Core
R4	There is a Process in place to ensure that rates are collected in a timely manner and overdue rates are followed up.	Core
R3	Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.	Core
R2	Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process.	Core

## PAYROLL

## Risks

- R1 Payroll expense is inaccurately calculated.
- R2 Payroll disbursements are made to incorrect or fictitious employees.
- R3 Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.
- R4 Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
- R5 Voluntary and statutory payroll deductions are inaccurately processed or without authorisation.
- R6 Employees termination payments are not in accordance with statutory and enterprise agreements.

RISKS	Control	Control Type
R1, R3	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Core
R1	All calculations for generating payroll payments are verified for accuracy.	Core
R2	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Core
R1	There is a process in place to ensure accurate data entry of payroll source documents.	Core
R3	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Core
R2	Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents.	Core
R2	There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff.	Core

## CREDIT CARDS

**Risks**

- R1 Credit Cards are issued to unauthorised employees.
- R2 Credit Cards are used for purchases of a personal nature.
- R3 Credit Card limits are set at inappropriate levels.

RISKS	Control	Control Type
R1,R3	There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.	Core
R1,R2	Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.	Core
R2	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.	Core
R2	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council.	Core
R3	There is a process in place to ensure credit card limits and usage is reviewed for operational efficiency.	Core

## BANKING

## Risks

R1 Banking transactions are either inaccurately recorded or not recorded at all.  
R2 Fraud (i.e. misappropriation of funds)

RISKS	Control	Control Type
R1,R2	There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded.	Core
R1	Access to EFT Banking system is restricted to appropriately designated personnel.	Core
R1,R2	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.	Core
R2	Cash transfers between bank accounts and investment bodies are undertaken by appropriate staff.	Core
R2	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Core

## USER PAY INCOME - FEE FOR SERVICES

**Risks**

R1 The fee charged does not reasonably reflect the value of the services provided.  
R2 Council does not apply User Pay principles consistently.  
R3 User pay income is either inaccurately recorded or not recorded at all.

RISKS	Control	Control Type
R1, R2	There is a process in place to establish fees and charges (including GST treatment) which are reviewed annually and adopted by Council.	Core
R3	There is a process in place to ensure that fee for service income is accounted for.	Core
R2	There is a process in place to manage and reconcile bonds and deposits.	Core
R2	There is a process in place to ensure the fees and charges are applied in accordance with those adopted in the fees and charges register.	Core
R3	Delegations are in place for adjusting or waiving fees for service charges adopted in the fees and charges register.	Core

## GENERAL LEDGER

## Risks

R1 General Ledger does not contain accurate financial information.  
 R2 Data contained within the General Ledger is permanently lost.

RISKS	Control	Control Type
R1,R2	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Core
R1	Reconciliation of all balance sheet accounts are completed in accordance with a schedule of review and/or procedure.	Core
R1	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.	Core
R1	Journal entry access is restricted to appropriately authorised personnel.	Core
R1,R2	Financial data is backed up and stored offsite.	Core
R1	All journals, including manual entries, identify date posted, narration, author, journal and posting reference.	Core
R1,R2	General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff.	Core
R1	There is a process in place to review actual vs budget and significant variances investigated.	Core

## BUDGET

## Risks

R1 Budgets are inaccurately recorded due to variances between the budget adopted by council and its finance system.  
 R2 Budgets do not reflect strategic objectives.

RISKS	Control	Control Type
R1	There is a process in place to review actual compared to budget and significant variances investigated.	Core
R2	Council has in place a process which is delegated to council administration who are responsible to put in place a framework of internal controls over budget formulation and management.	Core

## DEBTORS

## Risks

- R1 Debtors / Credit notes to debtors are either inaccurately recorded or not recorded at all.
- R2 An appropriate provision for doubtful debts is not recorded.
- R3 Debtors are either not collected on a timely basis or not collected at all.

RISKS	Control	Control Type
R1	Debtor's reconciliation is performed on a regular basis to the General Ledger and reviewed by an appropriate person.	Core
R1, R3	The organisation maintains a Debt Collection Policy and/or procedure.	Core
R2, R3	Relevant staff reviews debtors ageing profile on a regular basis and investigates any outstanding items, and considers provisions for doubtful debts.	Core
R1	There is a process in place to review and approve all credit notes for sundry debtors in accordance with delegations of authority.	Core
R1	All invoices raised and credit notes applied have an audit trail.	Core

## RECEIPTING

## Risks

- R1 Receipts are either inaccurately recorded or not recorded at all.
- R2 Receipts are not deposited at the bank on a timely basis.

RISKS	Control	Control Type
R1	There is a review process for the authorisation of the reversal of transactions.	Additional
R1	Receipt transactions are reconciled to the daily takings and out-of-balance banking is corrected promptly.	Core

## GRANTS

**Risks**

- R1 Council loses recurrent Grant funding to provide existing service.
- R2 Grant funding is not claimed by Council on a timely basis or not claimed at all.
- R3 Grants are either inaccurately recorded or not recorded at all.

RISKS	Control	Control Type
R1	Management and/or Council to approve all tied grants (prior to funds being received by Council) to ensure that Council will be able to meet the terms and obligations of the grant.	Core
R2, R3	There is a process in place for the regular review of all grant income to monitor compliance with the terms of the grant.	Core

23 January 2026

Michael Sedgman  
CEO  
City of Adelaide  
25 Pirie Street  
Adelaide SA 5000

Dear Michael,

## AUDIT ENGAGEMENT LETTER

### Scope

You have requested that we audit the financial report of City of Adelaide (the Council) which comprises the balance sheet as at 30 June 2026, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and Council certificate. You have also requested that we provide an audit of the compliance of the Council with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2025 to 30 June 2026 have been conducted properly and in accordance with law. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of expressing an opinion on the financial report and financial controls in place.

### The responsibilities of the auditor

We will conduct our audit of the financial report of the Council in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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ABN: 89 656 702 886

We will conduct our audit of the compliance of the Council with the requirements of Section 125 of the *Local Government Act 1999* in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2025 to 30 June 2026. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards

In making our risk assessments, we consider internal control relevant to the Council's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.

### **The responsibilities of the Council and management**

Our audit will be conducted on the basis that the Council and management acknowledge and understand that they have responsibility:

- (a) for the preparation of the financial report that presents fairly in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards;
- (b) for such internal control as the Council and management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error;
- (c) for the identification of risks that threaten compliance with section 125 of the *Local Government Act 1999*;
- (d) for design of the system, comprising controls which will mitigate those risks so that those risks will not prevent achievement of compliance with section 125 of the *Local Government Act 1999*;
- (e) for ensuring that the financial controls established by the Council were suitably designed to ensure compliance with section 125 of the *Local Government Act 1999*;
- (f) for operation of the controls as designed throughout the period;
- (g) to provide us with:
  - (i) access to all information of which the Council and management are aware that is relevant to the preparation of the financial report and compliance with section 125 of the *Local Government Act 1999* such as records, documentation and other matters;

- (ii) additional information that we may request from the Council and management for the purpose of the audit of the financial report and the controls opinion;
- (iii) unrestricted access to persons within the Council from whom we determine it necessary to obtain audit evidence;

(h) for adjusting the financial report to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial report as a whole;

(i) for informing us of your knowledge of any allegations of fraud or suspected fraud affecting The Council received in communications from employees, former employees, regulators, or others;

(j) for identifying and ensuring that the Council complies with applicable laws and regulations.

As part of our audit process, we will request from the Council and management written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.

### **Quality control**

The conduct of our audit in accordance with Australian Auditing Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent.

Our audit files may, however, be subject to review as part of the quality control review program of CPA Australia and/or The Institute of Chartered Accountants in Australia which monitors compliance with professional standards by its members. We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

### **Independence**

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the Australian professional accounting bodies or any applicable code of professional conduct in relation to the audit of the financial report. In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements, we shall notify you on a timely basis.

To assist us in meeting the independence requirements, and to the extent permitted by law and regulation, we request you discuss with us:

- (a) the provision of services offered to you by us prior to engaging or accepting the service; and

(b) the prospective employment opportunities of any current or former partner or professional employee of our firm prior to the commencement of formal employment discussions with the current or former partner or professional employee.

### **Communication**

We may communicate with you or others via email transmission. Due to the nature of email transmission, we cannot guarantee that emails from us will be properly delivered and/or read only by the addressee. Therefore, we accept no liability or responsibility for any loss or damage to any person or entity resulting from the use of email transmissions in connection with this engagement.

### **Limitation of liability**

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Councils' website:  
<http://www.professionalstandardscouncil.gov.au>.

### **Paperless files**

We advise that our firm maintains paperless files. Necessary documents that we need will be retained as scanned copies only. We will not keep original documents belonging to you – these will be scanned and returned to you. If documents are required by you in future for any purpose, we will only be able to provide scanned copies.

### **Presentation of audited financial report on the internet**

The Council may intend to publish a hard copy of the audited financial report and auditor's report for members, and to electronically present the audited financial report and auditor's report on its internet web site. When information is presented electronically on a web site, the security and controls over information on the web site should be addressed by the Council to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial information on the Council's web site is beyond the scope of the audit of the financial report. Responsibility for the electronic presentation of the financial report on the Council's web site is that of the Council.

### **Fees**

We look forward to full cooperation from your staff and we trust that they will make available to us whatever records, documentation and other information we request in connection with our audit. Audit fees are specified in our tender. Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required. Our usual credit term will apply to this engagement which is 14 days from the date of invoice.

Our fee assumes that unaudited data (including trial balance, financial statements and notes to the accounts) are presented for audit in a satisfactory, auditable and timely manner, with full supporting schedules and documentation. While we will use our best endeavours to work with the Council to achieve a positive outcome,

our fee does not allow for rework of the financial report after submission for audit, other than for minor audit adjustments. Where we consider that the quality of data presented will result in additional audit effort, we may need to negotiate an additional fee. In order to maintain audit independence, it is necessary that we avoid providing assistance to the Council to prepare the financial report.

Additional grant audits provided is charged on hourly basis, it depends on the number, size and nature of grants requiring acquittal.

### **Ownership of documents**

All original documents obtained from the client arising from the engagement shall remain the property of the client. However, we reserve the right to make a reasonable number of copies of the original documents for our records. All other documents produced by us in respect of this engagement will remain the property of the firm.

The firm has a policy of exploring a legal right of lien over any client documents in our possession in the event of a dispute. The firm has also established dispute resolution processes.

### **Other**

This letter will be effective for future years unless we advise you of its amendment or replacement, or the engagement is terminated.

Please sign and return this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial report including our respective responsibilities.

Yours sincerely,



**Tim Muhlhausler** CA, Registered Company Auditor  
Partner

Acknowledged and agreed on behalf of City of Adelaide by

---

Michael Sedgman  
CEO

Date

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

### To the members of City of Adelaide

#### Opinion

We have audited the accompanying financial report of City of Adelaide (the Company) and its subsidiaries (the Council), which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial report including a summary of material accounting policy information and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2026, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report are the general purpose financial reports of City of Adelaide's regional subsidiaries including Adelaide Park Lands Authority, Adelaide Central Market Authority, Adelaide Economic Development Agency and the Annual Report of The Brown Hill Keswick Creeks Stormwater Board.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the directors for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to ensure that the financial report that is free from material misstatement, whether due to fraud or

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In preparing the financial report, Management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

#### **Auditor's responsibility for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

**Tim Muhlhausler** CA, Registered Company Auditor  
Partner

XX Month 2026



## INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS

To the members of City of Adelaide

### Opinion

We have audited the compliance of City of Adelaide (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2025 to 30 June 2026 have been conducted properly and in accordance with law.

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2025 to 30 June 2026.

### Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2025 to 30 June 2026. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### The Council's responsibility for internal controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

### Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this assurance engagement.

### Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2025 to 30 June 2026. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

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### **Limitations of controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

### **Limitation of use**

This report has been prepared for the members of the Council in Accordance with Section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

**Tim Muhlhauser CA, Registered Company Auditor**  
Partner

XX Month 2026

## Internal Audit Scopes

**Friday, 6 February 2026**

Audit and Risk Committee

Strategic Alignment - Our Corporation

**Program Contact:**

Rebecca Hayes, Associate  
Director Governance & Strategy

Public

**Approving Officer:**

Anthony Spartalis, Chief  
Operating Officer

## EXECUTIVE SUMMARY

The purpose of this report is to present the Audit and Risk Committee (ARC) with the following internal audit scopes for noting and feedback:

- Legislative Compliance Review;
- Strategic Risk Assessment and Alignment; and
- Strategic Planning, Governance and Organisational Reporting.

These internal audits are in accordance with the 2025-2028 Internal Audit Plan.

## RECOMMENDATION

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Legislative Compliance Review Internal Audit scope as contained in Attachment A to Item 6.2 on the agenda for the meeting of the Audit and Risk Committee held on 6 February 2026 and provides the following feedback:
  - 1.1. \_\_\_\_\_
  - 1.2. \_\_\_\_\_
2. Notes the Strategic Risk Assessment and Alignment Internal Audit scope as contained in Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026 and provides the following feedback:
  - 2.1. \_\_\_\_\_
  - 2.2. \_\_\_\_\_
3. Notes the Strategic Planning, Governance and Organisational Reporting Internal Audit scope as contained in Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026 and provides the following feedback:
  - 3.1. \_\_\_\_\_
  - 3.2. \_\_\_\_\_

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<p><b>Strategic Alignment – Our Corporation</b></p> <p>Outcome – Effective Leadership and Governance</p> <p>Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its functions legally, effectively and efficiently</p>
Policy	Not as a result of this report
Consultation	The internal audit scopes were presented to the Strategic Risk and Internal Audit Group at its meetings on 13 November 2025 and 11 December 2025
Resource	Not as a result of this report
Risk / Legal / Legislative	Internal audit is an essential component of a good governance framework. It is the mechanism that enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, and effectively, and to advise how it can improve performance
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such, audits suggest a range of improvement opportunities related to the area being reviewed, ensuring functions and services align Council processes to best practice standards
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 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
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. In 2025 BDO were appointed as the City of Adelaide's (the Council) Internal Audit partners.
2. Following BDO's appointment, Administration worked with BDO through a facilitated workshop to develop a 3-year Internal Audit Plan 2025-2028 (the Plan).
3. At the Strategic Risk and Internal Audit Group (SRIA) meeting on 13 November 2025, SRIA approved the Plan and recognised that this Plan is a rolling Plan which will be tested each year to ensure emerging priorities have been identified. Where necessary the Plan will be amended to focus on any new priorities.
4. At its Special Meeting held on 27 November 2025, the Audit and Risk Committee (ARC) noted the Internal Audit Plan, acknowledging SRIA's approval of the Plan and its rolling nature, including the ability to adjust audit priorities in response to emerging risks and organisational needs.
5. The Plan includes a number of internal audits (the Audit) that can be facilitated using council's resources.
6. Internal audits are performed, either in-house by the Risk and Audit Advisor or by BDO, Council's internal audit partners, or by a specialist external provider where required.
7. The Risk and Audit Advisor will focus on operational and transactional compliance audits. BDO will perform the strategic and compliance audits, where specialised skills and expertise are required. This approach ensures that appropriate assurance is provided to the Council including ARC in a way that achieves best value for money, leveraging our in-house and external capabilities where appropriate.
8. Each Audit has been identified as a risk mitigation to the Council's Strategic Risks.
9. These Audits are essential to ensure that the Council is complying with legislation, regulations and policies that govern our operations. The audits will look at the following key areas:
  - 9.1. Legal and Regulatory Compliance;
  - 9.2. Risk Mitigation;
  - 9.3. Reputation Protection;
  - 9.4. Operational Efficiency;
  - 9.5. Transparency and Accountability; and
  - 9.6. Support future decision-making.
10. To commence the internal audit program, the following Audits will be performed in quarter 3 of 2025/26:
  - 10.1. Legislative Compliance Review;
  - 10.2. Strategic Risk Assessment and Alignment; and
  - 10.3. Strategic Planning, Governance and Organisational Reporting.

## Legislative Compliance Review

11. The Legislative Compliance Review Internal Audit is to be performed by the Council's Risk and Audit Advisor, in accordance with the Plan. The scope can be found in Attachment A.
12. The Legislative Compliance Review Internal Audit scope for 2025/26 will focus on the ongoing assessment of Council's legislative compliance work plan.

## Scope

13. The scope was presented to SRIA at its meeting on 13 November 2025 with options for relevant Acts / Charters to be reviewed as part of the ongoing Legislative Compliance Internal Audits, which are performed annually.

14. At its meeting on 13 November 2025, SRIA approved the following Legislative Compliance Internal Audits to be reviewed as part of the Plan:
  - 14.1. *Automated External Defibrillators (Public Access) Regulations 2024*
  - 14.2. *Kadaltilla Charter and Adelaide Park Lands Act 2025*
  - 14.3. *Local Government (Procedures at Meetings) Regulations 2013*
  - 14.4. *State Records Act 1997.*
15. The Risk and Audit Advisor will focus on one Legislation Compliance Internal Audit at a time. Following the completion of the Audits a draft report will be discussed with the relevant stakeholders and the Associate Director Governance & Strategy regarding agreed management actions and the factual accuracy of the findings.
16. The final report, incorporating management responses and an agreed action plan, together with responsible persons and target dates for completion of actions, will be presented to SRIA and subsequently to the Committee.

#### **Strategic Risk Assessment and Alignment**

17. The Strategic Risk Assessment and Alignment Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope can be found in Attachment B.
18. The objective of this Audit is to review, evaluate, and assess the strategic risks impacting the CoA operations and long-term objectives to ensure alignment with organisational goals.
19. SRIA considered the audit scope with BDO at the SRIA meeting on 11 December 2025. The scope was endorsed at this time by SRIA.

#### **Scope**

20. The scope as detailed in Attachment B will evaluate whether strategic risks are clearly linked to organisational objectives, appropriately rated, and aligned with the Plan.
21. It will also consider the effectiveness of governance and monitoring arrangements supporting strategic risk management and identify opportunities to strengthen integration between strategic risks, corporate planning, and assurance activities.
22. In addition, the Audit will review past internal audits to assess their continued relevance and alignment with the updated strategic risk register, ensuring the Plan remains risk-based and reflective of current strategic priorities.
23. This Audit will be undertaken in consultation with Administration. Following the completion of the Audit a draft report will be discussed with the relevant stakeholders regarding agreed management actions and the factual accuracy of the findings.
24. The final report, incorporating management responses and an agreed action plan, together with responsible persons and target dates for completion of actions, will be presented to SRIA and subsequently to the Committee.

#### **Strategic Planning, Governance and Organisational Reporting**

25. The Strategic Planning, Governance and Organisational Reporting Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope can be found in Attachment C.
26. The objective of this internal audit is to assess the adequacy of strategic and business planning, implementation, management and reporting processes to meet Council's strategic objectives, including delivery of strategic projects, with a focus on identifying improvement opportunities and aligning priorities and council resources.

27. SRIA considered the audit scope with BDO at the SRIA meeting on 11 December 2025. Following discussions between BDO and SRIA, it was determined that BDO would refine the scope and consider how CoA's corporate strategies interlinked including indicative costings of each strategy.

### **Scope**

28. The scope as detailed in Attachment C will assess the design and effectiveness of the Council's strategic planning, governance, and reporting frameworks.

29. The review will examine how strategic objectives are developed, implemented, monitored, and reported, including the alignment of reporting arrangements with the corporate strategy and strategic risk management.

30. It will also consider the effectiveness and appropriateness of key reporting processes, including those relating to subsidiaries, and identify opportunities to enhance the transparency, consistency, and quality of organisational reporting.

31. This Audit will be undertaken in consultation with Administration. Following the completion of the Audit a draft report will be discussed with the relevant stakeholders regarding agreed management actions and the factual accuracy of the findings.

32. The final report, incorporating management responses and an agreed action plan, together with responsible persons and target dates for completion of actions, will be presented to SRIA and subsequently to the Committee.

33. The Committee are asked to review the attached scopes and provide feedback where required.

34. Any feedback received provided by the Committee will be assessed and incorporated into the scopes where appropriate.

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## **ATTACHMENTS**

**Attachment A** – Legislative Compliance Internal Audit Scope

**Attachment B** - Strategic Risk Assessment and Alignment Scope

**Attachment C** - Strategic Planning, Governance and Organisational Reporting Scope

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- END OF REPORT -

# **INTERNAL AUDIT SCOPE: LEGISLATIVE COMPLIANCE REVIEW**

Prepared by: Annette Pianezzola, Risk & Audit Advisor

November 2025





CITY OF  
ADELAIDE

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## 1. EXECUTIVE SUMMARY

In accordance with the 2025-26 Internal Audit Plan for City of Adelaide (CoA) an internal audit focusing on Council's legislative compliance is to be performed. The purpose of this audit is to provide the CoA's Executive Team (ET) and Strategic Risk and Internal Audit (SRIA) members and subsequently the CoA's Audit & Risk Committee (ARC) assurance on the effectiveness of CoA complying with its obligations and responsibilities under the relevant Acts, Regulations or Charters.

The objective, draft scopes and approach are outlined below.

## 2. OBJECTIVES

The objective of this internal audit project will review the Acts, Regulations or Charters as approved by SRIA through:

1. Consultation with the appropriate key stakeholders
2. Review of processes and procedures
3. Gathering of evidence of findings

### 2.1 Purpose

The intention of all audits detailed within the Internal Audit Plan 2025-26 is to deliver on the CoA values of integrity and accountability and add value within the context of CoA's Strategic Plan objective of achieving our vision for the future for Our Community, Our Environment, Our Economy, and Our Places by delivering a high-performing, customer-centric, and bold Corporation.

The purpose of this report is to provide SRIA with options of relevant Acts, Regulations or Charters to be reviewed as part of the ongoing Legislative Compliance Internal Audits (audits), which are performed annually.

At the SRIA meeting on 20 August 2025, it was resolved that the scope of the proposed audits be brought back to SRIA to confirm the relevant sections of the Acts, Regulations or Charters that will be considered as part of the review.

## 3. SCOPE

Audits are essential to ensure that the CoA is following the legislation, regulations and policies that govern our operations. The audits performed will look at the following key areas:

- Legal and Regulatory Compliance;
- Risk Mitigation;
- Reputation Protection;
- Improved Governance;
- Operational Efficiency;
- Transparency and Accountability; and
- Support future decision-making.

It is proposed that SRIA consider the proposed audits, which are to be performed by the Risk & Audit Advisor and supported by the Corporate Governance & Risk team.

To assist SRIA with its decision-making, the following Acts, Regulations and Charters have been reviewed in the past three years:

2024/2025	2023/2024	2023/2022
<ul style="list-style-type: none"> <li>• <i>Local Government (General) Regulations 2013</i></li> <li>• <i>Local Government (Financial Management) Regulations 2011</i></li> <li>• Adelaide Economic Development Agency Charter</li> <li>• Adelaide Central Market Authority Charter</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Local Government Act 1999 (SA)</i></li> <li>• <i>City of Adelaide Act 1998</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>FOI Act 1991</i></li> <li>• <i>SA Public Health Act 2011</i></li> <li>• <i>Expiation of Offences Act 1996</i></li> <li>• <i>Dog &amp; Cat Management Act 1995</i></li> </ul>

The proposal is to undertake four out of the six possible internal audits, listed below.

We are seeking a decision from SRIA in relation to the proposed internal audits listed below. The proposed six internal audit areas are:

Acts / Regulations / Charters	Sections of Acts / Regulations / Charters
<i>State Records Act 1997</i>	<p>Maintenance of official records and standards in relation to policies and obligations, and awareness training.</p> <p>Specifically, the Audit will review, section 13 – Maintenance of official records and section 14 – Standards relating to record management practices.</p> <p>Some of the areas of focus for the Internal Audit are:</p> <ul style="list-style-type: none"> <li>• Are records maintained in compliance with GDS40?</li> <li>• Do we have a register of official records (hard copy and digital)?</li> <li>• Are there processes for ongoing maintenance of (hard copy and digital)?</li> <li>• Are records held outside of an approved record management system?</li> <li>• Are CoA internal policies aligned with section 14 (re: standards) of classification, retention and disposal, transfer?</li> </ul>

	<ul style="list-style-type: none"> <li>• Is there evidence of staff awareness of the standards to which they are expected to comply?</li> <li>• How do we monitor compliance with the standards?</li> <li>• Has training been provided to staff (including refresher training) on the obligations under the Act including section 13 and 14?</li> <li>• Is there awareness campaigns and reminders or communication that reinforce good record-keeping practices?</li> </ul>
<p><i>Local Government (Procedures at Meetings) Regulations 2013</i></p>	<p>The Regulations require the administration to review all meeting procedures, including those applicable to Council Members and members of the public.</p> <p>This Internal Audit will focus on:</p> <ul style="list-style-type: none"> <li>• Does Council have a Code of Practice for Meeting Procedures for Council/Committees?</li> <li>• Does Council have a Code of Practice for Access to Meetings and Documents?</li> <li>• Are these documents up to date and when was the last time they were reviewed?</li> <li>• When was the last comprehensive review undertaken and how are future reviews scheduled?</li> <li>• Are Council Members provided with training in relation to meeting procedures?</li> <li>• Are members of the public given appropriate notice of meetings, agendas and public reports as per the Regulations?</li> <li>• Are Council's systems adequate to support administration to meet standards required under the Regulations?</li> <li>• Are agendas, minutes and reports stored in accordance of the <i>State Records Act 1997</i>?</li> </ul>

	<ul style="list-style-type: none"> <li>• Are public facing resources (website) accessible and easy to understand?</li> </ul>
Kadaltilla Charter	<p>Review of all requirements under the Charter that the CoA and its subsidiaries are required to comply with.</p> <p>A copy of the Kadaltilla Compliance register can be found in Attachment A.</p>
<i>Adelaide Park Lands Act 2005</i>	<p>Review the requirements that relate to .</p> <p>Leases, licences and grants of occupancy of the Adelaide Park Lands by Council under section 21.</p> <p>The Internal Audit will focus on:</p> <ul style="list-style-type: none"> <li>• Is the lease/licence documentation clearly signed/approved by appropriate Council delegates?</li> <li>• Was there appropriate legal review (e.g., to ensure terms and conditions aligned with the Act and internal policy)?</li> <li>• Is there a policy or procedure within CoA that addresses how section 21 compliance is managed (e.g., tracking, alerts for 10+ year tenures)?</li> <li>• Are controls in place to ensure that the granting of leases/licences is consistent with the relevant management strategy for the Park Lands and with community land objectives?</li> <li>• Does the Council maintain an audit trail from initiation of lease/licence through to execution, capturing all steps required by section 21?</li> </ul>
<i>Automated External Defibrillators (Public Access) Regulations 2024</i>	<p>Review of the requirements for the installation and maintenance of Automatic External Defibrillators (AEDs) in public buildings in preparation for the new mandate effective 1 January 2026. This will include location and accessibility of the AEDs, maintenance and inspections.</p> <p>The audit will provide assurance that:</p> <ul style="list-style-type: none"> <li>• Review the requirements of the Regulations and confirm AEDs are installed in all public buildings required under the Regulations.</li> </ul>

	<ul style="list-style-type: none"> <li>• AEDs are correctly located, accessible to the public, and appropriately signed.</li> <li>• AEDs are properly maintained, inspected, and ready for emergency use, including ongoing maintenance obligations.</li> <li>• Procedures are in place to monitor AED's and response to breakages or vandalism in a timely manner.</li> <li>• Governance and monitoring frameworks are in place to ensure ongoing compliance with the new legislative requirements.</li> </ul>
<p><i>Local Nuisance and Litter Control Act 2016</i></p>	<p>Review of the requirements for Authorised Officers in carrying out their duties under the Act, which includes their appointment as an Authorised Officer.</p> <p>The Internal Scope will, (but is not limited to):</p> <ul style="list-style-type: none"> <li>• Are appointment instruments or delegation instruments properly executed and up to date?</li> <li>• Do appointment letters specify the scope of authority (e.g., powers limited to nuisance, litter, or both)?</li> <li>• Is there a current and approved register of all Authorised Officers?</li> <li>• Are all appointed Authorised Officers issued with an official identity card?</li> <li>• Are procedures in place to recover and cancel identity cards when an officer's appointment ceases or is suspended?</li> <li>• Have all Authorised Officers received mandatory training on the Act, associated Regulations, and council enforcement procedures?</li> <li>• Are training records (initial and refresher) maintained and reviewed annually?</li> <li>• Do Authorised Officers document all enforcement actions (e.g., inspection reports, witness statements, photographs)?</li> </ul>

	<ul style="list-style-type: none"> <li>• Are record-keeping systems secure, traceable, and compliant with the <i>State Records Act 1997 (SA)</i>?</li> </ul>
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**Attachment A** is the Legislative Compliance template, which will be used as part of the review. The description, requirements and testing methodology are tailored from the relevant Act, Regulation or Charter.

## 4. APPROACH

The auditor will perform a desktop review of relevant legislation, policies, procedures and guidelines relating to the relevant Act, Regulation or Charter. Engagement will therefore be required by using the following approach, led by CoA staff member Annette Pianezzola, Risk & Audit Analyst, who will perform the audit:

- Consultation with relevant Management and staff to understand current practices.
- Review of relevant evidence provided including policies, procedures and guidelines.
- Reporting, including identification of any gaps and performance improvement opportunities.
- A proposal for how the organisation will monitor and report on compliance, following the Internal Audit.

The proposed audits will be completed one at a time, with actions monitored and managed in Process Manager (formally known as Promapp). The audits will identify any gaps that CoA is not adhering to, to ensure that compliance is maintained at all times.

## 5. STAKEHOLDERS

The following stakeholders have been identified based on preliminary discussions:

- David Carroll, Manager Enterprise Platforms and Cyber Security
- Charlotte Oldfield, Manager Council Governance
- Alison Ackland, Kadaltilla / Adelaide Park Lands Authority Advisor
- Michael Sie, Asset Manager Buildings
- Steph Paprzycki-Baker, Team Leader Community Safety
- Jamie Stefanato, Community Facilities Coordinator

## 6. TIMING AND REPORTING

The internal audit project, which will focus on CoA's legislative compliance, will commence in December 2025. It will include the submission of information requests and stakeholder discussions.

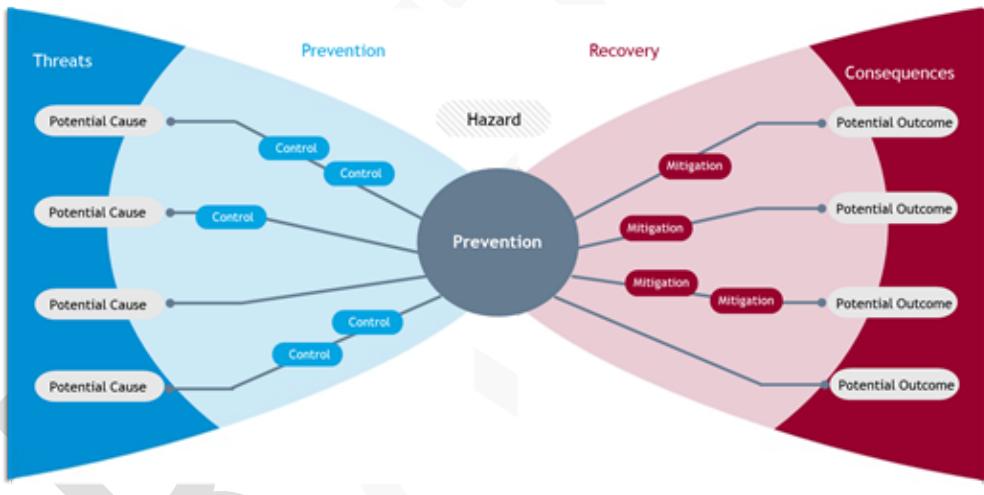
The Risk & Audit Analyst will focus on one Legislative Compliance Internal Audit at a time. Following the decision from SRIA, regarding which Audits will be completed in 2025-26. The draft scopes (in full) will be presented to ARC for their approval, prior to the commencement of the Audits.

Following the completion of the Audits a draft report will be discussed with the relevant stakeholders and the Associate Director Governance & Strategy regarding agreed management actions and the factual accuracy of the findings.

## **Internal Audit Scope: Legislative Compliance Review**

The final report, incorporating management responses and agreed action plans, together with responsibilities and target dates for actions will be issued to SRIA and subsequently to the ARC.

# PROJECT BRIEF

Project Title:	City of Adelaide - Strategic Risk Assessment and Alignment
Project Contact:	Rebecca Hayes, Associate Director, Governance & Strategy
Project Objective:	<p>The objective of this project is to review, evaluate, and assess the strategic risks impacting the City of Adelaide's (CoA) operations and long-term objectives to ensure alignment with organisational goals.</p> <p>The project will adopt the 'bow tie' risk assessment tool to map the relationship between causes, controls, and consequences for key risk events, documenting both prevention and mitigation controls. The resulting 'bow tie' (refer diagram below) will assist in supporting informed decision-making, enhances internal audit governance and monitoring, and promotes sustainable risk management.</p> 
Scope & Approach:	<p>This project will review the CoA's strategic risk register and assess the adequacy of current risk definitions, causes, and controls through bow tie risk analysis.</p> <p>The risk assessment will evaluate whether strategic risks are clearly linked to organisational objectives, appropriately rated, and aligned with the internal audit program.</p> <p>It will also consider the effectiveness of governance and monitoring arrangements supporting strategic risk management and identify opportunities to strengthen integration between strategic risks, corporate planning, and assurance activities.</p> <p>In addition, the audit will review existing internal audits to assess their continued relevance and alignment with the updated strategic risk register, ensuring the internal audit plan remains risk-based and reflective of current strategic priorities.</p> <p>This project will be undertaken in consultation with the Governance &amp; Strategy team and nominated strategic risk owners.</p>

# PROJECT BRIEF

Our approach includes the following phases:

## Phase 0: Project Kick Off and Planning

Project Kick Off and Planning will focus on establishing the foundation for an effective engagement, including consultation, confirmation of timelines and deliverables, identification of any issues and scope exclusions, outlining our information requests and commencing access to relevant documentation.

An initial kick off meeting will confirm roles and responsibilities, introduce CoA representatives and the BDO team and confirm contact details of nominated engagement personnel.

## Phase 1: Documentation Review and Engagement

- Review current risk documentation including risk management framework/policies, strategic risk register, organisational objectives and internal audit plan
- Circulate outcomes of documentation review to CoA representatives
- Discussion with CoA representatives on documentation review outcomes, and identify risk owners for bow tie workshops
- Develop a survey to identify risk causes, controls and mitigations and distribute to risk owners
- Based on survey responses and risk documentation reviewed, prepare a draft bow tie analysis for each strategic risk.

## Phase 2: Risk Workshops

This phase will incorporate the following 2 stages:

### 2a - Pre Workshop Engagement and Preparation

- Conduct risk workshop preparation in collaboration with the Governance and Strategy team to:
  - Determine risk workshop participants (i.e. risk owners and other relevant stakeholders, such as control owners)
  - Prepare bow tie risk workshop agenda
  - Provide draft bow tie risk analyses to each risk owner.

### 2b Risk workshop facilitation

- Facilitate a bow tie risk workshop with each risk owner and other relevant stakeholders (~90 minutes each) to consider the following:
  - Confirm risk event / scope of the risk
  - Capture/confirm risk causes
  - Capture/confirm risk consequences
  - Document inherent risk worst case plausible scenario
  - For each cause line - identify and capture applicable preventative controls with ownership etc (ideally one at least per cause)
  - Identify any 'control gaps' against cause lines and document clear treatment actions against these (with ownership etc)
  - Identify the consequences of the risk event (e.g. financial, reputational, etc)

# PROJECT BRIEF

Project Title:	City of Adelaide - Strategic Risk Assessment and Alignment
	<ul style="list-style-type: none"> <li>– Identify any mitigating/corrective controls - controls that either reduce the severity of the consequence or correct the issue</li> <li>– Identify any gaps in mitigating controls and document clear treatment actions against these (with ownership etc)</li> <li>– Assess current/residual risk rating based on worst case plausible scenario</li> <li>– Identify target risk rating.</li> </ul>
	<p><b>Phase 3: Reporting</b></p> <ul style="list-style-type: none"> <li>– Prepare a draft strategic risk summary, including: <ul style="list-style-type: none"> <li>○ Updated risk register and bow tie analysis for each strategic risk</li> <li>○ Recommendations from risk management documentation review.</li> </ul> </li> <li>– Distribute updated draft bow tie analyses to risk owners for feedback and confirmation</li> <li>– Hold a close out workshop with Governance and Strategy team and risk owners to confirm risk register, bow tie analysis and documentation review recommendations</li> <li>– Finalise strategic risk summary and bow tie risk analyses.</li> </ul>
Timeframe:	Project delivery by end March 2025.
Project Resources:	<p>The estimated total cost to complete this project is \$30,000 - \$35,000 (GST exclusive).</p> <p>Out of pocket costs (including travel and accommodation, if required) will be billed at cost, kept to a minimum and agreed with you prior to them being incurred.</p>
Prepared by:	BDO
Agreed by:	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Peter Horsman - Partner BDO / /2025</p> </div> <div style="width: 45%;"> <p>Rebecca Hayes - Associate Director, Governance &amp; Strategy / /2025</p> </div> </div>

<b>Project Title:</b>	Strategic Planning, Governance and Organisational Reporting
<b>Project Contact:</b>	Rebecca Hayes, Associate Director, Governance & Strategy
<b>Project Objective:</b>	The objective of this project is to assess the adequacy of strategic and business planning, implementation, management and reporting processes to meet City of Adelaide's (CoA) strategic objectives, including delivery of projects, with a focus on identifying improvement opportunities and aligning priorities and council resources.
<b>Scope &amp; Approach:</b>	<p>This internal audit will assess the design and effectiveness of the Council's strategic planning, governance, and reporting frameworks, assessing maturity based on contemporary best practice and applicable legislative requirements (i.e. Local Government legislation) (<b>Appendix 1</b>). The review will examine how strategic objectives are developed, implemented, monitored, and reported, including the alignment with the budget development and prioritisation process. It will also consider reporting arrangements with the corporate strategy and strategic risk management. It will also consider the effectiveness and appropriateness of key reporting processes, including those relating to subsidiaries, and identify opportunities to enhance the transparency, consistency, and quality of organisational reporting.</p>

### Phase 0: Project Kick Off and Planning

Project Kick Off and Planning will focus on establishing the foundation for an effective engagement, including consultation, confirmation of timelines and deliverables, identification of any issues and scope exclusions, outlining our information requests and commencing access to relevant documentation.

An initial kick off meeting will confirm roles and responsibilities, introduce CoA representatives and the BDO team and confirm contact details of nominated engagement personnel. The following staff and business areas are anticipated to be involved:

- Lok Chiu - Manager Strategy, Planning & Engagement
- Michael Mallamo - Coordinator Strategic Planning
- Michael Terizakis - Coordinator Corporate Planning
- Amritha Perera - Coordinator Corporate Planning
- Michelle Arbon - Manager Project Management Office
- Charlotte Oldfield - Manager Council Governance
- Rebecca - Associate Director Governance and Strategy
- Kathryn Goldy - Manager - Governance
- Annette Pianezzola - Risk and Audit Analyst

## Phase 1: Process Discovery

- ▶ Obtain and review CoA's Strategic Plan 2024-2028 and associated Strategy and/or Business Plans, strategic and business planning framework, governance and performance reporting framework/templates, stakeholder engagement policy/plan and any other relevant documentation
- ▶ Conduct interviews with nominated CoA representatives to gain an understanding of the key processes and systems used in strategic and business planning, financial sustainability assumptions, integration with budget development and project prioritisation, implementation, monitoring and management processes, as well as governance and performance reporting structures/process and stakeholder engagement processes (as appropriate)
- ▶ Identify the key strengths of the strategic and business planning framework, and where and how there is congruence throughout, leading to an alignment of resources towards achieving Council's strategic objectives
- ▶ Identify the key risk areas within the strategic and business planning processes.
- ▶ Document CoA's strategic and business planning processes (at a high-level) with a focus on planning, financial sustainability assumptions, project prioritisation, implementation, monitoring and management processes, as well as governance and performance reporting structure/process and stakeholder engagement processes (as appropriate).

## Phase 2: Assessment of Process Adequacy

This phase will incorporate the following 2 stages:

### 2a - Adequacy Assessment and Risk/Control Gap Analysis

- ▶ Assess the alignment of CoA's Strategic Plan 2024-2028 and associated Strategy and/or Business Plans, strategic and business planning framework, governance and performance reporting framework/templates, stakeholder engagement policy/plan and any other relevant documentation with CoA's strategic direction, government policy impacts and general good business practices
- ▶ Conduct a control gap analysis and assessment of the design of strategic and business planning processes, with particular focus on:
  - Compliance with CoA's strategic and business planning framework and performance reporting framework

- The design and effectiveness of controls within the strategic and business planning processes, including planning, financial sustainability assumptions, identification of actions/projects/initiatives needed to execute the Strategic Plan and their budget considerations and prioritisation, allocation of responsibility, risk management, implementation, monitoring and management processes, as well as governance and performance reporting structure/process, including centralised and decentralised reporting and stakeholder engagement processes (as appropriate).

- ▶ Based on the control gap analysis and assessment, identify areas requiring improvement from a control and/or process improvement perspective
- ▶ Agree areas that require specific ‘walkthroughs’ and/or ‘testing’.

#### **2b - Walkthroughs and Testing**

- ▶ In consultation with CoA representatives, select a sample of strategic objectives from the Strategic Plan 2024-2028 to test:
  - Alignment with Strategy and/or Business Plans and governance/performance reporting framework
  - Effectiveness of the action/project/initiative prioritisation, allocation of responsibility, implementation, application of financial sustainability assumptions, risk management, monitoring, management and reporting processes and stakeholder engagement process (as appropriate)
- ▶ For a sample, review strategic and business planning governance/performance reporting documentation to assess process effectiveness
- ▶ Based on the results of ‘walkthroughs’/‘testing’, and reference to good business practices, identify areas requiring improvement from a control and/or process improvement perspective.

#### **Phase 3: Process Improvement**

- ▶ Hold preliminary discussions with CoA representatives to confirm accuracy of audit findings
- ▶ Work with CoA’s representatives to develop tailored solutions to address any identified control gaps and/or process improvement opportunities.

#### **Phase 4: Report Results**

- ▶ Prepare a summary of findings providing CoA with recommendations for enhancing processes, policies and procedures
- ▶ Hold closing meetings with CoA representatives regarding audit outcomes
- ▶ Prepare draft report and provide to CoA representatives for management comments
- ▶ Finalise report.

**Timeframe:**

Project delivery by end March 2026.

<b>Project Resources:</b>	<p>The project resourcing for this engagement is to be confirmed.</p> <p>The estimated total cost to complete this project is \$30,000 - \$35,000 (GST exclusive).</p> <p>Out of pocket costs (including travel and accommodation, if required) will be billed at cost, kept to a minimum and agreed with you prior to them being incurred.</p>
<b>Prepared by:</b>	BDO
<b>Agreed by:</b>	<p><b>Peter Horsman - Partner BDO</b> XX / XX /2025</p> <p><b>Rebecca Hayes - Associate Director, Governance &amp; Strategy</b> XX / XX /2025</p>

# Appendix 1: Best Practice & Maturity Model

## Legislative & Sector Frameworks

The assessment of City of Adelaide's strategic planning, governance, and reporting is anchored in the following legislative and sector "best practice" frameworks:

- South Australia Local Government Act 1999, s122: Requires councils to adopt integrated strategic management plans, including measurable objectives, financial sustainability, and regular reviews.
- South Australia Local Government Act 1999, s48: Sets prudential requirements for major projects, ensuring due diligence and robust governance.
- LGA SA Integrated Strategic Management Planning Guidelines (2022): Sector guidance on planning frameworks, resourcing, and reporting cycles.
- Other State Frameworks: NSW Integrated Planning & Reporting (IP&R); WA Integrated Planning & Reporting (IPR); VIC Integrated Strategic Planning & Reporting Framework (ISPRF); QLD Local Government Regulation 2012 (corporate/operational plans, LTFP, AMP).
- Observed Practices in SA Local Government (ESCOSA, 2025): Recent sector-wide review of asset, financial, and risk practices.

## CoA Strategic Planning Maturity Model

The following maturity model is tailored for City of Adelaide, drawing on legislative requirements, sector guidance, and public-sector frameworks. It is structured around key dimensions, each assessed on a 5-level scale:

## PROJECT BRIEF

Dimension	Level 1 Ad hoc	Level 2 Emerging	Level 3 Defined	Level 4 Integrated	Level 5 Optimised
Strategy & Approval	No documented strategic plan; reactive decisions; minimal compliance evidence	Strategic plan exists but siloed; approved by Council; limited integration with other strategies	Strategic plan formally adopted; integrated with other strategies; consultation documented	Strategy co-designed with community; aligned to regional/state plans; structured adoption cycle	Strategy iteratively refined using outcomes data; rolling refresh; deliberative engagement
Cascading Plans	No linkage between strategy and operations; service plans absent	Some directorate plans exist; inconsistent alignment to strategy	Corporate/business plans cascade objectives, actions, budgets; service standards defined	All services have plans with demand forecasts, workforce and asset implications	Plans continuously optimised using predictive analytics and performance data
Objectives & Indicators	Objectives vague; no measurable targets; no baselines	Some SMART objectives; limited KPIs; baselines in select areas	Objectives measurable; targets set; indicators aligned to ISO 37120 domains	Quantified targets across short/medium/long term; benefits profiles defined	Fully SMART objectives; benchmarking; longitudinal trend analysis; ISO 37101 sustainability embedded
Governance & Implementation	No formal governance; unclear roles; risks unmanaged	Basic project governance; risk registers exist but inconsistent	Portfolio/program governance defined; stage gates; risk management embedded (ISO 31000)	Central portfolio office assures benefits, risk, and gating; enterprise risk tracked	Adaptive governance; benefits realisation linked to community outcomes; explicit risk appetite
Reporting & Data	Irregular narrative reporting; no dashboards	Quarterly or half-year reports in some areas; limited KPIs	Quarterly performance reports; dashboards; link to Delivery Program/Operational Plan	Integrated dashboards; public reporting aligned to legislative frameworks	Open data portals; machine-readable reporting; robust data governance

Dimension	Level 1	Level 2	Level 3	Level 4	Level 5
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## PROJECT BRIEF

	AdHoc	Emerging	Defined	Integrated	Optimised
Change Management	Engagement ad hoc; mostly “inform”; no structured approach	Engagement plans for major projects; Some approval processes for change defined	Feedback loops documented; Clear approval processes & consultation defined for changes to plans/objectives	Embedded engagement; adoption/readiness metrics tracked; tailored for diverse communities	Continuous engagement; empowerment on selected decisions; visible feedback loops
Costing & Approvals	No standard business case; approvals informal; prudential requirements ignored	Business case template used for major projects; prudential triggers recognised	Formal business case standards; prudential policy adopted; independent reviews above thresholds	Stage-gated approvals; indexed thresholds; audit committee oversight	Whole-of-life costing; option analysis; climate/resilience impacts; independent assurance
Continuous Improvement	No post-implementation reviews; lessons lost	Occasional PIRs; audit findings not systematically tracked	PIRs and audits feed improvement register; risk insights inform planning	Independent reviews refresh governance frameworks; audit recommendations tracked	Continuous maturity reassessment; external evaluations; lessons closed out

## 2026 Audit and Risk Committee Work Plan

Strategic Alignment - Our Corporation

**Friday, 6 February 2026**

Audit and Risk Committee

Public

**Program Contact:**

Rebecca Hayes, Associate  
Director Governance & Strategy

**Approving Officer:**

Anthony Spartalis, Chief  
Operating Officer

## EXECUTIVE SUMMARY

The purpose of this report is to outline the City of Adelaide Audit and Risk Committee work plan for the 2026 calendar year – key deliverables, frequency and preferred meeting dates for reporting, and responsible City of Adelaide (CoA) staff.

## RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Approves the Audit and Risk Committee work plan proposed for 2026 as contained in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026, to guide Audit and Risk Committee activity during 2026.

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<p><b>Strategic Alignment – Our Corporation</b></p> <p>The Audit and Risk Committee work plan aligns with the Strategic Plan objectives</p>
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Not as a result of this report
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 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
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

1. The purpose of the Audit and Risk Committee (ARC) is to provide independent assurance and advice to Council on accounting, financial management, internal controls, risk management and governance matters.
2. Following consultation with key stakeholders, a draft ARC work plan for 2026 (**Attachment A**) has been developed.
3. The proposed work plan is flexible and provides the opportunity for additional reports to be presented at ARC's request or to meet operational needs.
4. This report seeks ARC's approval of the work plan to guide Audit and Risk Committee activity during 2026.

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## ATTACHMENTS

**Attachment A** – Proposed 2026 Audit and Risk Committee work plan

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- END OF REPORT -

AUDIT & RISK COMMITTEE: 2026 WORK PLAN												
Action	Link to Legislation, ToR	Deliverable	Frequency	Timing - schedule of reports to ARC								Responsible Reporting Officer
				17-Apr-26	15-May-26	12-Jun-26	14-Aug-26	23-Sep-26	16-Oct-26	20-Nov-26	Dec - Jan break	
ARC Committee Performance	Terms of Reference (11.6.2, 12.4, 12.5)	Annual Report from the Presiding Member	Annual									Associate Director, Governance & Strategy
	Terms of Reference (12.4)	Audit & Risk Committee Self-Assessment Results	Annual									Associate Director, Governance & Strategy
	Terms of Reference (44, 45)	Meeting Schedule	Annual									Associate Director, Governance & Strategy
	Terms of Reference (5)	Annual Work Plan	Annual									Associate Director, Governance & Strategy
	Terms of Reference (12.4)	Review of the Terms of Reference	Annual									Associate Director, Governance & Strategy
	-	Training and development plan	Annual									Associate Director, Governance & Strategy
External Audit	Terms of Reference (11.5.2)	End of Financial Year Audit Approach & Reporting Timetable	Annual									Associate Director, Finance & Procurement
	Terms of Reference (11.5.4)	External Audit Interim Management Letter (delivered by external auditor before end June each year)	Annual									Associate Director, Finance & Procurement
	LG Act s.126(4)(a) Terms of Reference (5.1, 11.1.1, 11.1.3, 11.6.2)	Audited Annual Financial Statements and report on Financial Results - CoA, APLA, ACMA and AEDA	Annual									Associate Director, Finance & Procurement
	LG Act s.126(4)(b) Terms of Reference (11.5.3)	Confidential Meeting with External Auditors	Annual									Associate Director, Finance & Procurement
	LG Act s.126(4)(b) Terms of Reference (11.5.4, 11.5.5)	Matters arising from the External Audit	Annual									Associate Director, Finance & Procurement
	Terms of Reference (5.5, 11.5.4)	Internal controls (considered as part of External Audit report)	Annual									Associate Director, Finance & Procurement
Financial Reporting	LG Act s.126(4)(ab, c) Terms of Reference (11.3)	Review of the Long Term Financial Plan	Annual - before and after consultation									Associate Director, Finance & Procurement
	LG Act s.126(4)(ab, c) Terms of Reference (11.3)	Review of Budget	Quarterly		Q3		Q4			Q1	Q2	Associate Director, Finance & Procurement
	Terms of Reference (11.6.2) Specifically requested by ARC	Quarterly Business Update including subsidiary updates	Quarterly	Q3		Q4			Q1		Q2	Associate Director, Finance & Procurement GMs of subsidiaries
	LG Act s.126(4)(a)	CEO Sustainability Report	Annually									Associate Director, Finance & Procurement
	Terms of Reference (11.6.2)	Review Council's Draft Annual Report	Annually									Associate Director, Governance & Strategy
	LG Act s.126(4)(ab, c) Terms of Reference (11.3)	Review of Annual Business Plan	Quarterly		Q3		Q4			Q1	Q2	Associate Director, Governance & Strategy
Internal Audit	LG Act s.126(4)(ab, c) Terms of Reference (11.3)	Update on development of the forward year Business Plan & Budget	Annually									Associate Director, Finance & Procurement
	LG Act s.126(4)(b) Terms of Reference (11.4.3)	Confidential Meeting with Internal Auditors	Annually									Associate Director, Governance & Strategy
	LG Act s.126(4)(c) Terms of Reference (11.4.2)	Internal Audit action plan update	All meetings									Associate Director, Governance & Strategy
	LG Act s.126(4)(c) Terms of Reference (11.4.1)	Strategic Internal Audit Plan	Annually									Associate Director, Governance & Strategy
Internal Control & Risk Management	LG Act s.126(4)(c) Terms of Reference (11.2.1, 11.2.2)	Review of Strategic Risk Register	Biannually									Associate Director, Governance & Strategy
	LG Act s.126(4)(c) Terms of Reference (11.2.1, 11.2.2)	Risk Management Systems (including Risk Management Operating Guideline, SRIA and Internal Audit)	Annually									Associate Director, Governance & Strategy
	LG Act s.126(4)(c) Terms of Reference (11.2.1, 11.2.2)	Emergency Management (including business continuity plan)	Biennial									Associate Director, Governance & Strategy
	Terms of Reference (11.2.3)	Activity of Strategic Risk & Internal Audit Group	Quarterly									Associate Director, Governance & Strategy
Good public administration framework Strategic Plans	LG Act s.126(4)(ab) Terms of Reference (2.1.2)	Strategic Plan (to be presented prior to November 2028)	Every 4 years									Associate Director, Governance & Strategy
	LG Act s.126(4)(ab) Terms of Reference (3.2.1)	Asset Management Plans (to be presented in 2028)	Every 4 years									Associate Director, Infrastructure
Other Business	Items arising from internal audit or request from ARC	ICS Implementation Plan	As requested									Associate Director, Park Lands, Policy & Sustainability
	Items arising from internal audit or request from ARC	Cybersecurity Update	As requested									Associate Director, Information Management

## 2026/27 BP&B – priorities, parameters, assumptions and current position

**Friday, 6 February 2026**  
**Audit and Risk Committee**

**Presenter:** Anthony Spartalis,  
Chief Operating Officer

Strategic Alignment - Our Corporation

Public

### PURPOSE OF WORKSHOP

The purpose of the Business Plan and Budget is to demonstrate responsible management of public funds to support community outcomes, represent Council commitment to the community through annual priorities and proposed deliverables for the year, alignment to our services, strategies and action plans, and articulates the challenges and opportunities of the current environment. This workshop will outline:

- The roadmap for the 2026/27 Business Plan and Budget
- 2026/27 priorities discussed with Council Members
- Current budget position as per the Long Term Financial Plan (LTFP)
- Funding scenarios for the Adelaide Economic Development Agency.

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- END OF REPORT -

# Our Corporation

## 2026/27 Business Plan and Budget

Building the 2026/27 BP&B  
Priorities, Parameters, Assumptions and  
Current Position

6 February 2026  
Anthony Spartalis, Chief Operating Officer

# Introduction

## Building a Business Plan and Budget



### Proposed revised roadmap

Date	Forum	Type	Topic	
2-Dec	Spec CFG	Workshop	Building the 2026/27 BP&B – Process, Priorities, Objectives and Involvement	<input checked="" type="checkbox"/>
9-Dec	Spec CFG	Workshop	Base position (LTFP) and AEDA allocation	<input checked="" type="checkbox"/>
6-Feb	ARC	Presentation	2026/27 BP&B – priorities, parameters, assumptions and current position	
7-Feb	CEO Briefing	Presentation	2026/27 Base Operating Budget	
21-Feb	CEO Briefing	Presentation	2026/27 Capital Budget	
<b>Further Council Member workshops and engagements will be confirmed with members</b>				
24-Mar	Council	Report	Endorsement of 2026/27 Capital and Strategic Projects	
10-Apr	ARC	Presentation	Draft 2026/27 BP&B - update	
21-Apr 28-Apr	CFG Council	Report	Draft 2026/27 BP&B for public consultation	
5-26 May	N/A	Public	Community consultation (22 Days)	
15-May	ARC	Report	Draft 2026/27 BP&B	
26-May	Council	Public	Public Hearing	
9-Jun	Council	Report	Consultation results	
16-Jun 23-Jun	CFG Council	Report	Final 2026/27 BP&B for endorsement	

# Process

To build the 2026/27 BP&B



- Maintain base budget: reflects existing services and service levels
- Identify and apply permanent changes: throughout the year - Council Decisions and known on-going cost/revenue impacts (e.g. North Adelaide Golf Course)
- Apply escalators: Enterprise Agreement, CPI (goods and services) and Other (including some revenue items)
- Incorporate one-off differences to base budget: temporary business changes (e.g. temporary closure of Central Market Arcade)
- Consider new initiatives: ↑↓ service levels or stop/start a service; or strategic projects, defined to be delivered within a scope and over a defined period of time to deliver on Council's Strategic Plan objectives
- Review consolidated position
- Set target surplus through adjusting levers: new debt servicing, projected growth, new initiatives, services provided, fees + charges and rate revenue

# Priorities

Delivering on the Strategic Plan



## Our Adelaide. Bold. Aspirational. Innovative.

Council is required to set objectives each financial year, referred to as Annual Priorities, which provide focus areas for the next 12 months. These drive decision-making with regard to prioritisation and funding of services, programs and projects.

Annual Priorities are aligned to Strategic Plan Key Actions. This approach helps us to deliver on a variety of expectations and major projects. It also provides opportunities to highlight projects and initiatives that are important to our community.

Administration has provided a potential list of priorities for the 2026/27 BP&B to Council Members for consideration (see pre-reading, slide 17).

Considerations for 2026/27 Priorities:

- Ongoing Major projects
- Decisions of Council
- Strategies and plans of Council
- Council Member feedback and insights
- Community Insights – surveys, engagements, customer interactions etc.
- State and Federal Government priorities
- STEEPLE (Social, Technological, Economic, Environmental, Political, Legal and Ethical) Assessment to determine risks and opportunities
- Opportunities identified through Program, Corporate and Service Planning
- Resourcing to deliver on priorities

# Current Budget Position

As per the LTFP



The tables show the forecasted financial position for 2026/27, as per the adopted LTFP.

## OUR BUDGET

(Income and Expenditure)

- Inflation Forecasts (CPI) of 2.5%
- Rates growth from new developments (1.0% assumed)
- Revenue increases linked to CPI
- Interest Rates for new borrowings
- Depreciation impacts from revaluations and New/Upgraded assets
- Planned investment – AMPs, Main Streets and Property Strategy
- Additional rate increases of:
  - 0.5% p/a to fund 94.5% Asset Renewal Funding Ratio (ARFR)
  - 2.1% p/a for Asset Renewal Repair Fund (ARRF – final year)

2026/27 Income Forecast (LTFP) (\$'000)	
Rates	164,079
Fees and Charges	90,321
Grants & Subsidies – Operating	4,349
Grants & Subsidies – Capital	2,631
Other	1,573
Borrowings	34,094
<b>Total Income</b>	<b>297,047</b>

2026/27 Expenditure Forecast (LTFP) (\$'000)	
<b>Operating Expenditure</b>	
Services (excluding Depreciation)	184,229
Strategic projects	7,325
<b>Capital Expenditure</b>	
New and Upgrade	34,553
Renewal/replace existing assets	70,940
<b>Total Expenditure</b>	<b>297,047</b>

# 2026/27 Projected Budget Based on Current Assumptions

\$'000s	Draft 2026/27 Budget				2026/27 Adopted LTFP	Variance		2026/27 Targeted Position	Variance		
	Base Operating	Service Changes	Projects	Total Draft		\$	%		\$	%	
<b>Income</b>											
Rates Revenues	164,019		0	164,019	164,079	(60)	0.0%	164,019	0	0.0%	
Fees and Charges	96,376	1,436	0	97,812	90,321	7,491	8.3%	96,215	1,597	1.7%	
Grants, Subsidies and Contributions	4,468	(27)	276	4,717	4,349	368	8.5%	4,441	276	6.2%	
Other Income	1,103		0	1,103	1,072	31	2.9%	1,103	0	0.0%	
<b>Total Income</b>	<b>265,966</b>	<b>1,409</b>	<b>276</b>	<b>267,651</b>	<b>259,822</b>	<b>7,829</b>	<b>3.0%</b>	<b>265,778</b>	<b>1,873</b>	<b>0.7%</b>	
<b>Expenses</b>											
Employee Costs	96,423	0	0	96,423	94,142	(2,280)	-2.4%	94,666	(1,757)	-1.9%	
Materials, Contracts & Other Expenses	87,596	2,747	1,286	91,629	84,450	(7,179)	-8.5%	90,649	(981)	-1.1%	
Sponsorships, Contributions and Donations	6,427	0	0	6,427	6,490	63	1.0%	6,427	0	0.0%	
Depreciation, Amortisation & Impairment	65,582	0	0	65,582	67,999	2,417	3.6%	65,582	0	0.0%	
Interest Cost on borrowings	734	0	0	734	734	0	0.0%	734	0	0.0%	
Finance costs - ROU Assets	2,437	0	0	2,437	2,422	(15)	-0.6%	2,437	0	0.0%	
<b>Total Expenses</b>	<b>259,199</b>	<b>2,747</b>	<b>1,286</b>	<b>263,232</b>	<b>256,239</b>	<b>(6,993)</b>	<b>-2.7%</b>	<b>260,495</b>	<b>(2,737)</b>	<b>-1.1%</b>	
<b>Operating Surplus / (Deficit)</b>	<b>6,767</b>	<b>(1,338)</b>	<b>(1,010)</b>	<b>4,419</b>	<b>3,583</b>	<b>837</b>	<b>23.4%</b>	<b>5,283</b>	<b>(864)</b>	<b>-16.4%</b>	
<b>Net Outlays on Existing Assets</b>											
Capital Expenditure on Renewal & Replacement of Existing Assets				(70,656)	(70,656)	(70,940)	284	-0.4%	(70,940)	(284)	0.4%
Finance lease payments for right of use assets on existing assets				(3,314)	(3,314)	(3,314)	0	0.0%	(3,314)	0	0.0%
add back Depreciation, Amortisation and Impairment				65,582	65,582	67,999	(2,417)	-3.6%	65,582	0	0.0%
Proceeds from Sale of Replaced Assets				500	500	500	0	0.0%	500	0	0.0%
<b>Net Outlays on Existing Assets</b>	<b>0</b>	<b>0</b>	<b>(7,888)</b>	<b>(7,888)</b>	<b>(5,754)</b>	<b>(2,134)</b>	<b>37.1%</b>	<b>(8,171)</b>	<b>(284)</b>	<b>3.5%</b>	
<b>Net Outlays on New and Upgraded Assets</b>											
Capital Expenditure on New and Upgraded Assets				(34,315)	(34,315)	(34,553)	238	-0.7%	(34,553)	(238)	0.7%
Amounts received specifically for New and Upgraded Assets				200	200	2,631	(2,431)	-92.4%	2,631	2,431	92.4%
<b>Net Outlays on New and Upgraded Assets</b>	<b>0</b>	<b>0</b>	<b>(34,115)</b>	<b>(34,115)</b>	<b>(31,922)</b>	<b>(2,193)</b>	<b>6.9%</b>	<b>(31,922)</b>	<b>2,193</b>	<b>-6.9%</b>	
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>6,767</b>	<b>(1,338)</b>	<b>(43,013)</b>	<b>(37,584)</b>	<b>(34,094)</b>	<b>(3,490)</b>	<b>10.2%</b>	<b>(34,810)</b>	<b>2,773</b>	<b>-8.0%</b>	
Plus Opening Borrowings									(51,818)	0	0.0%
<b>Borrowings</b>									<b>(86,628)</b>	<b>2,773</b>	<b>-3.2%</b>

# Current Budget Position

Proposed Capital New and Upgrade Projects



## Capital New and Upgrade projects

Proposed 2026/27 Capital New and Upgrade projects will be discussed with Council Members on 21 February 2026.

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Portfolio	# of N/U Projects	2026/27 (\$'000)
City Community	8	3,402
City Infrastructure	35	19,726
City Shaping	7	7,390
Corporate Services	9	3,497
Office of the CEO	1	300
<b>Total New and Upgraded Expenditure</b>		<b>34,315</b>
Confirmed External Funding		200
<b>Net New and Upgrade</b>	<b>62</b>	<b>34,115</b>

\*Inclusive of other project types with Capital N/U budget (total of \$120k)

# Current Budget Position

As per the LTFP



## Capital Renewal program

The targeted Asset Renewal Funding Ratio (ARFR) for 2026/27 is 94.5% (as per decision of Council and reflected in the LTFP).

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AMP Renewal Forecasts	2026/27 AMP (\$'000)
Buildings	10,092
Lighting & Electrical	5,138
Park Lands & Open Space	2,772
Transport	28,038
Urban Elements	5,138
Water Infrastructure	10,147
<b>Total Infrastructure Renewals</b>	<b>61,326</b>
Plant, Fleet & Equipment Replacement	3,504
Delivery Resources	6,110
<b>Total Renewal &amp; Replacement of Assets</b>	<b>70,940</b>

# Adelaide Economic Development Agency Allocation

## Context



### On 10 June 2025 Council resolved:

- The Administration to schedule a workshop for August 2025 as the first step in a process to formulate a proposal to provide annually a percentage of rates to the Adelaide Economic Development Agency (AEDA).
- The 26 August 2025 workshop centred on Administration's advice to fund AEDA based on deliverables outlined in CoA and AEDA Strategic Plans and the CoA Economic Development Strategy, rather than a fixed proportion of rates.

### Key Drivers And Funding

AEDA provides services, through an appropriation of funds, on behalf of and funded by the City of Adelaide.

These services are directed and driven through:

- the AEDA Charter
- the City of Adelaide Strategic Plan 2024–2028
- the Economic Development Strategy 2024–2028
- the AEDA Strategic Plan 2024/25–2028/29

*Note: Rundle Mall activities are fully funded through a Special Rate and are not part of the appropriation being discussed.*

# AEDA Allocation

Determining an appropriate funding level



- AEDA 2025/26 total funding of \$9.131m
- AEDA proposed 2026/27 base level funding of \$9.346m
- 4 scenarios developed to deliver varying degrees of the EDS attributed to AEDA, and its Strategic Plan (refer tables on slides 11-12)
- The scenarios reflect total funding increases of between \$0.575m to \$5.035m, above 2026/27 base level
- Allocation is a question of affordability, noting the need to balance delivery of the EDS with the delivery of other CoA strategies, which are yet to be fully costed.

**Following slide presents scenario options for AEDA funding, for Council Members to consider**

# AEDA Allocation

Determining an appropriate funding level

Not funded

Discretionary spend

2026/27 AEDA Funding	Base	Scenarios (\$'000)				4
		1	2	3		
25/26 Operating Costs (25/26 BP&B)	8,606	8,606	8,606	8,606	8,606	8,606
Annual 2.5% Escalation (as per LTFP assumptions)	215	215	215	215	215	215
Budget Increases	-	-	-	70 (Marketing)	605 (Marketing, AFW and Partnerships)	605
<b>26/27 Operating Costs</b>	<b>8,821</b>	<b>8,821</b>	<b>8,821</b>	<b>8,891</b>	<b>9,426</b>	
<b>Strategic Projects</b>						
<b>Currently Being Delivered</b>						
Rundle Mall Live Music	100	100	100	100	100	100
Tourism Attraction	150	150	150	150	150	150
Partner Marketing - Winter	75	75	75	75	75	75
City Brand Development	100	100	100	100	100	100
Investment Attraction	100	100	100	180	180	180
<b>Additional Projects</b>						
<i>Strategic alignment</i>						
Small Business Program	<i>EDS Goal 2</i>	-	250	520	680	750
Outward facing marketing	<i>EDS Goals 1, 3 &amp; 6</i>	-	125	345	830	900
North Terrace Enhancement	<i>CoA Strategic Plan: Our Community</i>	-	200	200	250	300
Innovation Places	<i>EDS Goals 3 &amp; 6</i>	-	-	500	500	500
Climatech Program	<i>EDS Goal 2</i>	-	-	500	600	650
SATC Partner Marketing	<i>EDS Goal 1</i>	-	-	-	100	200
Evening Economy	<i>EDS Goal 2</i>	-	-	-	450	450
Creative Industries Showcasing	<i>EDS Goal 5</i>	-	-	-	-	150
Supporting business activity (re main street upgrades)	<i>AEDA Strat Plan Goal 4.2</i>	-	-	-	-	450
<b>Strategic Projects Total</b>	<b>525</b>	<b>1,100</b>	<b>2,590</b>	<b>4,015</b>	<b>4,955</b>	
<b>TOTAL APPROPRIATION</b>	<b>9,346</b>	<b>9,921</b>	<b>11,411</b>	<b>12,906</b>	<b>14,381</b>	

# AEDA Allocation

## Funding proposal



- Fund AEDA based on scenario 2
- Increase overall funding (excluding RMML and Capital ) to \$11.411m
- Approximately \$2.1m more than 2026/27 base level (including CPI escalation)
- Transition to new level of funding over 3 years (approximately \$700k additional base funding each year)
- Escalation annually thereafter (that is, linked to cost-of-service delivery, not rates revenue)
- AEDA Board has discretion to prioritise funding to ensure strategic alignment (noting Council still endorses the final budget), and prioritised recommendations must be defined by endorsed strategies
- AEDA will not be eligible to draw further funding from the wider CoA strategic projects budget (excluding special Capital projects)
- Agreed tangible economic outcomes (not outputs) demonstrating return on Council investment.

# Next Steps

## Roadmap

**We will work with Council to ensure that a final BP&B is adopted in June, ready to be implemented in July.**

Administration will have a Saturday CEO Briefing on 7 February 2026 with Council Members on the development of the BP&B. Further workshops will be confirmed with members after this date.

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An update on the development of the 2026/27 BP&B will be presented to ARC on 15 May 2026.



Date	Forum	Topic	
2-Dec	Spec CFG	Building the 2026/27 BP&B – Process, Priorities, Objectives and Involvement	<input checked="" type="checkbox"/>
9-Dec	Spec CFG	Base position (LTFP) and AEDA allocation	<input checked="" type="checkbox"/>
6-Feb	ARC	2026/27 BP&B – priorities, parameters, assumptions and current position	<input checked="" type="checkbox"/>
7-Feb	CEO Briefing	2026/27 Base Operating Budget	
21-Feb	CEO Briefing	2026/27 Capital Budget	
<b>Further Council Member workshops and engagements will be confirmed with members</b>			
24-Mar	Council	Endorsement of 2026/27 Capital and Strategic Projects	
10-Apr	ARC	Draft 2026/27 BP&B - update	
21-Apr 28-Apr	CFG Council	Draft 2026/27 BP&B for public consultation	
5-26 May	N/A	Community consultation (22 Days)	
15-May	ARC	Draft 2026/27 BP&B	
26-May	Council	Public Hearing	
9-Jun	Council	Consultation results	
16-Jun 23-Jun	CFG Council	Final 2026/27 BP&B for endorsement	



# PRE-READING

Council Member Involvement | Types of revenue levers | AEDA allocation budget components | Priorities

# InvolveMent

Council Member involvement through the process



Whilst there are numerous opportunities to discuss the development of the 2026/27 BP&B, there is a great deal to cover. **To maintain a focused discussion on priority areas**, it is proposed that engagements with Council Members will concentrate on key aspects of the development.

Area of BP&B Development	Informed By	Area of BP&B Development	Focused Discussion
Reviewed Base Budgets (including non-reviewed fees and Charges)	25/26 Extrapolation	Annual Priorities	✓
Renewal Program	AMPs	AEDA allocation	✓
Assumptions (e.g. CPI)	External environment / trends	Capital Projects	✓
Existing Council Commitments	Decisions of Council	Strategic Projects	✓
Rates Growth	LTFP	Service Changes	✓
Asset Renewal Repair Fund	Decision of Council	Fees & Changes Reviews	✓
Asset Renewal Funding Ratio 2026/27 Target	Decision of Council	Rates Revenue	✓
		Results of Consultation	✓
		Endorsement of Documents	✓
		Sponsorships, Grants and Contributions	✓

# Current Budget Position

As per the LTFP



The LTFP sets the parameters for developing the Business Plan and Budget. This ensures that our 2026/27 budget is in line with our long-term financial planning, which has a focus on financial sustainability.

The four key components to be funded through building the Business Plan and Budget are:

Page 96	OPERATING	<b>Operating Budget</b> <i>Business as usual budget for services.</i>	<b>Strategic Projects</b> <i>Projects delivering on our Strategic Plan and Strategies.</i>
		Some discretion in the short term	Full discretion in the short term
CAPITAL	<b>Asset Renewal Program</b> <i>Replacement of assets like-for-like (or modern equivalent).</i>	<b>New and Upgrade</b> <i>Projects that create new or upgrade existing assets.</i>	Some/full discretion in the short term
	Limited discretion in the short term		

# AEDA Allocation

## Budget components



The current budget appropriation provided to AEDA funds the following budget components:

<b>Operating Budget</b> Business as usual budget for services	<b>Strategic Projects</b> Projects delivering our Strategic Plan and Strategies
<p>Indexed annually (reflected in the LTFP), the operating budget maintains the regular services/service levels and includes specific ongoing activities (Operating Activities), such as Adelaide Fashion Week, Events and Festival Sponsorship, Strategic Partnerships, etc.</p> <p>Identified permanent changes to operating budget amounts, services and service levels are identified separately and incorporated into the operating budget in the outer years (e.g. permanent changes to Adelaide Fashion Week budget amount, above indexation).</p>	<p>Prioritised funding, to deliver objectives of the City of Adelaide Strategic Plan, EDS and AEDA Strategic Plan. The Strategic Projects funded in 2025/26 were:</p> <ul style="list-style-type: none"> <li>- Rundle Mall Live Music Program</li> <li>- Tourism and Business attraction</li> <li>- Partner Marketing – Winter Focus</li> <li>- City Brand Development</li> <li>- Investment Attraction Program</li> </ul>

**Note:** capital funding attributed to AEDA (in the BP&B), are for City of Adelaide owned assets (i.e. Christmas decorations, Rundle Mall sound system), administering grant funding (i.e. the Experience Adelaide Visitor Centre), or delivered by City of Adelaide (i.e. renewal budget). This is in **addition to** the appropriation being discussed.

# Priorities

Delivering on the Strategic Plan



**These Key Actions from the Strategic Plan are potential Annual Priorities for Council to consider in 2026/27:**

## Our Community:

- Enable community-led services which increase wellbeing, social connections and participation in active lifestyles, leisure, recreation and sport
- 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

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## Our Environment:

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

**Annual Priorities provide guidance in developing the budget and prioritising projects. Updates on delivery will be highlighted in Quarterly BP&B Updates and the Annual Report.**

## Our Economy:

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

## Our Places:

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

## Our Corporation:

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

## 2025/26 Business Plan & Budget Q2 Review

Strategic Alignment - Our Corporation

Public

**Friday, 6 February 2026**

Audit and Risk Committee

**Program Contact:**

Rebecca Hayes, Associate  
Director Governance & Strategy

**Approving Officer:**

Anthony Spartalis, Chief  
Operating Officer

## EXECUTIVE SUMMARY

This report presents the performance and delivery status of Council's commitments against the City of Adelaide's 2025/26 Business Plan and Budget (BP&B) for the second quarter (October to December 2025) for the Audit and Risk Committee's consideration. The report provides an overview of portfolio and project achievements, in addition to the performance of Council subsidiaries.

The year-to-date operating position as at 31 December 2025 is an operating surplus of \$12.515m, which is \$6.468m higher than the year-to-date budget of \$6.047m, for this period.

The projected year end operating position is an operating surplus of \$8.541m which remains consistent with the adopted budget.

Total estimated operating revenue is forecast to be \$253.282m which is \$1.711m higher than the Q1 budget of \$251.571m. This is mainly due to additional commercial parking revenue of \$0.483m, including expiations, late payments and recoveries income of \$0.347m, Adelaide Town Hall of \$0.166m, external funding received for Library Materials and Operating Grants \$0.279m, State Bike Fund \$0.200m and funding for Strategic Projects of \$0.218m, and other movements of \$0.018m.

Total estimated operating expenditure (including depreciation) is forecast to be \$244.741m, which is \$1.711m higher than the Q1 budget of \$243.030m. This is due to additional funding for Strategic Projects \$1.069m, and permanent increases to the budget of \$0.642m including land holding costs associated with Tapanka – Franklin Street site \$0.462m, Adelaide Town Hall \$0.190m associated with an increase in revenue, remeasurement of a lease term on a lease liability resulting in depreciation reducing by \$1.755m and finance costs increasing by \$1.699m, and other movements of \$0.046m.

The year-to-date Capital Expenditure as at 31 December 2025 is \$33.516m, which is \$0.122m less than the approved budget of \$33.638m for the period to deliver the annual capital program.

The Capital Program is proposed to decrease by \$1.630m from \$122.293m to \$120.663m as a result of the reduction to new and upgraded projects of \$2.473m through retiming of 9 projects, the addition of 3 new projects, and accrued interest of \$0.019m from externally funded projects. The renewal program is proposed to increase by \$0.843m due to the addition of 1 new project, and a reallocation of Project Delivery Management costs of \$0.566m.

Council's forecasted borrowings as of 30 June 2026 has decreased by \$1.141m from \$51.818m forecast in the Q1 budget to \$50.677m.

Quarterly reports are provided to support Council in monitoring the integrity of Council's financial statements and reporting, as well as reviewing and overseeing progress on the BP&B. This process supports Council's commitment to transparency and accountability.

# RECOMMENDATION

THAT THE AUDIT AND RISK 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 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 6 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 6.5 on the Agenda for the meeting of the Audit and Risk Committee held 6 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 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.

# IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<b>Strategic Alignment – Our Corporation</b> Quarterly reporting supports Council's <i>financial sustainability</i> objective within the 2024-2028 Strategic Plan.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Quarterly reporting is an important part of monitoring the organisation's performance and effectiveness against Council's planned activities, which is required under Section 122 (1) of the <i>Local Government Act 1999</i> (SA).
Opportunities	Quarterly reporting enables Council to make informed and timely decisions to maintain or change its services, assets, and budgets to meet community expectations and needs, maintaining or improving Council's financial position, and enabling Council to be responsive to risks and opportunities.
2025/26 Budget Allocation	Not as a result of this report
Proposed 25/26 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
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

## 2025/26 BUSINESS PLAN PRIORITIES

1. Council continues to make good progress on delivering on its Strategic Plan 2024-2028 and is well progressed with the Key Actions prioritised in the 2025/26 Annual Business Plan and Budget (for more detail, please see 'Spotlight on Strategic Plan Priorities and Projects' section of **Attachment A**).
2. As at Quarter 2, all Annual Priorities from the 2025/26 Business Plan and Budget have commenced and are on track to be completed by the end of the financial year and are detailed below.

### Our Community

- 2.1. Support increased residential growth and housing affordability through partnerships and advocacy
- 2.2. Celebrate and elevate our community culture and the profiles of multicultural communities and create welcoming programs and services

### Our Environment

- 2.3. Make public electric vehicle charging available for all users, including micro-mobility, catalysing the uptake of electric vehicles in Adelaide and improving Council and community performance on transport emissions
- 2.4. Work with partners to create innovative ways to create or convert underutilised areas to green space

### Our Economy

- 2.5. Reinforce the position of Adelaide as the State's central business district and amplify Adelaide's reputation as a place to learn, work and start a business
- 2.6. Provide services and information that contribute towards a high productivity economy

### Our Places

- 2.7. Work with partners to increase active and diverse transport measures to ensure drivers, cyclists and pedestrians can safely and easily move within the city with a goal to minimise road incidents and decrease fatalities
- 2.8. Encourage repurposing, adaptive reuse and improvement of buildings and facilities

### Our Corporation

- 2.9. Create, maintain and integrate plans and policies that reflect and guide decision making and support our city and our community to thrive
- 2.10. Attract and retain people with skills and behaviours which align with our organisational objectives and values

## FINANCIAL SUMMARY

### Year-to-Date

3. The year-to-date operating position as at 31 December 2025 is an operating surplus of \$12.515m, \$6.468m higher than the budget of \$6.047m, for the period. The variance is driven by:
4. Total operating revenue of \$128.712m is \$1.667m higher than the budget of \$127.045m, for the period, and includes the following key movements:
  - 4.1. Additional rates revenue of \$0.520m mainly from interest and penalties applied to overdue rates balances
  - 4.2. Additional fees and charges of \$1.026m which includes positive movements in parking \$0.892m, expiations, late payments and recoveries \$0.183m and Adelaide Town Hall fees and charges \$0.246m
  - 4.3. Grants, subsidies and contributions are (\$0.523m) unfavourable due to the timing of the recognition of grants, largely due to the Financial Assistance Grants, where 50% of the annual contribution was received in the 2024/25 Financial Year
  - 4.4. Additional other income of \$0.644m due to reimbursements \$0.192m and insurance claims \$0.267m.
5. Total operating expenditure of \$116.197m is \$4.801m lower than the budget of \$120.998m for the period, and includes the following key movements:
  - 5.1. Employee costs \$3.054m favourable partially offset by temporary labour backfill of (\$2.687m)

- 5.2. Strategic Projects are \$1.750m favourable and include timing of Asset Condition Audits \$0.410m, Market Expansion \$0.258m, Social Planning Homelessness Resource \$0.215m, Resilient Flood Mapping \$0.151m, Helen Mayo Park Master Plan \$0.125m, and Cyber Security Enhancement \$0.110m
- 5.3. Materials, Contracts and Other Expenses is (\$0.462m) unfavourable due to temporary labour backfill (\$2.687m). This is offset by favourable variances in strategic projects including professional services \$0.541m, advertising \$0.404m, computer software maintenance \$0.298m and the timing of Strategic Projects \$1.244m (including Asset Condition Audits \$0.410m, Market Expansion \$0.258m, Resilient Flood Mapping \$0.151m, Helen Mayo Park Master Plan \$0.125m, and Cyber Security Enhancement \$0.110m)
- 5.4. Sponsorships, Contributions and Donations are \$1.030m favourable and include timing of Event and Festivals Sponsorships within AEDA \$0.746m, Social Planning Homelessness Resource \$0.215m and Community Impact Grants \$0.101m, offset by Heritage Incentive Scheme (\$0.194m)
- 5.5. Depreciation is \$2.044m favourable, due to prior year revaluations, and remeasurement of lease liabilities, offset by an increase in finance costs of (\$0.865m).
- 6. The year-to-date Capital Expenditure as at 31 December 2025 is \$33.516m, which is \$0.122m behind the Q1 budget of \$33.638m for the period.
- 7. As at 31 December 2025, Council had a cash surplus of \$9.803m, with \$2.517m in bank accounts and \$7.286m in deposits.

#### Projected Annual Financial Summary

- 8. The proposed Quarter 2 review delivers an end of year operating surplus of \$8.541m, (in line with the adopted budget):
  - 8.1. Total estimated operating revenue of \$253.282m (\$1.711m higher than the adopted budget of \$251.571).
  - 8.2. Total estimated operating expenses (including depreciation) of \$244.741m (\$1.711m higher than the adopted budget of \$243.030m).
- 9. Operating revenue has increased by \$1.711m from the Q1 budget of \$251.571m to the estimated income of \$253.282m. This is mainly due to additional commercial parking revenue of \$0.483m; expiations, late payments and recoveries income of \$0.347m, Adelaide Town Hall of \$0.166m, external funding received for Library Materials and Operating Grants \$0.279m, State Bike Fund \$0.200m and funding for Strategic Projects of \$0.218m, and other movements of \$0.018m.
- 10. Operating expenditure increased by \$1.711m from the Q1 budget of \$243.030m to the estimated expenditure of \$244.741m. This is due to additional funding for Strategic Projects \$1.069m, and permanent increases to the budget of \$0.642m including land holding costs associated with Tapanka – Franklin Street site \$0.462m, Adelaide Town Hall \$0.190m associated with an increase in revenue, remeasurement of a lease term on a lease liability resulting in depreciation reducing by \$1.755m and finance costs increasing by \$1.699m, and other movements of \$0.046m.
- 11. Total proposed Capital Expenditure for the year is \$120.663m (decrease of \$1.630m compared to Q1 budget of \$122.293) as a result of the reduction to new and upgraded projects of \$2.473m through retiming of 9 projects, the addition of 3 new projects, and accrued interest of \$0.019m from externally funded projects. The renewal program is proposed to increase by \$0.843m due to the addition of 1 new project, and a reallocation of Project Delivery Management costs of \$0.566m.
- 12. Grant funding to support capital expenditure on new and upgraded assets of \$14.121m (\$0.455m increase to Q1 budget of \$13.667m) through funding for the Flinders Street Housing project (City East)
- 13. Borrowings are proposed to decrease to \$50.667m as at 30 June 2026 (\$1.141m lower than the adopted budget of \$51.818) as a result of the changes above.
- 14. Updated financial statements are provided from page 53 in **Attachment A**.

#### **PROJECT DELIVERY SUMMARY**

##### Strategic Projects

- 15. In 2025/26, Council has a commitment of \$8.195m (\$7.172 net of grant funding) to deliver 50 Strategic Projects. At the end of this quarter 50% was committed or spent.

## Capital Works Program

16. In 2025/26, Council has a commitment of \$122.293m to deliver 325 projects as part of its Capital Works Program. At the end of this quarter 19 New and Upgrade projects and 19 Renewal projects reached practical completion.

## **ADJUSTMENTS TO THE 2025/26 BUSINESS PLAN AND BUDGET**

### Operating Program

17. Adjustments to program deliverables and budgets for the quarter (permanent changes to BAU which will flow through to the 2026/27 budget) are offset by adjustments to 2025/26 Strategic Projects (which are once-off in nature):
  - 17.1. Permanent changes to the budget of \$0.651m net increase in revenue including commercial parking revenue of \$0.483m, expiation revenue of \$0.347m, library grant of \$0.279m, offset by an increase in expenditure associated with finance cost of (\$1.699m), land holding cost of (\$0.462m), employee cost of (\$0.174m), net decrease in Adelaide Town Hall of (\$0.024m), depreciation reduction of \$1.755m, materials reduction of \$0.115m and other minor changes of \$0.031m.
  - 17.2. Adjustments to Strategic Projects (temporary in nature) for the quarter total (\$0.651m) increase in net expenditure (\$1.069m increase in gross expenditure), consisting of:
    - 17.2.1. Inclusion of 7 new strategic projects: 2025 Resident Survey Analysis (\$0.020m), Tree Martin Management - 2026 Migratory Season (\$0.150m), National Heritage Management Plan First Nations Heritage (\$0.207m), ACMA Traders Sustainability Program Stage 2 (\$0.050m), Strategic Property Investigations (\$0.200m), Market Expansion Site Management (\$0.080m), Park 21 West SAPN Transformer (\$0.450m)
    - 17.2.2. Increase in funding for Election 2026 (\$0.090m), National Heritage Management Plan Implementation (\$0.039m)
    - 17.2.3. Savings identified in projects: Asset Condition Audit Project \$0.200m, City Plan Digital Tool (CoADE) \$0.039m
    - 17.2.4. Partial funding received projects: National Heritage Management Plan First Nations Heritage \$0.168m, ACMA Traders Sustainability Program Stage 2 \$0.050m
    - 17.2.5. Final costs associated Supplementary Election 2025 (\$0.102m)
    - 17.2.6. Reallocation of funding in Adelaide Central Market Expansion Operational Preparedness \$0.080m
18. Further detailed information on these changes is from page 47 (Operating Program - Adjustments) in **Attachment A**.

### Capital Program

19. Capital expenditure is proposed to decrease to \$120.663m for the year, which is lower than the adopted budget of \$122.293m.
  - 19.1. New and Upgrade projects has decreased by \$2.473m from the Q1 budget of \$54.356m to a proposed budget as at Quarter 2 of \$51.883m.
  - 19.2. The Renewals budget has increased by \$0.843m from the Q1 budget of \$67.937m to a proposed budget as at Quarter 2 of \$68.780m.
20. Adjustments to the Capital program include:
  - 20.1. Re-timing of 9 projects into future years of \$6.081m
  - 20.2. City Library relocation (\$2.500m)
  - 20.3. A bring forward of the construction of the Glen Osmond Shared Use path and lighting project planned for 2026/27 of (\$1.200m)
  - 20.4. A new grant to support the development of the Housing solution at Flinders Street (\$0.455m)
  - 20.5. Accrued grant interest in Quarter 2 of (\$0.019m)
  - 20.6. The reduction in the New/Upgrade component of the Project Delivery Management cost of \$0.566m with a corresponding increase in the Renewal component.
21. Further detailed information on these changes is available from page 39 in Attachment A.

## COUNCIL SUBSIDIARIES SUMMARY

22. The Adelaide Central Market Authority, Adelaide Economic Development Agency and Kadaltilla / Adelaide Park Lands Authority have provided updates as contained in **Attachments B, C and D**, respectively.
23. The Brown Hill Keswick Creek Stormwater Board (Regional Subsidiary), which Council is a member of, has provided an update as contained in **Attachment E**.

### Adelaide Central Market Authority (ACMA) – Year to Date Financial Summary

24. The year-to-date operating position as at 31 December 2025 is an operating deficit of (\$0.063m), which is \$0.587m favourable when compared to the Q1 budget of (\$0.650m) deficit for this period.
  - 24.1. Total operating revenue of \$2.770m
  - 24.2. Total operating expenditure of \$2.833m (comprised of Existing Marketing Operations Expenditure of \$2.726m and Market Expansion Expenditure of \$0.107m)
25. The proposed changes for ACMA in Quarter 2 is the recognition of the ACMA Traders Sustainability Program Stage 2 (100% grant funded), and a reduction in the Adelaide Central Market Expansion Operational Preparedness project of \$0.080m to reallocate to fund the site manager, noting that funds will be required next financial year to continue with the project.

### Adelaide Economic Development Agency (AEDA) – Year to Date Financial Summary

26. The year-to-date operating position as at 31 December 2025 is an operating deficit of (\$0.343m), which is \$0.322m favourable when compared to the approved budget of (\$0.665m) deficit for this period.
  - 26.1. Total operating income of \$6.662m
  - 26.2. Total operating expenditure of \$7.005m.
27. The proposed change for AEDA in Quarter 2 is an adjustment to recognise the Right of Use Asset for the storage lease for Rundle Mall, net impact of \$0.002m increase to expenditure. This is funded by a \$0.002m increase to the appropriation of funds through the City of Adelaide.

### Kadaltilla / Adelaide Park Lands Authority – Year to Date Financial Summary

28. The year-to-date operating position as at 31 December 2025 is an operating deficit of (\$0.075m), which is \$0.070m favourable when compared to the approved budget of (\$0.145m) deficit for this period.
  - 28.1. Total operating income of nil
  - 28.2. Total operating expenditure of \$0.075m.

There are no proposed changes to the Kadaltilla budget in Quarter 2.

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## DATA AND SUPPORTING INFORMATION

Nil

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## ATTACHMENTS

**Attachment A** – 2025/26 Business Plan and Budget Q2 Update

**Attachment B** – Adelaide Central Market Authority Q2 Update

**Attachment C** – Adelaide Economic Development Agency Q2 Update

**Attachment D** – Kadaltilla / Adelaide Park Lands Authority Q2 Update

**Attachment E** - Brown Hill Keswick Creek Stormwater Board Update

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- END OF REPORT -

# 2025/26 Business Plan & Budget

Attachment A



October to December 2025  
**Quarter 2 Update**



# Kaurna Acknowledgement

City of Adelaide tampendi, ngadlu Kaurna yertangga banbabanbalyarnedi (inbarendi). Kaurna meyunna yaitya mattanya Womma Tandanyako. Parnako yailtya, panuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kaurna meyunna itto yailtya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaitya miyurna iyangka yalaka ngadlu tampinthi.

City of Adelaide acknowledges the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today. And we also extend that respect to other Aboriginal Language Groups and other First Nations.

## Legend

Throughout this document, these icons represent:

### Status

- that the project timeline, delivery and budget are on track (based on latest adopted schedule and budget)
- ▲ that the project has risks that are being managed and may exceed estimated time and adopted budget
- ◆ that the project is no longer on track or within adopted budget / delivered outside of schedule and budget

### Budget

- ▶ that there is no change from the most recent adopted budget to the proposed budget
- ▲ that there is an increase from the most recent adopted budget to the proposed budget
- ▼ that there is a decrease from the most recent adopted budget to the proposed budget

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# CEO Message

## Delivering the 2025/26 Business Plan and Budget



The 2025/26 Business Plan and Budget continues to support the delivery of the City of Adelaide Strategic Plan 2024-2028. This report highlights our progress for Quarter 2 against the objectives of the Business Plan and Budget and the corresponding aspirations of our Strategic Plan.

In Quarter 2, Council delivered its core business while progressing the Our Community, Our Environment, Our Economy, Our Places and Our Corporation pillars of the Strategic Plan 2024–2028. Key milestones included a Cultural Burn with Traditional Owners at Victoria Park/Pakapakanthi (Park 16), the completion and official opening of 88 O'Connell after 36 years of inactivity, and the Market Square commercial office tower reaching its highest structural point.

Quarter 2 saw the 2025/26 Capital Program continue strong progress across both New and Upgrade and Renewals projects. 19 New and Significant projects reached practical completion, including several street greening projects, Vincent Street and Vincent Place streetscape improvement project and Hutt Street Entry Statement.

During the quarter, 19 renewal projects achieved practical completion, including Traffic Signal renewals at Anzac Highway/Park Lands trail crossing, Wellington Square/Tynte St intersection and at Pulteney St/Grenfell St as well as Pulteney/Pirie St intersection, the Colonel Light Centre – Air Handling Unit renewal and the Veale Gardens footpath renewal project.

At the end of Quarter 2 the Strategic Projects program was 50% committed or spent, with a focus on projects that support the delivery of the City of Adelaide Strategic Plan 2024-2028 and other endorsed strategies. Annual Cultural Burn in the Park Lands, Supplementary Election 2025 and Black Friday projects achieved practical completion.

The ongoing financial planning and management over Quarter 2 has seen the delivery of an operating result generally in line with the budget. The forecast operating surplus of \$8.541m will ensure that we remain in a strong position to support our commitment in delivering on the 2025/26 Business Plan and Budget within the parameters adopted by Council, the Long-Term Financial Plan, and associated Asset Management Plans.

During Quarter 2, Council's work was recognised through several industry awards. UPark received Parking Organisation of the Year and Outstanding Customer Experience at the Australian Parking Industry Association Awards. At the Planning Institute Australia (SA) Awards for Planning Excellence, the Adaptive Reuse City Housing Initiative (ARCHI) received the Planning Research Award and the Minister for Planning's Award, along with commendations for City Plan Digital Explorer (Technology and Digital Innovation), Performance on Waste and Resource Recovery (Climate Change and Resilience Category), Adelaide Park Lands Management Strategy (Strategic Planning Category), and Ellen Liebelt, Project Manager City Housing and ARCHI Lead (Planning Champion Category). The People Safety and Wellbeing team received the Self Insurers SA award for Outstanding WHS Innovation or Pioneer, recognising an innovative solution to an identified workplace hazard.

I encourage you to read and review this progress report to recognise Quarter 2 achievements towards the delivery of the City of Adelaide's 2025/26 Business Plan and Budget and the priorities of our Strategic Plan 2024-2028.

**Michael Sedgman**

**Chief Executive Officer**

# Executive Summary

This report presents the performance and delivery status of Council's commitments against the 2025/26 Business Plan and Budget (BP&B) for the second quarter (October to December 2025). Included within this report is an overview of Portfolio and Project achievements, as well as the performance of Council subsidiaries.

The year-to-date operating position as at 31 December 2025 is an operating surplus of \$12.505m, which is \$6.468m higher than the approved budget of \$6.047m for the period.

The year end projected operating position is an operating surplus of \$8.541m which remains consistent with the Q1 budget. Total estimated operating revenue is forecast to be \$253.282m which is \$1.711m higher than the adopted budget of \$251.571m. This is mainly due to additional commercial parking revenue of \$0.483m; expiations, late payments and recoveries income of \$0.347m, Adelaide Town Hall of \$0.166m, external funding received for Library Materials and Operating Grants \$0.279m, State Bike Fund \$0.200m and funding for Strategic Projects of \$0.218m, and other movements of \$0.018m. Total estimated operating expenditure (including depreciation) is forecast to be \$244.741m, which is \$1.711m higher than the Q1 budget of \$243.030m. This is due to additional funding for Strategic Projects \$1.069m, and permanent increases to the budget of \$0.642m including land holding costs associated with Tapanka – Franklin Street site \$0.462m, Adelaide Town Hall \$0.190m associated with an increase in revenue, remeasurement of a lease term on a lease liability resulting in depreciation reducing by \$1.755m and finance costs increasing by \$1.699m, and other movements of \$0.046m.

## Operating Position (Financial Performance)

\$000's	YTD Actual	YTD Budget	Variance	Q1 Budget	Proposed Q2	Variance
<b>Total Revenue</b>	128,712	127,045	1,667	251,571	253,282	1,711
<b>Total Expenses</b>	116,197	120,998	4,801	243,030	244,741	(1,711)
<b>Operating Surplus / Deficit</b>	<b>12,515</b>	<b>6,047</b>	<b>6,468</b>	<b>8,541</b>	<b>8,541</b>	<b>-</b>

## Borrowings

Council's forecasted borrowings as of 30 June 2026 has decreased by \$1.141m from \$51.818m forecast in the Q1 budget to \$50.677m as set out in the table below:

\$000's	Q1 Budget	Proposed Q2	Movement
Opening Borrowings (Financial Statements)	(23,820)	(23,820)	-
Adjusted Operating Surplus ^	8,541	8,064	477
Net outlays on Renewal of Assets	(8,033)	(9,343)	1,310
Net outlays on New and Upgraded Assets	(28,506)	(25,578)	(2,928)
<b>Forecast Borrowings as at 30 June 2026</b>	<b>(51,818)</b>	<b>(50,677)</b>	<b>(1,141)</b>

<sup>^</sup> The Adjusted Operating Surplus incorporates grants received within the operating position which are one-off and capital in nature. The grants received are included within the Net Outlays on Renewal of Assets. Refer to the Uniform Presentation of Finances in the Appendix: Financial Statements

## Capital Program

The year-to-date Capital Expenditure as at 31 December 2025 is \$33.516m, which is \$0.122m less than the approved budget of \$33.638m for the period. This is a result of the continued effort to deliver the annual capital program.

The Capital Program is proposed to decrease by \$1.630m from \$122.293m to \$120.663m as a result of the reduction to new and upgraded projects of \$2.473m through retiming of 9 projects, the addition of 3 new projects, and accrued interest of \$0.019m from externally funded projects. The renewal program is proposed to increase by \$0.843m due to the addition of 1 new project, and a reallocation of Project Delivery Management costs of \$0.566m to reflect the direct costs incurred in delivering the renewal program.

Council's Capital Program Quarter 2 budget changes are set out in the table below:

\$000's	YTD Actual	YTD Budget	Variance	Q1 Budget	Proposed Q2	Variance
New and Upgrades Projects	8,509	15,091	6,582	54,356	51,883	2,473
Renewal / Replacement of Assets	25,007	18,547	(6,460)	67,937	68,780	(843)
<b>Total Revenue</b>	<b>33,516</b>	<b>33,638</b>	<b>122</b>	<b>122,293</b>	<b>120,663</b>	<b>1,630</b>

# Business Plan and Budget Funding Overview

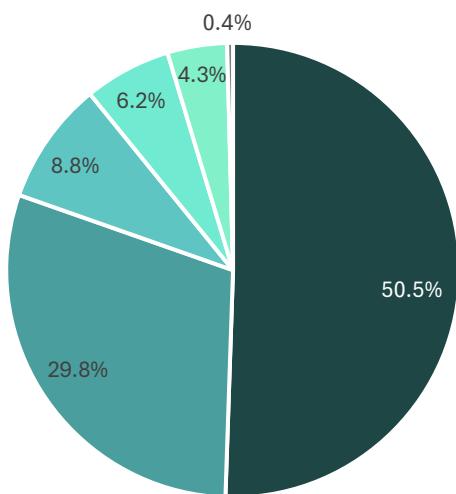
## Where our funds come from

Budget (\$m)			
Rates	\$ 154.908	50.5%	
Fees and charges (Statutory & User Charges)	\$ 91.458	29.8%	
Borrowings	\$ 26.857	8.8%	
Proceeds from the Sale of Assets	\$ 19.000	6.2%	
External Funding	\$ 13.037	4.3%	
Other	\$ 1.276	0.4%	
<b>TOTAL</b>	<b>\$ 306.535</b>		

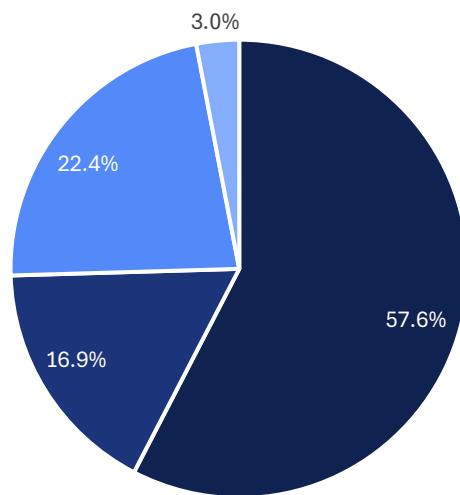
## How our funds are spent

Budget (\$m)			
Service Delivery	\$ 176.608	57.6%	
New and Upgraded Assets	\$ 51.883	16.9%	
Renewal/Replacement of Assets	\$ 68.780	22.4%	
Strategic Projects	\$ 9.264	3.0%	
<b>TOTAL</b>	<b>\$ 306.535</b>		

*Note: Some rounding occurs in this table and throughout the document*



- Rates
- Fees and charges (Statutory & User Charges)
- Borrowings
- Proceeds from the Sale of Assets
- External Funding
- Other



- Service Delivery
- New and Upgraded Assets
- Renewal/Replacement of Assets
- Strategic Projects

# Spotlight on Strategic Plan Priorities and Projects

## Our Community

## Vibrant, connected and inclusive

### Strategic Plan Key Actions that are being prioritised this year:

**Support increased residential growth and housing affordability through partnerships and advocacy.**

On 23 November 2025, the City of Adelaide, partnering with the State Government, Junction Australia and Unity Housing, announced the City East Housing Project which will deliver at least 700 new residential apartments, including 200 affordable apartments, in the east of the city.

**Celebrate and elevate our community culture and the profiles of multicultural communities and create welcoming programs and services.**

'Purkarari: Slow down' is an exhibition of major new works by Zaachariaha Fielding alongside collaborative paintings created with senior artists working out of the APY Studio in Adelaide, serving as a powerful tribute to connection, creativity, and country.

Wangkumara artist Crista Bradshaw's engagement with the City of Adelaide Archives through the Guildhouse Collections Project resulted in an ART POD installation presented with Tarnanthi Festival.

The SA Music Hall of Fame Exhibition at Adelaide Town Hall celebrated our thriving independent artists, iconic venues, dynamic and diverse industry for Adelaide's 10-year anniversary as Australia's only UNESCO City of Music in 2025.

### Quarter Spotlight: City Wide Experiences



Council continues to deliver fun, lively and interesting city-wide experiences year-round through the **City Activation** initiative (\$300k, Strategic Project), aimed at attracting people, transforming places, and celebrating community and culture. Following Supercycle Sunday in the previous quarter, the Park Up Spring Series was delivered over three Fridays in October, promoting working in the city to young professionals through bespoke after-work experiences, attracting over 1,000 attendees. The series received an exceptionally strong and supportive response, with many attendees expressing a desire for it to become a regular fixture. The activation will return for a short summer series beginning 23 January 2026. In partnership with the UNESCO City of Music, the **Rundle Mall Live Music Program** (\$100k, Strategic Project) continues to provide paid performance opportunities for local and international artists, while reinforcing Rundle Mall's position as a destination for culture and community connection. Wasabi Entertainment was engaged to procure local artists and deliver this program with eight events held in quarter two, culminating with Sounds of the Season celebrating Christmas music on 19, 22 and 23 December. **Christmas Decorations – City-Wide and Rundle Mall** (\$446k, Capital Project) delivered new light-based entry statements and installations across key locations in the city and North Adelaide, in line with the new Christmas in the City Action Plan and building on the 2024/25 light motif trial to enhance the visitor experience. These included the installation of 34 Grote Street illuminated baubles and 20 illuminated O'Connell Street Christmas trees. In Rundle Mall, two new Christmas zones were installed ahead of the 2025 Christmas Pageant: the Mistletoe Arch Zone near James Place and the Santa's Throne Zone at Twin Street.

## Strategic Plan Key Actions that are being prioritised this year:

Make public electric vehicle charging available for all users, including micro-mobility, catalysing the uptake of electric vehicles in Adelaide and improving Council and community performance on transport emissions. A workshop was held on 21 October for Council Members with the preferred provider in attendance. Further specific details about charging infrastructure and locations have been received and are being reviewed.

## **Work with partners to create innovative ways to create or convert underutilised areas to green space.**

On 23 November 2025, the City of Adelaide, partnering with the State Government, Junction Australia and Unity Housing, announced the City East Housing Project which will deliver new public open space in the east of the city.

## Quarter Spotlight: Culture and Heritage



A **Cultural Burn in the Adelaide Park Lands** (\$60k jointly funded Strategic Project) was delivered on 2 October by the Kaurna Fire Team (Firesticks Alliance Indigenous Corporation) in partnership with the City of Adelaide. The project restored Kaurna Caring for Country practices and strengthened recognition of living heritage and culture. The slow, controlled burn supported cultural knowledge transmission while improving ecosystem health through fuel load reduction, enhanced biodiversity, and ongoing monitoring to inform future cultural burning across key biodiversity areas. As part of the **National Heritage Management Plan Implementation** (\$100k, Strategic Project), work is to be done to identify and spatially map views and vistas of National Heritage value across the Adelaide Park Lands. The procurement stage has been completed with an agreement signed on 31 October 2025 and project initiation from 13 November 2025. **Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscapes** (\$178k, Strategic Project) progressed in the quarter to support the Strategic Plan objective of achieving World Heritage listing for the Adelaide Park Lands and strengthening heritage protections, with an Aboriginal engagement consultancy appointed to develop a Free, Prior and Informed Consent (FPIC) stakeholder engagement plan. Early engagement was undertaken with the Federal Government and heritage experts to advance the Tentative List Submission and Preliminary Assessment.

## Our Economy

## Growing, innovative and responsive

### Strategic Plan Key Actions that are being prioritised this year:

Reinforce the position of Adelaide as the State's central business district and amplify Adelaide's reputation as a place to learn, work and start a business.

Data for Lunch was held on 12 November, followed by the Visitor Economy Forum on 18 November, while strategic funding to MTPConnect, Renew Adelaide and ThincLab supported entrepreneurship development.

### **Provide services and information that contribute towards a high productivity economy.**

Council's subsidiary, the Adelaide Economic Development Agency (AEDA) partnered with Study Adelaide to promote the city at the ASEAN Conference, continued engagement with purpose-built student accommodation providers to explore opportunities, and progressed brand development activities.

### Quarter Spotlight: Tourism



**Tourism and Business Attraction** (\$150k, Strategic Project) In line with AEDA's Strategic Plan 2024-28 objectives to grow the Visitor Economy by attracting year-round, "magnet" tourism products to further position Adelaide as a desirable place to visit, especially for national and international audiences. Work has continued to identify, qualify and undertake discussions with global tourism operators. AEDA has met with several global operators to understand their business model, how they approach new projects and jurisdictions, and identify what they would require in order to consider a future investment in Adelaide.

### Strategic Plan Key Actions that are being prioritised this year:

Work with partners to increase active and diverse transport measures to ensure drivers, cyclists and pedestrians can safely and easily move within the city with a goal to minimise road incidents and decrease fatalities.

Council continues to successfully deliver capital improvements to safe road and footpath infrastructure, including the Vincent Street and Vincent Place improvements, South Terrace and Hutt Street intersection improvements, Street Tree Greening, progressing designs for imminent construction of wombat crossings on Melbourne Street and new Bicycle & Pedestrian Actuated Crossings on Hutt Street, Glen Osmond Road and Sir Donald Bradman Drive.

### **Encourage repurposing, adaptive reuse and improvement of buildings and facilities.**

The Adaptive Reuse City Housing Initiative (ARCI) Incentives Scheme allocated \$25,000 in Quarter 2 for stage 2 construction work associated with 1 dwelling, comprising 4 bedrooms. The Heritage Incentive Scheme allocated \$68,000 for 9 projects to restore Heritage listed properties in the City of Adelaide in Quarter 2. The Scheme is now fully allocated for 2025/26.

### Quarter Spotlight: Safer Roads



**Belair-City Bikeway / Adelaide Park Lands Trail – Glen Osmond Road** (\$1,372k, Capital Project) progressed this quarter with \$1.3 million in Federal Government Blackspot Road Safety funding supporting the delivery of a new raised, signalised pedestrian and cyclist crossing on Glen Osmond Road, with design procurement nearing completion, site investigations undertaken, and concept design underway. **Peacock Road Cycle Route** (\$572k, Capital Project) will deliver a quick-build protected cycleway along one of the city's busiest commuter corridors, addressing safety risks from unprotected bike lanes, unlocking latent cycling demand, and strengthening connections to the Mike Turtur Cycleway and the City of Unley network, with design in progress. **School Safety Implementation Project** (\$177k, Capital Project) progressed this quarter with speed limit changes and associated legislative school signage being worked through with the Department for Infrastructure and Transport (DIT) following Council's decision, while non-legislative school zone advisory signage is being developed for installation. **Franklin Street Pedestrian Crossing** (\$120k, Capital Project) is progressing with concept design currently being prepared for internal design review, with detailed design planned for the latter half of the financial year. **Vincent Street and Vincent Place Improvements** (\$1,106k, Capital Project) were completed during the quarter, delivering safer, greener and more enjoyable streets for residents, workers and visitors. The upgrades enhanced everyday experiences across walking, cycling, driving and spending time in the neighbourhood, improving both safety and amenity throughout the area.

## Our Corporation

## High performing, customer-centric and bold

### Strategic Plan Key Actions that are being prioritised this year:

Create, maintain and integrate plans and policies that reflect and guide decision making and support our city and our community to thrive.

The policy review process is being refined to improve consistency and ensure timely policy updates across the organisation.

**Attract and retain people with skills and behaviours which align with our organisational objectives and values.**

Leadership Capability Model was developed, consulted upon, and endorsed by Executive.

### Quarter Spotlight: UPark – Central Market Parking



With the new Market Square Expansion returning 260 parking spaces and relying on access through the existing UPark Central Market, improved customer wayfinding, reduced congestion and safety risks, and effective utilisation of the car park will enable the ongoing success of the Central Market and Market Square Expansion. In this quarter, the **UPark Central Market – Parking Guidance System** (\$300k, Capital Project) progressed with Request For Tender specifications under development and coordination underway with signage design for the Market Square redevelopment. The **UPark Central Market – Car Park Hardware** (\$190k, Capital Project) supports the delivery of new car park area associated with the Market Square redevelopment and will commence following handover of the car park floors by the developer.

# Our Programs and Projects

## Our Organisation

The City of Adelaide will deliver the 2025/26 Business Plan and Budget through our Organisational Structure, including our Portfolios, Offices and Subsidiaries.

### City Community

- Director City Community
- City Culture
- Customer and Marketing
- Regulatory Services

### City Infrastructure

- Director City Infrastructure
- Infrastructure
- Strategic Property and Commercial

### City Shaping

- Director City Shaping
- City Operations
- Park Lands, Policy and Sustainability
- Kadaltilla / Adelaide Park Lands Authority (Kadaltilla)

### Corporate Services

- Chief Operating Officer
- Finance and Procurement
- Governance & Strategy
- Information Management
- People

### Subsidiaries

- Adelaide Central Market Authority (ACMA)
- Adelaide Economic Development Agency (AEDA)

### Offices

- Office of the Chief Executive Officer
- Office of the Lord Mayor

# Operational Financial Summary

	\$'000	Q1 Budget		Proposed Q2	
		Income	Expenditure	Income	Expenditure
<b>City Community</b>					
Director City Community	-	(685)	-	(685)	
City Culture	5,061	(19,348)	5,524	(19,378)	
Customer and Marketing	1	(7,231)	1	(7,231)	
Regulatory Services	18,323	(11,171)	18,670	(11,171)	
Strategic Projects	47	(917)	47	(1,367)	
<b>City Infrastructure</b>					
Director City Infrastructure	-	(709)	-	(709)	
Infrastructure	-	(52,983)	200	(51,404)	
Strategic Property and Commercial	60,761	(34,686)	61,244	(34,500)	
Strategic Projects	424	(3,143)	424	(3,223)	
<b>City Shaping</b>					
Director City Shaping	-	(715)	-	(715)	
City Operations	2,935	(47,092)	2,935	(47,184)	
Park Lands, Policy and Sustainability	46	(7,889)	46	(7,889)	
Kadaltilla / Adelaide Park Lands Authority	323	(323)	323	(323)	
Strategic Projects	553	(2,142)	721	(2,499)	
<b>Corporate Services</b>					
Chief Operating Officer	-	(974)	-	(974)	
Finance and Procurement	142	(4,853)	142	(4,841)	
Governance and Strategy	-	(6,054)	-	(6,054)	
Information Management	38	(15,227)	38	(15,849)	
People	-	(5,082)	-	(5,082)	
Corporate Activities*	143,562	2,696	143,560	1,022	
Adelaide Central Market Authority	5,645	(6,282)	5,645	(6,282)	
Adelaide Economic Development Agency	13,710	(13,135)	13,712	(13,137)	
Strategic Projects	-	(1,994)	50	(2,175)	
<b>Offices</b>					
Office of the CEO	-	(1,501)	-	(1,501)	
Office of the Lord Mayor	-	(1,590)	-	(1,590)	
<b>Total</b>	<b>251,571</b>	<b>(243,030)</b>	<b>253,282</b>	<b>(244,741)</b>	
<b>Operating Surplus/(Deficit)</b>		<b>8,541</b>			<b>8,541</b>

\* Includes Rates Revenue, Corporation grants (e.g. Financial Assistance Grants), vacancy management target, and capital overhead

# City Community Portfolio

*The City Community Portfolio strives to deliver exceptional experiences for our community and customers, providing opportunities for creativity, recreation and wellbeing in a city that is safe, accessible and supportive of all our communities.*

Key Focus areas:

- Strategic communication that keeps our community informed
- Support safer public spaces and keep the city moving
- Community led services that increase wellbeing, social connection and active lifestyles
- City activation, events, initiatives, grants and sponsorship
- Provide brilliant customer service to all city users
- Facilitation of high-quality built form outcomes through the assessment phase.

## Planning and Budget Updates

### Operating Budget Changes

- Increase in expiation, late payments and recoveries income of \$0.347m
- Increase in Adelaide Town Hall income of \$0.166m, partly offset by an increase in associated expense (\$0.135m)
- Increase in Community Centre user charges income \$0.018m
- Small increase to Library operating grant income \$0.002m, and recognition of Library materials grant \$0.277m
- Reallocation of expenditure relating to the measurement of leases under AASB 16 from City Culture \$0.105m

### Strategic Project Budget Changes

- Allocation of \$0.450m budget for Park 21 West SA Power Network Transformer

## Portfolio Quarterly Highlights

### City Culture

Very Neighbourly Organisation Designation awarded to the City of Adelaide - the first LGA in South Australia.

Launch of The Angels Lane, extending the City of Adelaide Music Laneway trail, attracting local and national media interest.

Delivery of the new Christmas in the City Action Plan.

### Customer and Marketing

The social media strategy continued to deliver improvements with Instagram metrics increasing between 80% - 140% and Facebook between 125% and 250% with over 8 million page views.

Improvements in customer service resulted in a Q2 customer satisfaction score of over 69%, the highest since measurements commenced.

### Regulatory Services

Commenced operation of a second Park Safe vehicle, focusing on data collection to better understand parking behaviour and areas of low compliance.

# City Community Portfolio Budget

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		23,432	-	23,432	-	24,242	-	24,242
Employee Costs	196.9		-	(25,567)	(25,567)	196.9	-	(25,512)	(25,512)
Materials	-		-	(9,805)	(9,805)	-	-	(11,794)	(11,794)
Sponsorships	-		-	(909)	(909)	-	-	(909)	(909)
Depreciation	-		-	(2,800)	(2,800)	-	-	(1,617)	(1,617)
Finance Costs	-		-	(271)	(271)	-	-	-	-
<b>TOTAL</b>	<b>196.9</b>		<b>23,432</b>	<b>(39,352)</b>	<b>(15,920)</b>	<b>196.9</b>	<b>24,242</b>	<b>(39,832)</b>	<b>(15,590)</b>

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Program Budget</b>									
Office of the Director	3.0		-	(685)	(685)	3.0	-	(685)	(685)
City Culture	68.8		5,061	(19,348)	(14,287)	68.8	5,524	(19,378)	(13,854)
Customer and Marketing	40.1		1	(7,231)	(7,230)	40.1	1	(7,231)	(7,230)
Regulatory Services	83.0		18,323	(11,171)	7,152	83.0	18,670	(11,171)	7,499
Strategic Projects	2.0		47	(917)	(870)	2.0	47	(1,367)	(1,320)
<b>TOTAL</b>	<b>196.9</b>		<b>23,432</b>	<b>(39,352)</b>	<b>(15,920)</b>	<b>196.9</b>	<b>24,242</b>	<b>(39,832)</b>	<b>(15,590)</b>

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Capital Projects</b>									
New and Upgrade					3,918		(14,939)		3,918
Renewal					-		(222)		-
<b>TOTAL</b>					<b>3,918</b>		<b>(14,582)</b>		<b>3,918</b>
									<b>(15,111)</b>

## City Culture

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		5,061	-	5,061	-	5,524	-	5,524
Employee Costs	68.8		-	(9,222)	(9,222)	68.8	-	(9,167)	(9,167)
Materials	-		-	(6,546)	(6,546)	-	-	(8,085)	(8,085)
Sponsorships	-		-	(509)	(509)	-	-	(509)	(509)
Depreciation	-		-	(2,800)	(2,800)	-	-	(1,617)	(1,617)
Finance Costs	-		-	(271)	(271)	-	-	-	-
<b>TOTAL</b>	<b>68.8</b>	<b>5,061</b>	<b>(19,348)</b>	<b>(14,287)</b>	<b>68.8</b>	<b>5,524</b>	<b>(19,378)</b>	<b>(13,854)</b>	

<b>Activity View</b>									
	\$'000	FTE	Inc.	Exp.	Total(N)	\$'000	FTE	Inc.	Exp.
Associate Director (office)	2.0	-	(381)	(381)	(381)	2.0	-	(381)	(381)
Adelaide Town Hall	5.0	3,316	(3,557)	(241)	(3,692)	5.0	3,482	(3,692)	(210)
Aquatic Centre	-	-	-	-	-	-	-	-	-
City Experience	15.1	820	(4,381)	(3,561)	(4,381)	15.1	820	(4,381)	(3,561)
City Lifestyle	8.8	532	(3,005)	(2,473)	(3,005)	8.8	532	(3,005)	(2,473)
Creative City	12.4	137	(2,421)	(2,284)	(2,423)	12.4	155	(2,423)	(2,268)
Libraries	25.5	256	(5,603)	(5,347)	(5,496)	25.5	535	(5,496)	(4,961)
<b>TOTAL</b>	<b>68.8</b>	<b>5,061</b>	<b>(19,348)</b>	<b>(14,287)</b>	<b>68.8</b>	<b>5,524</b>	<b>(19,378)</b>	<b>(13,854)</b>	

	\$'000	Q1 Budget			Proposed Q2		
		Inc.	Exp.	Total(N)	Inc.	Exp.	Total(N)
<b>Operating Activities</b>							
Aboriginal Protocol Grant	-		(41)	(41)	-		(41)
Adelaide's New Years Eve	65		(700)	(700)	65		(700)
ANZAC Day Service - March & Related Activities	-		(57)	(57)	-		(57)
Arts and Cultural Grants	-		(39)	(39)	-		(39)
Christmas Festival Action Plan	-		(533)	(533)	-		(533)
City Activation - West End Precinct	-		(53)	(53)	-		(53)
City Activation – East End Unleashed	41		(291)	(291)	41		(291)
City Activation - Gouger Street Precinct	-		(53)	(53)	-		(53)
City Activation - Hutt Street Precinct	-		(81)	(81)	-		(81)
City Activation - North Adelaide Precinct	-		(109)	(109)	-		(109)
City Activation - Precinct Support	-		(136)	(136)	-		(136)
Community Capacity Development	-		(3)	(3)	-		(3)
Community Impact Grants	-		(550)	(550)	-		(550)
DHS Community Neighborhood Development Funding - Minor Works	99		(99)	(99)	99		(99)
Homelessness Social and Affordable Housing	-		(310)	(310)	-		(310)
International Relations (Sister Cities)	-		(98)	(98)	-		(98)
Live Music Industry and Venues Support	-		(59)	(59)	-		(59)
UNESCO Adelaide City of Music Ltd Partnership	-		(54)	(54)	-		(54)
<b>TOTAL</b>	<b>205</b>	<b>(3,266)</b>	<b>205</b>	<b>(3,266)</b>			

	\$'000	Q1 Budget			Proposed Q2		
		Inc.	Exp.	Total(N)	Inc.	Exp.	Total(N)
<b>Strategic Projects</b>							
Australia Day Sponsorship (SP)	-		(100)	(100)	-		(100)
Bilingual Community Liaison Officer	-		(93)	(93)	-		(93)
City Activation	-		(300)	(300)	-		(300)
Community Sports Building Redevelopment (Park 21 West)	-		-	-	-		(450)
DHS Grant - Volunteers Connecters Program	25		(25)	(25)	25		(25)
Future Libraries Business Case	-		(75)	(75)	-		(75)
Library Community Cohesion Programs	9		(9)	(9)	9		(9)
Positive Ageing Program – Pilot	-		(50)	(50)	-		(50)
Social Work in Libraries	13		(13)	(13)	13		(13)
<b>TOTAL</b>	<b>47</b>	<b>(665)</b>	<b>47</b>	<b>(1,115)</b>			

	\$'000	Q1 Budget			Proposed Q2		
		Inc.	Exp.	Total(N)	Inc.	Exp.	Total(N)
<b>Capital Projects</b>							
New and Upgrade	3,918		(14,939)	(14,939)	3,918		(14,655)
Renewal	-		(222)	(222)	-		(456)
<b>TOTAL</b>	<b>3,918</b>	<b>(15,161)</b>	<b>3,918</b>	<b>(15,111)</b>			

## Customer and Marketing

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	1	-	1	1	-	1	-	1
Employee Costs	40.1	-	(5,179)	(5,179)	(5,179)	40.1	-	(5,179)	(5,179)
Materials	-	-	(2,052)	(2,052)	(2,052)	-	-	(2,052)	(2,052)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>40.1</b>	<b>1</b>	<b>(7,231)</b>	<b>(7,230)</b>	<b>(7,230)</b>	<b>40.1</b>	<b>1</b>	<b>(7,231)</b>	<b>(7,230)</b>
<b>Activity View</b>									
Manager	1.0	-	(225)	(225)	(225)	1.0	-	(225)	(225)
Customer Experience	28.1	1	(4,708)	(4,707)	(4,707)	28.1	1	(4,708)	(4,707)
Marketing & Communications	11.0	-	(2,298)	(2,298)	(2,298)	11.0	-	(2,298)	(2,298)
<b>TOTAL</b>	<b>40.1</b>	<b>1</b>	<b>(7,231)</b>	<b>(7,230)</b>	<b>(7,230)</b>	<b>40.1</b>	<b>1</b>	<b>(7,231)</b>	<b>(7,230)</b>
<b>Operating Activities</b>									
N/A									
<b>TOTAL</b>									
<b>Strategic Projects</b>									
City of Adelaide website redevelopment									
<b>TOTAL</b>									
<b>Capital Projects</b>									
New and Upgrade									
Renewal									
<b>TOTAL</b>									

## Regulatory Services

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		18,323	-	18,323	-	18,670	-	18,670
Employee Costs	83.0	-		(10,194)	(10,194)	83.0	-	(10,194)	(10,194)
Materials	-	-		(977)	(977)	-	-	(977)	(977)
Sponsorships	-	-		-	-	-	-	-	-
Depreciation	-	-		-	-	-	-	-	-
Finance Costs	-	-		-	-	-	-	-	-
<b>TOTAL</b>	<b>83.0</b>	<b>18,323</b>	<b>(11,171)</b>	<b>7,152</b>	<b>83.0</b>	<b>18,670</b>	<b>(11,171)</b>	<b>7,499</b>	
<b>Activity View</b>									
Associate Director (office)	3.0	-	(490)	(490)	3.0	-	(490)	(490)	
City Development	24.9	3,852	(3,274)	578	24.9	3,852	(3,274)	578	
City Safety	13.0	538	(1,902)	(1,364)	13.0	538	(1,902)	(1,364)	
On-Street Parking Compliance	42.1	13,933	(5,505)	8,428	42.1	14,280	(5,505)	8,775	
<b>TOTAL</b>	<b>83.0</b>	<b>18,323</b>	<b>(11,171)</b>	<b>7,152</b>	<b>83.0</b>	<b>18,670</b>	<b>(11,171)</b>	<b>7,499</b>	
<b>Operating Activities</b>									
N/A						-	-	-	-
<b>TOTAL</b>						-	-	-	-
<b>Strategic Projects</b>									
On-Street Parking Compliance Technology and Customer Analytics Reform					-	(152)	-	-	(152)
<b>TOTAL</b>					-	(152)	-	-	(152)
<b>Capital Projects</b>									
New and Upgrade					-	-	-	-	-
Renewal					-	-	-	-	-
<b>TOTAL</b>					-	-	-	-	-

# City Infrastructure Portfolio

*The City Infrastructure Portfolio is responsible for Council's infrastructure assets, strives to make it easier to conduct business in our City and leads the Council's property portfolio and commercial businesses to generate income.*

Key Focus areas:

- Capital Works Program, including New and Significant Upgrades and Renewals
- Main street revitalisation and improvements
- Deliver initiatives as defined in the City of Adelaide Property Strategy
- Progress with approved property development projects including Market Square, 88 O'Connell, and the Former Bus Station site.

## Planning and Budget Updates

### Operating Budget Changes:

Reallocation of depreciation from City Infrastructure to Corporate Services as follows:

- \$0.622m in relation to CCTV equipment, aligning to assets managed by Information Management
- \$1.768m following the following review of building useful lives and traffic signal revaluation

Reallocation of expenditure relating to the measurement of leases under AASB 16 from Strategic Property & Commercial (\$0.141m).

Recognition of State Bike Fund grant received for a Renewal Project \$0.200m.

Increase to Commercial Parking revenue \$0.483m offset by recognition of operating costs for Andrew Streetcar Park (\$0.462m). Increase in funding for Income Protection (\$0.021m) reflecting the above CPI increase for 25-26.

### Strategic Project Changes:

Building Condition Audit quotes have been received and allowed a budget reduction of \$0.200m.

New projects to complete Strategic Property Investigations of \$0.200m and Market Expansion Site Management \$0.080m.

## Portfolio Quarterly Highlights

### Infrastructure

The concept designs for the Hutt Street and Melbourne Street Main Street Projects have been successfully endorsed by Council, allowing both projects to progress to detailed design phase.

The Street Tree Greening project has planted circa 100 trees in the first half of the financial year, with further planting to commence as we enter planting season from early April 2026.

Renewal works is progressing well, with over 60% of the annual program committed and spent as of the end of November 2025.

### Strategic Property and Commercial

Following 'Topping out' of Central Market Adelaide Redevelopment (CMAR) last quarter, the northern tower has now reached level 30, with fit out works progressing on lower podium levels.

UPark recognised at the 2025 Parking Industry Awards, winning awards for Parking Organisation of the Year, and for Outstanding Customer Service.

# City Infrastructure Portfolio Budget

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		61,185	-	61,185	-	61,868	-	61,868
Employee Costs	118.2	-		(12,684)	(12,684)	118.2	-	(12,706)	(12,706)
Materials	-	-		(20,666)	(20,666)	-	-	(26,468)	(26,468)
Sponsorships	-	-		(175)	(175)	-	-	(175)	(175)
Depreciation	-	-		(57,556)	(57,556)	-	-	(50,487)	(50,487)
Finance Costs	-	-		(440)	(440)	-	-	-	-
<b>TOTAL</b>	<b>118.2</b>	<b>61,185</b>	<b>(91,521)</b>	<b>(30,336)</b>	<b>118.2</b>	<b>61,868</b>	<b>(89,836)</b>	<b>(27,968)</b>	

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Program Budget</b>									
Office of the Director	3.0	-		(709)	(709)	3.0	-	(709)	(709)
Infrastructure	66.5	-		(52,983)	(52,983)	66.5	200	(51,404)	(51,204)
Strategic Property and Commercial	46.7	60,761		(34,686)	26,075	46.7	61,244	(34,500)	26,744
Strategic Projects	2.0	424		(3,143)	(2,719)	2.0	424	(3,223)	(2,799)
<b>TOTAL</b>	<b>118.2</b>	<b>61,185</b>	<b>(91,521)</b>	<b>(30,336)</b>	<b>118.2</b>	<b>61,868</b>	<b>(89,836)</b>	<b>(27,968)</b>	

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2			
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)	
<b>Capital Projects</b>										
New and Upgrade							4,100	(24,860)	4,100	(24,423)
Renewal							-	(58,322)	-	(57,912)
<b>TOTAL</b>							<b>4,100</b>	<b>(83,182)</b>	<b>4,100</b>	<b>(82,335)</b>

## Infrastructure

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	-	-	-	-	-	200	-	200
Employee Costs	66.5	-	(3,713)	(3,713)	(3,713)	66.5	-	(3,713)	(3,713)
Materials	-	-	(5,331)	(5,331)	(5,331)	-	-	(5,331)	(5,331)
Sponsorships	-	-	(175)	(175)	(175)	-	-	(175)	(175)
Depreciation	-	-	(43,764)	(43,764)	(43,764)	-	-	(42,185)	(42,185)
Finance Costs	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>66.5</b>	<b>-</b>	<b>(52,983)</b>	<b>(52,983)</b>	<b>(52,983)</b>	<b>66.5</b>	<b>200</b>	<b>(51,404)</b>	<b>(51,204)</b>
<b>Activity View</b>									
Associate Director (office)	1.9	-	(651)	(651)	(651)	1.9	-	(651)	(651)
Infrastructure Planning and Delivery	44.8	-	(51,795)	(51,795)	(51,795)	44.8	200	(50,216)	(50,016)
Technical Services	19.8	-	(537)	(537)	(537)	19.8	-	(537)	(537)
<b>TOTAL</b>	<b>66.5</b>	<b>-</b>	<b>(52,983)</b>	<b>(52,983)</b>	<b>(52,983)</b>	<b>66.5</b>	<b>200</b>	<b>(51,404)</b>	<b>(51,204)</b>

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2			
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)	
<b>Operating Activities</b>										
Free City Connector							-	(1,364)	-	(1,364)
<b>TOTAL</b>							<b>-</b>	<b>(1,364)</b>	<b>-</b>	<b>(1,364)</b>

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Strategic Projects</b>									
Asset Condition Audit						-	(1,200)	-	(1,000)
Gawler Place Raim Raid Bollard						10	(10)	10	(10)
Market Expansion Site Mangement						-	-	-	(80)
Resilient Flood Planning						100	(1,100)	100	(1,100)
School Safety Review						-	(11)	-	(11)
<b>TOTAL</b>						<b>110</b>	<b>(2,321)</b>	<b>110</b>	<b>(2,201)</b>

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Capital Projects</b>									
New and Upgrade						4,100	(20,704)	4,100	(19,765)
Renewal						-	(58,322)	-	(57,912)
<b>TOTAL</b>						<b>4,100</b>	<b>(71,021)</b>	<b>4,100</b>	<b>(77,677)</b>

## Strategic Property and Commercial

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		60,761	-	60,761	-	61,244	-	61,244
Employee Costs	46.7		-	(8,005)	(8,005)	46.7	-	(8,027)	(8,027)
Materials	-		-	(12,448)	(12,448)	-	-	(18,171)	(18,171)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	(13,793)	(13,793)	-	-	(8,302)	(8,302)
Finance Costs	-		-	(440)	(440)	-	-	-	-
<b>TOTAL</b>	<b>46.7</b>	<b>60,761</b>	<b>(34,686)</b>	<b>26,075</b>	<b>46.7</b>	<b>61,244</b>	<b>(34,500)</b>	<b>26,744</b>	
<b>Activity View</b>									
Associate Director (office)	1.8	-	(444)	(444)	1.8	-	(444)	(444)	
Commercial	4.0	-	(773)	(773)	4.0	-	(773)	(773)	
Parking	17.8	47,338	(14,981)	32,357	17.8	47,821	(15,595)	32,226	
North Adelaide Golf Course	13.1	5,455	(5,527)	(72)	13.1	5,455	(5,530)	(75)	
Strategic Property Development	4.8	-	(966)	(966)	4.8	-	(966)	(966)	
Strategic Property Management	5.2	7,968	(11,995)	(4,027)	5.2	7,968	(11,192)	(3,224)	
<b>TOTAL</b>	<b>46.7</b>	<b>60,761</b>	<b>(34,686)</b>	<b>26,075</b>	<b>46.7</b>	<b>61,244</b>	<b>(34,500)</b>	<b>26,744</b>	
<b>Operating Activities</b>									
N/A						-	-	-	-
<b>TOTAL</b>						-	-	-	-
<b>Strategic Projects</b>									
88 O'Connell St Redevelopment						144	(194)	144	(194)
Commercial Parking Internal Audit – System Consolidation						-	(450)	-	(450)
Review of Property Management						-	(50)	-	(50)
Parking Coordinator - On Street Paid Parking Controls						170	(128)	170	(128)
Strategic Property Investigations						-	-	-	(200)
						314	(822)	314	(1,022)
<b>Capital Projects</b>									
New and Upgrade						-	(4,156)	-	(4,658)
Renewal						-	-	-	-
<b>TOTAL</b>						-	(4,156)	-	(4,658)

# City Shaping Portfolio

The City Shaping Portfolio leverages and celebrates our role as a Capital City Council and delivers the services that protect our heritage, Park Lands and urban environment and demonstrate our environmental leadership now and into the future.

Key Focus areas:

- Adelaide Park Lands greening, management and improvements
- Implementing the City Plan
- Implementing the Integrated Climate Strategy
- Implementing the Reconciliation Action Plan
- Heritage promotion and protection
- Capital Works Program, including New and Significant Upgrades and Renewals
- Maintenance of public realm and city presentation
- Initiatives and projects included or associated with the Economic Development Strategy, Housing Strategy, and the Homelessness Strategy
- Continued delivery of the Adaptive Re-use City Housing Initiative (ARCHI)

## Planning and Budget Updates

### Operating Budget Changes:

Increase in funding for Income Protection (\$0.092m) reflecting the above CPI increase for 25-26.

### Strategic Project Changes:

New projects for Tree Martin Management (\$0.150m) and National Heritage Management Plan First Nations Heritage (\$0.207m), partially funded by grant received of \$0.168m.

Movement of funds between City Plan Digital Tool \$0.039m and National Heritage Management Plan Implementation (\$0.039m).

## Portfolio Quarterly Highlights

### City Operations

Building on the insights from the Cleansing Service Pilot, the new service model is now being rolled out citywide in two phases over the next 12 months. Phase 1 is currently underway in the south-west precinct.

Development of the Cleansing Service Standards is underway. This is being undertaken with the support of Bee Squared Pty Ltd, with anticipated completion in 2026.

The Waste, Recycling and Organics Collection Feasibility Study included two reports to Executive (September and October 2025) and a confidential Committee workshop on 25 November 2025.

The Horticulture team is working with the Park Lands & Sustainability, Spatial Systems and Web & User Experience teams to launch a public facing Urban Forest web page in Quarter 3.

Work is continuing with the development of a suite of Service Standards. Currently, a benchmarking exercise is underway across other metro and capital city councils to understand the broader landscape.

### Park Lands Policy & Sustainability

CoA completed its annual carbon reporting via CDP. Internationally, Adelaide has retained its A- rating.

City of Adelaide has been recognised at the 2025 SA Awards for Planning Excellence. Our Adaptive Reuse City Housing Initiative (ARCHI) stole the show, winning two major awards:

- Planning Research Award
- Minister's Award

Alongside these wins, we received commendations across multiple categories:

- Strategic Planning Project: Adelaide Park Lands Management Strategy Towards 2036
- Climate Change & Resilience: Performance on Waste and Resource Recovery (PWRR) Tool (with Aurecon)
- Technology & Digital Innovation: City of Adelaide Digital Explorer (CoADE)
- Planning Champion: ARCHI project lead, Ellen Liebelt

## Kadaltilla/Adelaide Park Lands Authority

Kadaltilla workshopped the Adelaide Park Lands Partnering Opportunities document and its accompanying digital strategic project tracking tool. The document includes the implementation priorities from the Adelaide Park Lands Management Strategy (APLMS) and is intended to be used by Kadaltilla Board Members, the City of Adelaide, and the Government of South Australia to pursue partnership opportunities for the benefit of the Adelaide Park Lands.

Finalised a submission on the Green Adelaide Draft Regional Landscape Plan 2026-2031 in its capacity as the principal advisory body to both the State Government and the City of Adelaide on the protection and management of the Adelaide Park Lands.

Nomination of five Council-appointed members and two deputy members to the Board for a three-year term. These nominations are currently under consultation with the Minister for Planning prior to finalisation.

## **City Shaping Portfolio Budget**

	Q1 Budget					Proposed Q2			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		3,857	-	3,857	-	4,025	-	4,025
Employee Costs	274.2		-	(32,733)	(32,733)	274.2	-	(32,825)	(32,825)
Materials	-		-	(21,398)	(21,398)	-	-	(21,755)	(21,755)
Sponsorships	-		-	(1,902)	(1,902)	-	-	(1,902)	(1,902)
Depreciation	-		-	(2,128)	(2,128)	-	-	(2,128)	(2,128)
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>274.2</b>		<b>3,857</b>	<b>(58,161)</b>	<b>(54,304)</b>	<b>274.2</b>	<b>4,025</b>	<b>(58,610)</b>	<b>(54,585)</b>
<b>Program Budget</b>									
Office of the Director	3.0		-	(715)	(715)	3.0	-	(715)	(715)
Park Lands, Policy & Sustainability	36.6	46	(7,889)	(7,843)	36.6	46	(7,889)	(7,843)	
City Operations	230.3	2,935	(47,092)	(44,157)	230.3	2,935	(47,184)	(44,249)	
Kadaltilla / Park Lands Authority	1.3	323	(323)	-	1.3	323	(323)	-	
Strategic Projects	3.0	553	(2,142)	(1,589)	3.0	721	(2,499)	(1,778)	
<b>TOTAL</b>	<b>274.2</b>		<b>3,857</b>	<b>(58,161)</b>	<b>(54,304)</b>	<b>274.2</b>	<b>4,025</b>	<b>(58,610)</b>	<b>(54,585)</b>

	Q1 Budget				Proposed Q2			
	\$'000	Inc.	Exp.	Inc.	Exp.	Inc.	Exp.	Inc.
<b>Capital Projects</b>								
New and Upgrade	-		(780)	-		-		(768)
Renewal	-		(1,559)	-		-		(1,988)
<b>TOTAL</b>	<b>-</b>		<b>(2,339)</b>	<b>-</b>		<b>-</b>		<b>(2,756)</b>

# City Operations

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		2,935	-	2,935	-	2,935	-	2,935
Employee Costs	230.3		-	(25,908)	(25,908)	230.3	-	(26,000)	(26,000)
Materials	-		-	(19,056)	(19,056)	-	-	(19,056)	(19,056)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	(2,128)	(2,128)	-	-	(2,128)	(2,128)
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>230.3</b>	<b>2,935</b>	<b>(47,092)</b>	<b>(44,157)</b>	<b>230.3</b>	<b>2,935</b>	<b>(47,184)</b>	<b>(44,249)</b>	
<b>Activity View</b>									
Associate Director (office)	16.8	18	(3,332)	(3,314)	16.8	18	(3,332)	(3,314)	
Manager, City Maintenance	1.0	-	(202)	(202)	1.0	-	(202)	(202)	
Manager, City Presentation	1.0	-	(213)	(213)	1.0	-	(213)	(213)	
Cleansing	47.0	10	(7,409)	(7,399)	47.0	10	(7,434)	(7,424)	
Facilities	5.0	-	(3,408)	(3,408)	5.0	-	(3,408)	(3,408)	
Horticulture	87.1	2,596	(16,397)	(13,801)	87.1	2,596	(16,432)	(13,836)	
Infrastructure Maintenance	33.0	-	(6,151)	(6,151)	33.0	-	(6,164)	(6,164)	
Trades	24.0	261	(5,714)	(5,453)	24.0	261	(5,722)	(5,461)	
Waste	4.0	50	(3,599)	(3,549)	4.0	50	(3,599)	(3,549)	
Workshops	11.4	-	(667)	(667)	11.4	-	(678)	(678)	
<b>TOTAL</b>	<b>230.3</b>	<b>2,935</b>	<b>(47,092)</b>	<b>(44,157)</b>	<b>230.3</b>	<b>2,935</b>	<b>(47,184)</b>	<b>(44,249)</b>	
<b>Operating Activities</b>									
Safer City Program	-		-	(95)	-	-	(95)	-	(95)
<b>TOTAL</b>	<b>-</b>	<b>(95)</b>	<b>-</b>	<b>(95)</b>	<b>-</b>	<b>(95)</b>	<b>-</b>	<b>(95)</b>	<b>(95)</b>
<b>Strategic Projects</b>									
N/A	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Projects</b>									
New and Upgrade	-		-	(219)	-	-	(194)	-	(194)
Renewal	-		-	(1,559)	-	-	(1,988)	-	(1,988)
<b>TOTAL</b>	<b>-</b>	<b>(1,778)</b>	<b>-</b>	<b>(2,182)</b>	<b>-</b>	<b>(2,182)</b>	<b>-</b>	<b>(2,182)</b>	<b>(2,182)</b>

# Park Lands, Policy & Sustainability

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	46	-	46	46	-	46	-	46
Employee Costs	36.6	-	(5,549)	(5,549)	(5,549)	36.6	-	(5,549)	(5,549)
Materials	-	-	(903)	(903)	(903)	-	-	(903)	(903)
Sponsorships	-	-	(1,437)	(1,437)	(1,437)	-	-	(1,437)	(1,437)
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>36.6</b>	<b>46</b>	<b>(7,889)</b>	<b>(7,843)</b>	<b>(7,843)</b>	<b>36.6</b>	<b>46</b>	<b>(7,889)</b>	<b>(7,843)</b>
<b>Activity View</b>									
Associate Director (office)	3.0	-	(502)	(502)	(502)	3.0	-	(502)	(502)
City Planning and Heritage	15.2	46	(3,917)	(3,871)	(3,871)	15.2	46	(3,917)	(3,871)
Low Carbon & Circular Economy	7.8	-	(1,745)	(1,745)	(1,745)	7.8	-	(1,745)	(1,745)
Park Lands & Sustainability	7.6	-	(1,279)	(1,279)	(1,279)	7.6	-	(1,279)	(1,279)
Reconciliation	3.0	-	(446)	(446)	(446)	3.0	-	(446)	(446)
<b>TOTAL</b>	<b>36.6</b>	<b>46</b>	<b>(7,889)</b>	<b>(7,843)</b>	<b>(7,843)</b>	<b>36.6</b>	<b>46</b>	<b>(7,889)</b>	<b>(7,843)</b>
	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Activities</b>									
Annual Delivery of Kuarna Initiatives	-	-	-	(27)	(27)	-	-	(27)	(27)
Heritage Incentive Scheme	-	-	-	(1,163)	(1,163)	-	-	(1,163)	(1,163)
Heritage Promotion Program	-	-	-	(187)	(187)	-	-	(187)	(187)
History Festival	-	-	-	(33)	(33)	-	-	(33)	(33)
Homelessness - Social and Affordable Housing	-	-	-	(165)	(165)	-	-	(165)	(165)
Homeless and Vulnerable People Project	-	-	46	(46)	(46)	46	-	(46)	(46)
Integrated Climate Strategy - SIS	-	-	-	(233)	(233)	-	-	(233)	(233)
Integrated Climate Strategy - Carbon Neutral	-	-	-	(484)	(484)	-	-	(484)	(484)
Integrated Climate Strategy - Sustainability	-	-	-	(124)	(124)	-	-	(124)	(124)
NAIDOC Week Celebrations	-	-	-	(54)	(54)	-	-	(54)	(54)
Noise Management Program Incentive Scheme	-	-	-	(48)	(48)	-	-	(48)	(48)
Safer City Program	-	-	-	(254)	(254)	-	-	(254)	(254)
<b>TOTAL</b>	<b>46</b>	<b>-</b>	<b>(2,818)</b>	<b>(2,818)</b>	<b>(2,818)</b>	<b>46</b>	<b>-</b>	<b>(2,818)</b>	<b>(2,818)</b>
	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Strategic Projects</b>									
Adaptive Reuse City Housing Initiative^	-	-	303	(606)	(606)	303	-	(606)	(606)
Annual Cultural Burn in the Park Lands	-	-	-	(25)	(25)	-	-	(25)	(25)
City Plan Digital Tool	-	-	-	(140)	(140)	-	-	(101)	(101)
COP 31	-	-	-	(123)	(123)	-	-	(123)	(123)
Delivering the Planning and Design Code Amendment Program 23-26 (Yr 2)	-	-	-	(100)	(100)	-	-	(100)	(100)
Disability Access and Inclusion Plan 2024-2028 Implementation	-	-	-	(130)	(130)	-	-	(130)	(130)
Implementation of City of Adelaide Housing Strategy	-	-	-	(200)	(200)	-	-	(200)	(200)
Key Biodiversity Area Management Plans	-	-	-	(75)	(75)	-	-	(75)	(75)
Master Plan for Helen Mayo Park	-	-	250	(250)	(250)	250	-	(250)	(250)
National Heritage Management Plan First Nations Heritage	-	-	-	-	-	168	-	(207)	(207)
National Heritage Management Plan Implementation	-	-	-	(100)	(100)	-	-	(139)	(139)
Social Planning Homelessness and Adelaide Zero Project Resourcing	-	-	-	(215)	(215)	-	-	(215)	(215)
Tree Martin Management - 2026 Migratory Season	-	-	-	-	-	-	-	(150)	(150)
World Heritage Bid for the Park Lands	-	-	-	(178)	(178)	-	-	(178)	(178)
<b>TOTAL</b>	<b>553</b>	<b>-</b>	<b>(2,142)</b>	<b>(2,142)</b>	<b>(2,142)</b>	<b>721</b>	<b>-</b>	<b>(2,499)</b>	<b>(2,499)</b>
	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Capital Projects</b>									
New and Upgrade	-	-	-	(561)	(561)	-	-	(574)	(574)
Renewal	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>(561)</b>	<b>(561)</b>	<b>(561)</b>	<b>-</b>	<b>-</b>	<b>(574)</b>	<b>(574)</b>

# Kadaltilla / Adelaide Park Lands Authority

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		323	-	323	-	323	-	323
Employee Costs	1.3		-	(180)	(180)	1.3	-	(180)	(180)
Materials	-		-	(143)	(143)	-	-	(143)	(143)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	-	-	-	-	-	-
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1.3</b>	<b>323</b>	<b>(323)</b>	<b>-</b>	<b>1.3</b>	<b>323</b>	<b>(323)</b>	<b>-</b>	<b>-</b>
<b>Activity View</b>									
Kadaltilla	1.3		323	(323)	-	1.3	323	(323)	-
<b>TOTAL</b>	<b>1.3</b>	<b>323</b>	<b>(323)</b>	<b>-</b>	<b>1.3</b>	<b>323</b>	<b>(323)</b>	<b>-</b>	<b>-</b>
<b>Operating Activities</b>									
N/A						-	-	-	-
<b>TOTAL</b>						-	-	-	-
<b>Capital Projects</b>									
New and Upgrade						-	-	-	-
Renewal						-	-	-	-
<b>TOTAL</b>						-	-	-	-
<b>Strategic Projects</b>									
N/A						-	-	-	-
<b>TOTAL</b>						-	-	-	-

# Corporate Services Portfolio

*The Corporate Services Portfolio provides effective and efficient services and insights to strengthen and grow our organisational capability, and support a culture of accountability, transparency, and innovation.*

Key Focus areas:

- Update of the Long-Term Financial Plan
- Continuous improvement of community engagement
- Cybersecurity uplift
- Workforce planning
- Transition to One Market (Adelaide Central Market)
- Support visitor economy, jobs and investment in the city

## Planning and Budget Updates

### Operating Budget Changes:

Release savings for memberships that are surplus to requirements \$0.011m.

Reallocation of depreciation from City Infrastructure to Corporate Services (\$0.622m) in relation to CCTV equipment, which is managed by Information Management.

Reallocation of depreciation from City Infrastructure to Corporate Activities following the following review of building useful lives and traffic signal revaluation (\$1.768m).

Reallocation of expenditure relating to the measurement of leases under AASB 16 from City Infrastructure \$0.141m and City Community (\$0.106m).

Reduction in depreciation \$1.755m and increase in finance costs (\$1.699m) due to adjustment in lease terms on Gawler UPark and City Library.

### Strategic Project Changes:

Project added for the 2025 Supplementary Election (\$0.102m).

Project added to conduct the 2025 Resident Survey Analysis (\$0.020m).

Additional funding added to 2026 Election project (\$0.090m).

Project added for ACMA Traders Sustainability Program which is fully grant funded.

Temporary reprioritisation of Adelaide Central Market Expansion Operational Preparedness \$0.080m to the delivery of the Market Expansion Site Management.

## Portfolio Quarterly Highlights

### Finance & Procurement

2025/26 to 2034/35 Long Term Financial Plan adopted.

Commenced the development of the 2026/27 Business Plan and Budget.

Completion of the 2024/25 Local Government Grants Commission Return.

56 procurements worth \$46.51m, comprised of \$38.823m for 43 current procurements and \$7.688m for 13 awarded contracts during Q2.

Annual request for property information issued (Tenancy Information Schedules).

First rate notices issued for 88'OC.

Commenced Election 2026 Project with Governance.

## Governance & Strategy

Election 2026 Project is progressing well with key milestones being met by the project team. Meetings have been held with the Office for Local Government and the Electoral Commission of SA. Nomination Forms are drafted, processes mapped and relevant advice sought for preparation of FAQs.

The Internal Auditors, BDO, Australia, have commenced and completed a review of the Council's Strategic Risks and developed the Internal Audit Plan 2026-2029. Scoping of initial audits is underway.

## Information Management

Friendly phishing program rollout has been finalised and will be rolled from January 2026.

Updated service portal has been completed to improve IM service delivery.

## People

2025 Annual Awards event delivered with positive staff feedback.

Awarded the Self Insurers SA 'Outstanding WHS Innovation or Pioneer' Award in recognition of research undertaken in partnership with the University of Adelaide, aimed at identifying ways to safeguard outdoor workers against extreme heat risks.

Leadership Capability Model developed, consulted upon, and endorsed by Executive.

## Adelaide Central Market Authority

Multiple operational preparedness activities progressed including Placemaking Strategy (following workshops with key stakeholders and traders), the commencement of the Retail Design Manager services and procurement of Tenancy Coordinator services.

Significant tenancy investment by Traders in Quarter 2 with 2 stall fit-outs completed with Michael's Fruit and Veg (October) and Coco's Fruit and Veg (November).

Christmas Campaign delivered - marketing and operational.

## Adelaide Economic Development Agency

Delivered ADL Fashion Week, a program of 40 events, including five runway events, with more than 2,000 tickets sold.

Activation and marketing of Rundle Mall over the Black Friday and Christmas period including delivery of City Sessions Live Music program.

Stakeholder launch of Rundle Mall 50th Anniversary program of activity.

Completed detailed design for the Visitor Experience Centre and commenced procurement for AV hardware and digital production.

Supported events including OzAsia, Lucky Dumpling Market, Beach Volleyball World Championships, Adelaide Christmas Pageant and Carols By Candlelight.

# Corporate Services Portfolio Budget

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		163,097	-	163,097	-	163,147	-	163,147
Employee Costs	163.5		-	(17,844)	(17,844)	164.5	-	(17,959)	(17,959)
Materials	-		-	(27,657)	(27,657)	-	-	(21,102)	(21,102)
Sponsorships	-		-	(3,376)	(3,376)	-	-	(3,376)	(3,376)
Depreciation	-		-	(2,022)	(2,022)	-	-	(8,519)	(8,519)
Finance Costs	-		-	(6)	(6)	-	-	(2,416)	(2,416)
<b>TOTAL</b>	<b>163.5</b>	<b>163,097</b>	<b>(50,905)</b>	<b>112,192</b>	<b>164.5</b>	<b>163,147</b>	<b>(53,372)</b>	<b>109,775</b>	
<b>Program Budget</b>									
Office of the COO	5.0	-	(974)	(974)	5.0	-	(974)	(974)	
Finance and Procurement	28.8	142	(4,853)	(4,711)	28.8	142	(4,841)	(4,699)	
Governance and Strategy	23.3	-	(6,054)	(6,054)	23.3	-	(6,054)	(6,054)	
Information Management	32.0	38	(15,227)	(15,189)	33.0	38	(15,849)	(15,811)	
People	28.8	-	(5,082)	(5,082)	28.8	-	(5,082)	(5,082)	
Corporate Activities	3.0	143,562	2,696	146,258	3.0	143,560	1,022	144,582	
ACMA	9.8	5,645	(6,282)	(637)	9.8	5,645	(6,282)	(637)	
AEDA	31.6	13,710	(13,135)	575	31.6	13,712	(13,137)	575	
Strategic Projects	1.2	-	(1,994)	(1,994)	1.2	50	(2,175)	(2,125)	
<b>TOTAL</b>	<b>163.5</b>	<b>163,097</b>	<b>(50,905)</b>	<b>112,192</b>	<b>164.5</b>	<b>163,147</b>	<b>(53,372)</b>	<b>109,775</b>	
<b>Capital Projects</b>									
New and Upgrade						-	(6,292)	-	(6,352)
Renewal						-	(1,936)	-	(1,960)
<b>TOTAL</b>						<b>-</b>	<b>(8,228)</b>	<b>-</b>	<b>(8,312)</b>

## Finance and Procurement

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		142	-	142	-	142	-	142
Employee Costs	28.8		-	(4,090)	(4,090)	28.8	-	(4,090)	(4,090)
Materials	-		-	(763)	(763)	-	-	(751)	(751)
Sponsorships	-		-	-	-	-	-	-	-
Depreciation	-		-	-	-	-	-	-	-
Finance Costs	-		-	-	-	-	-	-	-
<b>TOTAL</b>	<b>28.8</b>	<b>142</b>	<b>(4,853)</b>	<b>(4,711)</b>	<b>28.8</b>	<b>142</b>	<b>(4,841)</b>	<b>(4,699)</b>	
<b>Activity View</b>									
Associate Director	1.0		-	(283)	(283)	1.0	-	(271)	(271)
Financial Planning & Reporting	13.0		-	(2,044)	(2,044)	13.0	-	(2,044)	(2,044)
Procurement & Contract Management	7.8		-	(1,103)	(1,103)	7.8	-	(1,103)	(1,103)
Rates & Receivables	7.0	142	(1,423)	(1,281)	7.0	142	(1,423)	(1,281)	
<b>TOTAL</b>	<b>28.8</b>	<b>142</b>	<b>(4,853)</b>	<b>(4,711)</b>	<b>28.8</b>	<b>142</b>	<b>(4,841)</b>	<b>(4,699)</b>	
<b>Operating Activities</b>									
N/A									
<b>TOTAL</b>									
<b>Strategic Projects</b>									
N/A									
<b>TOTAL</b>									
<b>Capital Projects</b>									
New and Upgrade									
Renewal									
<b>TOTAL</b>									

## Governance & Strategy

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	-	-	-	-	-	-	-	-
Employee Costs	23.3	-	(3,010)	(3,010)	(3,010)	23.3	-	(3,010)	(3,010)
Materials	-	-	(3,044)	(3,044)	(3,044)	-	-	(3,044)	(3,044)
Sponsorships	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Finance Costs	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>23.3</b>	-	<b>(6,054)</b>	<b>(6,054)</b>	<b>(6,054)</b>	<b>23.3</b>	-	<b>(6,054)</b>	<b>(6,054)</b>
<b>Activity View</b>									
Associate Director	1.0	-	(255)	(255)	(255)	1.0	-	(255)	(255)
Corporate Governance	5.2	-	(3,203)	(3,203)	(3,203)	5.2	-	(3,203)	(3,203)
Council Governance	5.1	-	(1,133)	(1,133)	(1,133)	5.1	-	(1,133)	(1,133)
Legal Governance	-	-	-	-	-	-	-	-	-
Project Management Office	5.0	-	(262)	(262)	(262)	5.0	-	(262)	(262)
Strategy & Insights	7.0	-	(1,201)	(1,201)	(1,201)	7.0	-	(1,201)	(1,201)
<b>TOTAL</b>	<b>23.3</b>	-	<b>(6,054)</b>	<b>(6,054)</b>	<b>(6,054)</b>	<b>23.3</b>	-	<b>(6,054)</b>	<b>(6,054)</b>
<b>Operating Activities</b>									
N/A						-	-	-	-
<b>TOTAL</b>						-	-	-	-
<b>Strategic Projects</b>									
Election 2026						-	(185)	-	(275)
2025 Resident Survey Analysis						-	-	-	(20)
Supplementary Election 2025						-	-	-	(102)
<b>TOTAL</b>						-	<b>(185)</b>	-	<b>(397)</b>
<b>Capital Projects</b>									
New and Upgrade						-	-	-	-
Renewal						-	-	-	-
<b>TOTAL</b>						-	-	-	-

# Information Management

	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	38	-	38	-	38	-	-	38
Employee Costs	32.0	-	(4,781)	(4,781)	33.0	-	(4,896)	(4,896)	
Materials	-	-	(9,215)	(9,215)	-	-	(9,100)	(9,100)	
Sponsorships	-	-	-	-	-	-	-	-	
Depreciation	-	-	(1,231)	(1,231)	-	-	(1,853)	(1,853)	
Finance Costs	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>32.0</b>	<b>38</b>	<b>(15,227)</b>	<b>(15,189)</b>	<b>33.0</b>	<b>38</b>	<b>(15,849)</b>	<b>(15,811)</b>	
<b>Activity View</b>									
Associate Director	13.0	8	(2,055)	(2,047)	13.0	8	(2,055)	(2,047)	
Project Delivery	7.0	-	(2,576)	(2,576)	7.0	-	(2,576)	(2,576)	
Service Desk	5.0	30	(9,278)	(9,248)	6.0	30	(9,900)	(9,870)	
Technology, Infrastructure and Platform	7.0	-	(1,318)	(1,318)	7.0	-	(1,318)	(1,318)	
<b>TOTAL</b>	<b>32.0</b>	<b>38</b>	<b>(15,227)</b>	<b>(15,189)</b>	<b>33.0</b>	<b>38</b>	<b>(15,849)</b>	<b>(15,811)</b>	

## People

	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	-	-	-	-	-	-	-	-
Employee Costs	28.8	-	(3,846)	(3,846)	28.8	-	(3,846)	(3,846)	
Materials	-	-	(1,236)	(1,236)	-	-	(1,236)	(1,236)	
Sponsorships	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	
Finance Costs	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>28.8</b>	-	<b>(5,082)</b>	<b>(5,082)</b>	<b>28.8</b>	-	<b>(5,082)</b>	<b>(5,082)</b>	
<b>Activity View</b>									
Associate Director	3.0	-	(596)	(596)	3.0	-	(596)	(596)	
People Experience	15.8	-	(2,613)	(2,613)	15.8	-	(2,613)	(2,613)	
People Safety and Wellbeing	4.0	-	(774)	(774)	4.0	-	(774)	(774)	
People Services	6.0	-	(1,099)	(1,099)	6.0	-	(1,099)	(1,099)	
<b>TOTAL</b>	<b>28.8</b>	-	<b>(5,082)</b>	<b>(5,082)</b>	<b>28.8</b>	-	<b>(5,082)</b>	<b>(5,082)</b>	

# Adelaide Central Market Authority (ACMA)

	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
<b>Operating Budget</b>										
Revenue	-		5,645	-	5,645	-	5,645	-	5,645	
Employee Costs	9.8		-	(1,776)	(1,776)	9.8	-	(1,776)	(1,776)	
Materials	-		-	(4,461)	(4,461)	-	-	(4,461)	(4,461)	
Sponsorships	-		-	-	-	-	-	-	-	
Depreciation	-		-	(42)	(42)	-	-	(42)	(42)	
Finance Costs	-		-	(3)	(3)	-	-	(3)	(3)	
<b>TOTAL</b>	<b>9.8</b>		<b>5,645</b>	<b>(6,282)</b>	<b>(637)</b>	<b>9.8</b>		<b>5,645</b>	<b>(6,282)</b>	<b>(637)</b>
<b>Activity View</b>										
ACMA Operations	6.8		5,558	(5,449)	109	6.8	5,558	(5,449)	109	
Market Expansion	3.0		-	(600)	(600)	3.0	-	(600)	(600)	
Online Market Platform	-		87	(233)	(146)	-	87	(233)	(146)	
<b>TOTAL</b>	<b>9.8</b>		<b>5,645</b>	<b>(6,282)</b>	<b>(637)</b>	<b>9.8</b>		<b>5,645</b>	<b>(6,282)</b>	<b>(637)</b>
<b>Operating Activities</b>										
N/A						-	-	-	-	
<b>TOTAL</b>						<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Strategic Projects</b>										
ACMA Traders Sustainability Program Stage 2					-	-	50	(50)		
Adelaide Central Market Expansion Operational Preparedness					-	(939)	-	(859)		
<b>TOTAL</b>					<b>-</b>	<b>(939)</b>	<b>50</b>	<b>(909)</b>		
<b>Capital Projects</b>										
New and Upgrade					-	(1,200)	-	(1,215)		
Renewal					-	(1)	-	(1)		
<b>TOTAL</b>					<b>-</b>	<b>(1,201)</b>	<b>-</b>	<b>(1,216)</b>		

Adelaide Economic Development Agency (AEDA)

	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-		13,710	-	13,710	-	13,712	-	13,712
Employee Costs	31.6	-		(4,769)	(4,769)	31.6	-	(4,769)	(4,769)
Materials	-	-		(4,968)	(4,968)	-	-	(4,943)	(4,943)
Sponsorships	-	-		(3,346)	(3,346)	-	-	(3,346)	(3,346)
Depreciation	-	-		(48)	(48)	-	-	(72)	(72)
Finance Costs	-	-		(4)	(4)	-	-	(7)	(7)
<b>TOTAL</b>	<b>31.6</b>	<b>13,710</b>	<b>(13,135)</b>	<b>575</b>	<b>31.6</b>	<b>13,712</b>	<b>(13,137)</b>	<b>575</b>	
<b>Activity View</b>									
General Manager AEDA	2.0		9,182	(547)	8,635	2.0	9,184	(547)	8,637
Business and Investment	7.0	-		(2,787)	(2,787)	7.0	-	(2,787)	(2,787)
Marketing	8.0	-		(2,144)	(2,144)	8.0	-	(2,144)	(2,144)
Rundle Mall Management	9.6		4,518	(4,518)	-	9.6	4,518	(4,520)	(2)
Visitor Economy	5.0		10	(3,139)	(3,129)	5.0	10	(3,139)	(3,129)
<b>TOTAL</b>	<b>31.6</b>	<b>13,710</b>	<b>(13,135)</b>	<b>575</b>	<b>31.6</b>	<b>13,712</b>	<b>(13,137)</b>	<b>575</b>	

		Q1 Budget		Proposed Q2	
	\$'000	Inc.	Exp.	Inc.	Exp.
<b>Operating Activities</b>					
Adelaide Fashion Week		-	(489)	-	(489)
Business Growth - Business Support		-	(232)	-	(232)
Data and Insights		-	(412)	-	(412)
Event and Festival Sponsorship		-	(1,990)	-	(1,990)
General Marketing		-	(420)	-	(420)
Main Streets Development Grants / Precinct Activation		-	(190)	-	(190)
Strategic Partnerships		-	(1,142)	-	(1,142)
Visitor Growth - Tourism Projects		-	(198)	-	(198)
<b>TOTAL</b>		-	<b>(5,073)</b>	-	<b>(5,073)</b>

	\$'000	Q1 Budget		Proposed Q2	
		Inc.	Exp.	Inc.	Exp.
<b>Strategic Projects</b>					
Black Friday		-	(50)	-	(50)
City Brand Development		-	(100)	-	(100)
Investment Attraction Program		-	(100)	-	(100)
Partner Marketing - Winter Focus		-	(75)	-	(75)
Rundle Mall Live Music Program		-	(100)	-	(100)
Tourism and Business Attraction		-	(150)	-	(150)
<b>TOTAL</b>		-	(575)	-	(575)

	\$'000	Q1 Budget		Proposed Q2	
		Inc.	Exp.	Inc.	Exp.
<b>Capital Projects</b>					
New and Upgrade		-	(4,920)	-	(4,964)
Renewal		-	(275)	-	(279)
<b>TOTAL</b>		-	(5,195)	-	(5,243)

# Offices and Regional Subsidiary

## Office of the Chief Executive Officer (OCEO) / Office of the Lord Mayor (OLM)

*OCEO supports the CEO to lead a sustainable, successful organisation, to make well informed decisions to deliver on Council's priorities, and to foster productive partnerships both with industry, and local government and other government bodies through the delivery of effective intergovernmental relations.*

*OLM supports the Lord Mayor and Council Members to foster productive relationships with peak bodies, other government bodies and the community, to deliver our strategic plan, and fulfill our Capital City leadership responsibilities.*

Key Focus Areas:

- Advocacy, partnerships and intergovernmental relations
- Capital city oversight
- Civic protocols and events
- Communication and public relations
- Executive support and administration
- Lord Mayor and Council administration

## Planning and Budget Updates

There have been no proposed changes to the approved budget for the Office of the Chief Executive and the Office of the Lord Mayor during this quarter.

## Quarterly Highlights

During the second quarter, the Lord Mayor hosted 11 civic events, including the Town Hall COP, which brought together South Australia's local government leaders in collaboration with ICLEI. The Lord Mayor's Christmas Stand hosted for the Christmas Pageant on 8 November in Victoria Square. In addition, a Citizenship Ceremony took place on Friday, 28 November 2025.

The Lord Mayor's Christmas celebration was held on Thursday 4th December 2025 on the grounds of the North Adelaide Golf Course, inviting key stakeholders.

The Lord Mayor travelled internationally from 30 October to 17 November 2025, attending and speaking at both the Local Leaders Forum in Rio de Janeiro and the UN Climate Change Conference (COP30) in Belém. All flights and accommodation for this travel were fully sponsored by C40 Cities.

On 21 October 2025, newly elected Central Ward Councillor, Cr Alfredo Cabada was officially sworn in at a Special Meeting of Council.

The Lord Mayor also attended and addressed the CCCLM & Local Government Climate Leaders Forum in Sydney on 26 November 2025.

The Lord Mayor, Councillors Giles and Maher and CEO attended the Capital City Committee meeting on 19 November 2025.

The Lord Mayor and CEO attended the LGA SA 2025 Welcome Reception and Conference on 20 and 21 November 2025.

	\$'000	FTE	Q1 Budget			FTE	Proposed Q2		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
<b>Operating Budget</b>									
Revenue	-	-	-	-	-	-	-	-	-
Employee Costs	10.3	-	(1,866)	(1,866)	10.3	-	(1,866)	(1,866)	
Materials	-	-	(1,225)	(1,225)	-	-	(1,225)	(1,225)	
Sponsorships	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	
Finance Costs	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>10.3</b>		<b>(3,091)</b>	<b>(3,091)</b>	<b>10.3</b>		<b>(3,091)</b>	<b>(3,091)</b>	
<b>Program Budget</b>									
Office of the Chief Executive	4.0	-	(1,501)	(1,501)	4.0	-	(1,501)	(1,501)	
Civic Event, Partnerships, and Other Events	-	-	(385)	(385)	-	-	(385)	(385)	
Lord Mayor's Office Administration	6.3	-	(1,205)	(1,205)	6.3	-	(1,205)	(1,205)	
<b>TOTAL</b>	<b>10.3</b>	-	<b>(3,091)</b>	<b>(3,091)</b>	<b>10.3</b>	-	<b>(3,091)</b>	<b>(3,091)</b>	

## Brown Hill and Keswick Creek Stormwater Board

The Regional Subsidiary, known as the Brown Hill and Keswick Creek Stormwater Board, was established in February 2018. The Board coordinates the delivery of the Brown Hill Keswick Creek Stormwater Project, which is a collaborative undertaking between the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens. The Board is governed by a Charter prepared by these five constituent Councils and subsequently approved by the Minister for Local Government.

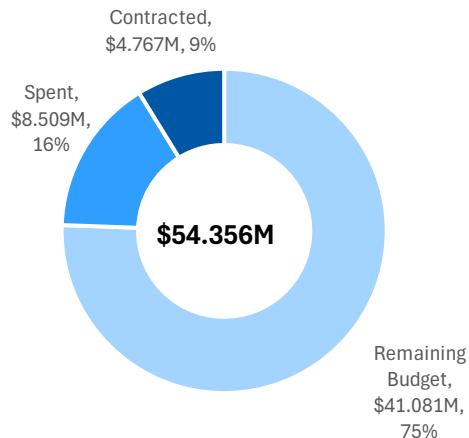
Reporting for this Board is done separately and is not embedded in the City of Adelaide's quarterly report reporting, however, where available, the Board's own report and plans will be provided as attachments as well as being available on the Board's website.

# Projects

## Capital New and Upgrade

New and Upgrade projects are works of a capital nature that are either introducing new assets or significantly upgrading existing assets, usually by extending the footprint of an asset or increasing the level of service an asset provides.

## Approved Budget



## Budget Highlights

The proposed New and Upgrade budget has decreased by \$2.473m from the approved budget of \$54.356m to a Quarter 2 budget of \$51.883m due to:

- Re-timing of projects into future years of \$6.081m including:
  - Main Street Revitalisation program \$2.544m (broken down as Melbourne St \$0.510m, Hindley St \$0.284m, Gouger St \$1.630m, and Hutt St \$0.120m)
  - Park 27B - Community Sports Building Redevelopment \$2.800m
  - Place of Courage \$0.190m
  - Torrens Lake retaining structure adjacent to Red Ochre \$0.190m
  - Integrated Climate Strategy – City Public Realm Greening project \$0.045m
  - Project Delivery Management costs \$0.312m
- A Council decision regarding the City Library relocation \$2.500m
- A bring forward of the construction of the Glen Osmond Shared Use path and lighting project planned for 2026/27 of \$1.200m
- A new grant to support the development of the Housing solution at Flinders St \$0.455m
- Accrued grant interest in Quarter 2 of \$0.019m
- The reduction in the New/Upgrade component of the Project Delivery Management cost of \$0.566m with a corresponding increase in the Renewal component.

There has been a change to program allocation within the Capital program due to the reallocation of Project Delivery Management costs of \$1.040m to individual projects based on Q2 actuals.

## Key Achievements

During the Quarter, 19 New and Upgrade projects (inclusive of sub-projects) achieved practical completion, including several street greening projects, Vincent Street and Vincent Place streetscape improvement project and Hutt Street Entry Statement.

Quarter 2 saw the commencement of delivery of the design stage of the Peacock cycling route and of the concept design of the 2 Park Lands trail pedestrian crossings.

Several projects have signed contracts for the intended works. This includes the Shared Use Path improvement in Park 27 and some greening projects.

The Main Street Revitalisation – Melbourne Street – Wombat crossing project has started the tender process in Q2, with contract award and commencement of works expected in Q3.

## 2025/26 New and Upgrade Projects

Project	Plan Deliver by	Expenditure (\$'000)				Stage		
		Q1 Budget	Proposed Q2	Variance				
<b>City Community</b>								
<b>City Culture</b>								
Aquatic Centre Community Playing Field - Denise Norton Park/Paradipardinylla (Park 2)	Jun-26	5,735	5,758	(24)	Build/ Construct			
City of Music Laneways - The Angels Artwork	Jul-25	15	1	15	Practical Completion			
City Library Capital Fit Out (State Library)			2,500	(2,500)	Plan/ Design			
Christmas Decorations - city wide	Jan-26	237	242	(4)	Build/ Construct			
Community Sports Building Redevelopment – Golden Wattle Park / Mirnu Wirra (Park 21 West)*>	Mar-27	4,292	4,382	(90)	Build/ Construct			
Community Sports Building Redevelopment – Mary Lee Park / Tulya Wardli (Park 27B)*>	Jul-27	3,722	982	2,739	Plan/Design			
Community Sports Building Redevelopment – Concept Design		102	106	(3)	Design Only			
Honouring Women in the Chamber - Portrait Commissions	Apr-26	10	10	(0)	Build/ Construct			
Main Street Revitalisation - Gouger Street (Artwork) (detailed design)*	Feb-28	66	67	(1)	Plan/ Design			
Main Street Revitalisation - Hindley Street (Artwork)*	May-27	10	11	(0)	Plan/ Design			
Market to Riverbank Link Project^	Sep-25	43	43	-	Practical Completion			
Place of Courage *>	Jun-27	194	7	187	Plan/ Design			
Public Art		5	0	5	Cancelled			
Public Art Action Plan Deliverables		278	125	154	Plan/ Design			
Public Art - Kaurna Welcome Art Installation			20	(20)	Design Only			
Public Art - Her Majesty's Theatre Commemorative Artwork			165	(165)	Plan/ Design			
Minor Works Building – Security Upgrades		51	55	(4)	Plan/ Design			
Statue Commemorating South Australian Aboriginal Leaders (Lowitja O'Donoghue)	May-26	178	182	(4)	Build/ Construct			
<b>City Infrastructure</b>								
<b>Infrastructure</b>								
Adelaide Park Lands Trail – Sir Donald Bradman Drive**	Nov-26	1,271	1,288	(17)	Plan/ Design			
Belair-City Bikeway/Adelaide Park Lands Trail – Glen Osmond Road**	Nov-26	1,372	1,390	(18)	Plan/ Design			
Bench install - 211 Grenfell Street	Dec-25		1	(1)	Practical Completion			
Bench Seat - 60 King William Street	Nov-25	6	6	0	Practical Completion			
Bikeways (North-South)	Nov-25	108	156	(47)	Practical Completion			
O'Connell/Archer St Intersection Upgrade>	Feb-26	358	364	(6)	Plan/ Design			
Bonython Park / Tulya Wardli Shared Path Lighting, Retaining wall and Footpath Upgrade (Construction)	Feb-26	100	100	-	Build/ Construct			
Botanic Catchment Water Course Rehabilitation*	Dec-26	364	368	(4)	Build/ Construct			
Brown Hill Keswick Creek (Financial Contribution)	Feb-26	329	329	-	Build/ Construct			
Charles Street – Streetscape Upgrade Major Project	Dec-25	32	34	(2)	Practical Completion			
Field Street Planters	Jun-25	1	1	-	Practical Completion			
Franklin Street Pedestrian Crossing	Jun-26	124	128	(4)	Design Only			
Glen Osmond Road / Hutt Road and Carriageway Park / Tuthangga (Park 17) Improvements	Jun-26		1,200	(1,200)	Build/ Construct			
Hutt Road / Park Lands Trail Signalised Crossing (Construction)	Feb-26	24	23	1	Practical Completion			
Hutt Street and South Terrace – Stormwater Improvements*	Dec-25	208	215	(6)	Practical Completion			
Hutt St Entry Statement>	Mar-26	230	237	(7)	Build/ Construct			
Integrated Climate Strategy – City Public Realm Greening Program	Jun-27	4,574	4,787	(213)	Build/ Construct			
James Place Upgrade*	Aug-26	1,061	1,083	(22)	Plan/ Design			
Kingston Terrace Bus Stop Upgrades (Construction)	May-26	157	165	(8)	Plan/ Design			
Main Street Revitalisation – Gouger Street (Detailed Design & Construction)>	Feb-28	2,406	854	1,552	Plan/ Design			
Main Street Revitalisation – Hindley Street (Construction)>	May-27	818	552	266	Plan/ Design			
Main Street Revitalisation – Hutt Street (Detailed Design & Construction)>	Oct-28	372	269	103	Plan/ Design			
Main Street Revitalisation – Melbourne Street (Detailed Design & Construction)*	Nov-28	1,950	1,440	510	Plan/ Design			
Main Street Revitalisation - Melbourne Street Improvements	Mar-26	545	564	(20)	Build/ Construct			

Project	Plan Deliver by	Expenditure (\$ '000)				Stage
		Q1 Budget	Proposed Q2	Variance		
Main Street Revitalisation – O'Connell Street (Detailed Design)	Jul-28	▲ 1,124	1,163	(38)	Plan/ Design	
Market Link - CMAR access footpath		10	10	(1)	Design Only	
Market to Riverbank Link Project^	Sep-25	361	365	(4)	Practical Completion	
Traffic Signal Safety Upgrade – Morphett Street and Franklin Street Intersection	Jul-26	276	281	(5)	Plan/ Design	
Traffic Signal Safety Upgrade – Morphett Street and Grote Street Intersection	May-26	259	264	(5)	Plan/ Design	
New Parents Room with store room (Central Market)		35	37	(2)	Design Only	
Peacock Road Cycle Route**	Sep-26	572	585	(13)	Plan/ Design	
Rymill Park Masterplan and Accessibility>	Mar-26	780	797	(18)	Build/ Construct	
School Safety Implementation Project^>	Jun-26	177	180	(3)	Plan/ Design	
Torrens Lake Earth Retaining Structure>	Jul-27	324	140	184	Build/ Construct	
Vincent St and Vincent Pl>	Dec-25	340	352	(12)	Practical Completion	
West Pallant Street Improvements>		36	37	(1)	Design Only	
<b>Strategic Property and Commercial</b>						
Central Market Arcade Redevelopment Options	Oct-26	▲ 477	483	(5)	Build/ Construct	
Central Market Arcade Redevelopment Major Project	Oct-26	1,410	1,425	(15)	Build/ Construct	
UPark Central Market – Parking Guidance System		300	300	-	Plan/ Design	
Flinders Street Housing – Concept Planning		273	740	(467)	Design Only	
South West Community Centre		1,506	1,521	(15)	Plan/ Design	
UPark Central Market – Car Park Hardware		190	190	-	Plan/ Design	
<b>City Shaping</b>						
<b>City Operations</b>						
Additional (2nd) Park Safe vehicle	Oct-25	69	44	25	Practical Completion	
Accelerated Greening Water Truck		150	150	-	Plan/ Design	
<b>Park Lands, Policy and Sustainability</b>						
Additional VivaCity Motion Sensor (V3)	Jul-25	3	3	0	Practical Completion	
Disability Access and Inclusion Plan 2024-2028 Implementation		▲ 20	20	-	Design Only	
Integrated Climate Strategy - London Road Depot Electrification (Stage 1) - Replace gas heater with electric	Jun-26	203	206	(3)	Plan/ Design	
Light Square / Wauwi – Master Plan (detailed design)		113	116	(4)	Design Only	
Victoria Park / Pakapakanthi (Park 16) Master Plan implementation		222	228	(7)	Plan/ Design	
<b>Corporate Services</b>						
<b>Adelaide Central Market Authority (ACMA)</b>						
Federal Hall Trade Waste and Water Connections^	Jun-25	7	7	-	Practical Completion	
Christmas Decorations – One Market		178	181	(3)	Plan/ Design	
Market Expansion Capital Works – Ground Floor		1,014	1,026	(12)	Plan/ Design	
<b>Adelaide Economic Development Agency (AEDA)</b>						
Rundle Mall Sound System	▲ Sep-26	832	844	(12)	Plan/ Design	
Christmas Decorations – Rundle Mall	Nov-25	209	214	(5)	Practical Completion	
Experience Adelaide Visitor Centre**>	Sep-26	3,879	3,905	(27)	Plan/ Design	
<b>Information Management</b>						
HR System - Implementation of Integration Suite	Jun-26	42	43	(1)	Build/ Construct	
ICT Network Connectivity - Gardeners Shed	Jan-26	120	120	-	Build/ Construct	
Replacement of Audio / Video in Council Chamber and Colonel Light Room	▲ Apr-26	10	10	-	Build/ Construct	
<b>Corporate Activities</b>						
Planning for Future Projects		112	231	(118)	Plan Only	
2025/26 Project Delivery Costs>	Jun-26	7,372	5,454	1,917	Build/ Construct	
<b>Total</b>		<b>54,356</b>	<b>51,883</b>	<b>2,473</b>		

\*partially grant funded

\*\*fully grant funded

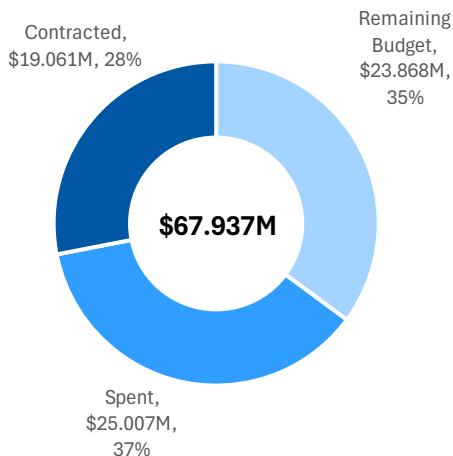
^income generating

>some/all budget retimed from 24/25

## Capital Renewal

Renewals are works of a capital nature that are replacing an existing asset like for like, or like for modern, equivalent.

## Approved Budget



## Budget Updates

The Renewals budget has increased by \$0.843m from an approved budget of \$67.937m to a proposed Quarter 2 budget of \$68.780m due to a new library grant and an increase in the renewal component of the Project Delivery Management cost, with a corresponding reduction in the New/Upgrade component.

There have been reallocations of Project Delivery Management costs of \$1.718m to asset classes based on Q2 outputs.

## Key Achievements

During the quarter, 19 renewal projects achieved practical completion, including Traffic Signal renewals at Anzac Highway/Park Lands trail crossing, Wellington Square/Tynte St intersection and at Pulteney St/Grenfell St as well as Pulteney/Pirie St intersection, the Colonel Light Centre – Air Handling Unit renewal and the Veale Gardens footpath renewal project.

Quarter 2 saw the commencement of delivery of the following projects: Glen Osmond Road, Hutt Road and Park 17 improvements, Town Clerks Walk and Park 12 improvements, Archer and Grenfell Streets footpath renewal projects and the Veale Garden pumps renewal.

Several projects have signed contracts for the intended works. This includes various footpaths renewal projects, the Adelaide Central Market Automatic Exhaust system and carpark sprinkler renewal project and the Public Lighting renewal projects in Pirie St and Strangways Terrace.

Projects that started their tender process in Quarter 2 with expected contract awards in Quarter 3 are Public Toilet renewal – Park 17 Greenhill Road, Christmas Tree renewal, the Stormwater pipe relining program, various road projects and the Victoria Square flagpole renewal project.

## 2025/26 Renewal Budget by Category

\$'000	Q1 Budget	Proposed Q2	Variance
Buildings	14,908	14,848	60
Lighting & Electrical	3,668	4,322	(655)
Park Lands & Open Space	1,798	1,685	113
Plant, Fleet & Equipment*	3,433	4,120	(687)
Transport**	28,817	28,089	728
Urban Elements	4,064	4,826	(762)
Water Infrastructure	7,137	7,930	(793)
Delivery Resources	4,111	2,959	1,153
<b>TOTAL</b>	<b>67,937</b>	<b>68,780</b>	<b>(843)</b>

## 2025/26 Renewal Projects by Category and Project Phase

Categories	Total Projects	Design Only	Plan / Design	Build / Construct	On Hold	Practical Completion
Buildings	49	13	8	15	1	12
Lighting & Electrical	40	17	1	20	-	2
Park Lands & Open Space	14	4	2	7	-	1
Plant, Fleet & Equipment*	15	-	4	8	-	3
Transport**	114	41	7	44	1	21
Urban Elements	47	10	7	23	-	7
Water Infrastructure	10	3	1	6	-	-
<b>TOTAL</b>	<b>289</b>	<b>88</b>	<b>30</b>	<b>123</b>	<b>2</b>	<b>46</b>

\*includes IT

\*\* includes bridges, roads, footpaths, kerb and water table, and traffic signal

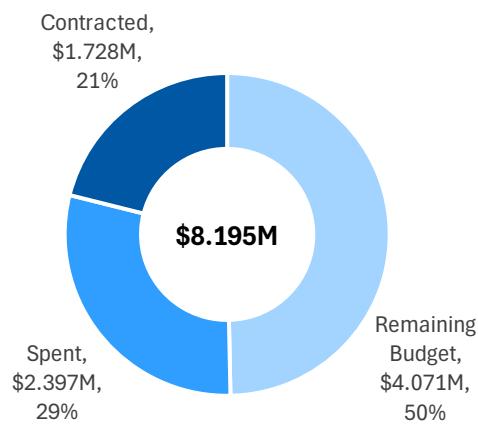
### Notes:

- Some projects have been broken down into sub-projects, so total appears different.
- The variance between adopted and proposed budget is in large part been driven by the amalgamation of individual asset renewals into multi-asset projects which are reported under the main renewed asset class.
- Total Project count: mixed funded projects are only counted once in the total project count.

## Strategic

Strategic Projects are generally ‘one off’ or short-lived activities that have been prioritised to be delivered within a specific timeframe to meet strategic outcomes, often as a result of Council decisions and/or partnerships.

## Approved Budget



## Budget Updates

Quarter 2 has seen the strategic program budget increase by \$1.069m from \$8.195m to \$9.264m, following the inclusion of new and emerging priorities; Community Sports Building Redevelopment (\$0.450m), Strategic Property Investigation (\$0.200m), National Heritage Management Plan – First Nations Heritage (\$0.207m), Tree Martin Management – 2026 Migratory Season (\$0.150m), Market Expansion Site Management (\$0.080m) and Resident Survey Analysis 2025 (\$0.020m). Additionally, several existing projects requested increases to funding as costs were further refined and planned deliverables were confirmed.

## Key Achievements

At quarter end, the Strategic Project program was 50% committed or spent, with project procurement and delivery continuing to track upwards.

The number of proposed strategic projects increased to 50, with the addition of nine new or ongoing projects. The following projects achieved practical completion in Quarter 2; Annual Cultural Burn in the Park Lands, Supplementary Election 2025 and Black Friday

External grant funding opportunities continue to provide budget support for the delivery of several projects, in turn offsetting CoA contributions.

## 2025/26 Strategic Projects

Project	Plan Deliver by	Expenditure (\$'000)		
		Q1 Budget	Proposed Q2	Variance
<b>City Community</b>				
<b>City Culture</b>				
Australia Day Partnership - Australia Day Council of South Australia Incorporated	● Jan-26	100	100	- ▶
Bilingual Community Liaison Officer	● Jun-26	93	93	- ▶
Community Sports Building Redevelopment (Park 21 West)	● Jun-26	-	450	(450) ▲
City Activation	● Jun-26	300	300	- ▶
Future Libraries Business Case	● Oct-26	75	75	- ▶
Positive Ageing Program – Pilot	● Jun-26	50	50	- ▶
Social Work in Libraries Evaluation Framework*	● Nov-26	13	13	- ▶
DHS Grant for Volunteers Connectors Program**	● Jun-26	25	25	- ▲
Library Community Cohesion Programs**	● Jun-26	9	9	- ▲
<b>Customer and Marketing</b>				
City of Adelaide Website Redevelopment	● Jun-26	100	100	- ▶
<b>Regulatory Services</b>				
On-Street Parking Compliance Technology and Customer Analytics Reform	● Jun-25	152	152	- ▶
<b>City Infrastructure</b>				
<b>Infrastructure</b>				
Asset Condition Audit	● Jun-26	1,200	1,000	200 ▼
Gawler Place Ram Raid Bollard^	● Jan-26	10	10	- ▶
Market Expansion Site Management	● Dec-26		80	(80) ▲
Resilient Flood Planning*	▲ Apr-26	1,100	1,100	- ▶
School Safety Review	● Nov-25	11	11	- ▶
<b>Strategic Property &amp; Commercial</b>				
88 O'Connell Project Delivery	● Complete	194	194	- ▶
Parking Coordinator – On-Street Paid Parking Control Changes	● Jun-26	128	128	- ▶
Review of Property Management	● Jun-26	50	50	- ▶
Strategic Property Investigation	● Jun-26	-	200	(200) ▲
Commercial Parking Internal Audit - System Consolidation	● Jun-26	450	450	- ▶
<b>City Shaping</b>				
<b>Park Lands, Policy &amp; Sustainability</b>				
Adaptive Re-use Housing Initiative Program (ARCHI)*	● Jun-26	606	606	- ▶
Annual Cultural Burn in the Park Lands	● Complete	25	25	- ▶
City Plan Digital Tool (City of Adelaide Digital Explore - CoADE)	● Jun-26	140	101	39 ▼
Planning and Design Code Amendment Program	● Jun-26	100	100	- ▶
Implementation of the Disability Access and Inclusion Plan 2024-2028	● Jun-26	130	130	- ▶
Implementation of the City of Adelaide Housing Strategy – Vacancy assessment	● Jun-26	200	200	- ▶
Master Plan for Helen Mayo Park**	● Jun-26	250	250	- ▶
National Heritage Management Plan Implementation	▲ Jun-26	100	139	(39) ▲
NHMP First Nations Heritage*	● Jun-26	-	207	(207) ▲
Key Biodiversity Area Management Plan for G S Kingston Park / Wirrarninthi (Park 23)	● Jun-26	75	75	- ▶
Social Planning Homelessness and Adelaide Zero Project - Partnership	● Jun-26	215	215	- ▶
Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscape	● Jun-26	178	178	- ▶
Tree Martin Management - 2026 Migratory Season	● Jun-26	-	150	(150) ▲
COP 31	● Nov-25	123	123	- ▶
<b>Corporate Services</b>				
<b>Governance &amp; Strategy</b>				
Election 2026	● Jun-26	185	275	(90) ▲
Resident Survey Analysis 2025	● Jun-26	-	20	(20) ▲
Supplementary Election 2025	● Complete	-	102	(102) ▲
<b>Information Management</b>				
Cyber Security Enhancement	● Mar-26	110	110	- ▶
Clipper Ship	● Mar-26	30	30	- ▶
<b>People</b>				
Aboriginal Employment and Inclusion Coordinator	▲ Jun-26	34	34	- ▶
Talent Attraction and Retention	● Jun-26	121	121	- ▶
<b>ACMA</b>				
Adelaide Central Market Expansion Operational Preparedness	● Jun-26	939	859	80 ▼
ACMA Traders Sustainability Program Stage 2**	● Jun-26	-	50	(50) ▲
<b>AEDA</b>				
Rundle Mall Live Music Program	● Jun-26	100	100	- ▶
Tourism and Business attraction	● Jun-26	150	150	- ▶
Partner Marketing – Winter Focus	▲ May-26	75	75	- ▶
City Brand Development	● Feb-26	100	100	- ▶
Investment Attraction Program	● Jun-26	100	100	- ▶
Black Friday	● Complete	50	50	- ▲
<b>TOTAL</b>		<b>50 projects</b>	<b>8,195</b>	<b>9,264</b> (1,069)

\*partially grant funded

\*\*fully grant funded

^income generating

# Budget

## Summary

### December Year to Date (YTD)

The operating position as at the end of Quarter 2 2025/26 is an operating surplus of \$12.515m, which is \$6.468m favourable to the adopted budget of \$6.047m for the period. The variance is driven by:

- Revenue \$1.667m favourable to budget and includes the following key movements:
  - Additional rates revenue of \$0.520m mainly from interest and penalties applied to overdue rates balances
  - Additional fees and charges of \$1.026m which includes positive movements in parking \$0.892m, expiations, late payments and recoveries \$0.183m and Adelaide Town Hall fees and charges \$0.246m
  - Grants, subsidies and contributions are (\$0.523m) unfavourable due to the timing of the recognition of grants, largely due to the Financial Assistance Grants, where 50% of the annual contribution was received in the 2024/25 Financial Year
  - Additional other income of \$0.644m due to reimbursements \$0.192m and insurance claims \$0.267m.
- Expenditure \$4.801m favourable to budget and includes the following key movements:
  - Employee costs \$3.054m favourable partially offset by temporary labour backfill of (\$2.687m)
  - Materials, Contracts and Other Expenses is (\$0.462m) unfavourable due to temporary labour backfill (\$2.687m). This is offset by favourable variances in strategic projects including professional services \$0.541m, advertising \$0.404m, computer software maintenance \$0.298m and the timing of Strategic Projects \$1.244m (including Asset Condition Audits \$0.410m, Market Expansion \$0.258m, Resilient Flood Mapping \$0.151m, Helen Mayo Park Master Plan \$0.125m, and Cyber Security Enhancement \$0.110m)
  - Sponsorships, Contributions and Donations are \$1.030m favourable and include timing of Event and Festivals Sponsorships within AEDA \$0.746m, Social Planning Homelessness Resource \$0.215m and Community Impact Grants \$0.101m, offset by Heritage Incentive Scheme (\$0.194m)
  - Depreciation is \$2.044m favourable, due to prior year revaluations, and remeasurement of lease liabilities, offset by an increase in finance costs of (\$0.865m).

The year-to-date Capital Expenditure as at 31 December 2025 is \$33.516m, which is \$0.122m below the adopted budget of \$33.638m for the period.

Council had a cash surplus of \$9.803m as at 31 December 2025.

### Quarter 2 2025/26 Projected Operating Position

The proposed Quarter 2 forecast is an operating surplus of \$8.541m which remains consistent with the adopted budget. The following adjustments are incorporated into Quarter 2:

- Total estimated **operating revenue** is forecast to be \$253.282m which is \$1.711m higher than the Q1 budget of \$251.571m. This is mainly due to additional commercial parking revenue of \$0.483m; expiations, late payments and recoveries income of \$0.347m, Adelaide Town Hall of \$0.166m, external funding received for Library Materials and Operating Grants \$0.279m, State Bike Fund \$0.200m and funding for Strategic Projects of \$0.218m, and other movements of \$0.018m.
- Total estimated **operating expenditure** (including depreciation) is forecast to be \$244.741m, which is \$1.711m higher than the Q1 budget of \$243.030m. This is due to additional funding for Strategic Projects \$1.069m, and permanent increases to the budget of \$0.642m including land holding costs associated with Tapanka – Franklin Street site \$0.462m, Adelaide Town Hall \$0.190m associated with an increase in revenue, remeasurement of a lease term on a lease liability resulting in depreciation reducing by \$1.755m and finance costs increasing by \$1.699m, and other movements of \$0.046m.

- The **Capital Program** is proposed to decrease by \$1.630m from \$122.293m to \$120.663m as a result of the reduction to new and upgraded projects of \$2.473m through retiming of 9 projects, the addition of 3 new projects, and accrued interest of \$0.019m from externally funded projects. The renewal program is proposed to increase by \$0.843m due to the addition of 1 new project, and a reallocation of Project Delivery Management costs of \$0.566m.
- **Borrowings** are forecast to decrease by \$1.141m from \$51.818m to \$50.677m. This is largely due to the continuation of capital projects into 2026/27.

## Operating Position (Financial Performance)

\$000's	YTD Actual	YTD Budget	Variance	Q1 Budget	Proposed Q2	Variance
Rates Revenue	77,924	77,404	520	154,908	154,908	-
Fees and Charges	48,682	47,656	1,026	90,480	91,458	978
Grants, Subsidies and Contributions	832	1,355	(523)	4,943	5,640	697
Other Income	1,274	630	644	1,240	1,276	36
<b>Total Revenue</b>	<b>128,712</b>	<b>127,045</b>	<b>1,667</b>	<b>251,571</b>	<b>253,282</b>	<b>1,711</b>
Employee Costs	41,787	44,841	3,054	90,694	90,868	(174)
Materials, Contracts and Other Expenses	40,409	39,947	(462)	80,751	82,344	(1,593)
Sponsorships, Contributions and Donations	2,918	3,948	1,030	6,362	6,362	-
Depreciation, Amortisation and Impairment	29,859	31,903	2,044	64,506	62,751	1,755
Finance Costs - ROU Assets	1,224	359	(865)	717	2,416	(1,699)
<b>Total Expenses</b>	<b>116,197</b>	<b>120,998</b>	<b>4,801</b>	<b>243,030</b>	<b>244,741</b>	<b>(1,711)</b>
<b>Operating Surplus / Deficit</b>	<b>12,515</b>	<b>6,047</b>	<b>6,468</b>	<b>8,541</b>	<b>8,541</b>	<b>-</b>

## Capital Program

	YTD Actual	YTD Budget	Variance	Q1 Budget	Proposed Q2	Variance
New and Upgrades Projects	8,509	15,091	6,582	54,356	51,883	2,473
Renewal / Replacement of Assets	25,007	18,547	(6,460)	67,937	68,780	(843)
<b>Total Revenue</b>	<b>33,516</b>	<b>33,638</b>	<b>122</b>	<b>122,293</b>	<b>120,663</b>	<b>1,630</b>

## Operating Program – Adjustments

The following changes are permanent in nature and will impact the 2026/27 budget and Long Term Financial Plan:

\$000's	Budget	Proposed	Variance
<b>Adelaide Town Hall</b>			
Anticipated full year additional income	3,315	3,481	166
<b>Commercial Parking Income</b>			
Anticipated full year additional income	48,524	49,007	483
<b>Expiation, Late payments and recoveries</b>			
Anticipated full year additional income	13,875	14,222	347
<b>Community Centres</b>			
Anticipated full year additional income	28	46	18
<b>Library Operating Grant</b>			
Increase in funding received	219	221	2
<b>Library Materials Grant</b>			
Recognition of grant received	-	277	277
<b>Employee costs</b>			
Reallocation of Employee costs to contractual expenditure and an increase in income protection insurance	(90,694)	(90,868)	(174)
<b>Materials, Contracts and Other Expenses</b>			
Overall decrease comprising higher employment/external contract agreements	(83,445)	(83,330)	115
<b>Adelaide Town Hall Expenditure</b>			
Increase in funding associated with the additional income	(2,694)	(2,884)	(190)
<b>Land Holding Costs</b>			
Forecast land holding costs associated with Tapanka - Franklin Street site	-	(462)	(462)
<b>Depreciation</b>			
Reduction due to the remeasurement of the lease term on a lease liability	(5,953)	(4,198)	1,755
<b>Finance Costs</b>			
Increase due to the remeasurement of the lease term on a lease liability	(717)	(2,416)	(1,699)
<b>Minor Items</b>			
Small changes trivial in nature	-	13	13
<b>Total Proposed Permanent Adjustments</b>			<b>651</b>

The following changes are temporary in nature and will impact the 2025/26 budget only:

\$000's	Budget	Proposed	Variance
<b>Election 2026</b> Increase in funding for data collection	(185)	(275)	(90)
<b>National Heritage Management Plan Implementation</b> Increase in funding	(100)	(139)	(39)
<b>Asset Condition Audit Project</b> Savings identified	(1,200)	(1,000)	200
<b>City Plan Digital Tool (CoADE)</b> Savings identified	(140)	(101)	39
<b>Supplementary Election 2025</b> Final costs associated with the Central Ward Supplementary Election	-	(102)	(102)
<b>2025 Resident Survey Analysis</b> New strategic project	-	(20)	(20)
<b>Tree Martin Management - 2026 Migratory Season</b> New strategic project	-	(150)	(150)
<b>National Heritage Management Plan First Nations Heritage</b> Partial funding received to deliver project	-	168	168
<b>National Heritage Management Plan First Nations Heritage</b> New strategic project	-	(207)	(207)
<b>ACMA Traders Sustainability Program Stage 2</b> Funding received to deliver program	-	50	50
<b>ACMA Traders Sustainability Program Stage 2</b> New strategic project	-	(50)	(50)
<b>Strategic Property Investigations</b> New strategic project	-	(200)	(200)
<b>Adelaide Central Market Expansion Operational Preparedness</b> Reallocation of funding towards the Market Expansion Site Management	(939)	(859)	80
<b>Market Expansion Site Management</b> New strategic project	-	(80)	(80)
<b>State Bike Fund</b> Recognition of grant received	-	200	200
<b>Park 21 West SAPN Transformer</b> New strategic project	-	(450)	(450)
<b>Total Proposed Strategic Project Adjustments</b>			(651)
<b>Total Proposed Q2 Adjustments</b>			-

## Capital Program – Adjustments

<b>New and Upgrades</b> Works of a significant nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.	54,356	51,883	2,473
<b>Renewals</b> Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.	67,937	68,780	(843)
<b>Total Adjustment</b>	122,293	120,663	1,630

## Financial Indicators

	Target	Adopted	Q1	Q2
<b>Operating Surplus Ratio</b> The ratio expresses the Operating Surplus as a percentage of Total Operating Revenue.	0%-20%	3.4%	3.4%	3.4%
<b>Adjusted Operating Surplus Ratio</b> The ratio expresses the Operating Surplus as a percentage of Total Operating Revenue adjusted for the timing and recognition of grants	0%-20%	3.4%	3.4%	3.2%
<b>Net Financial Liabilities</b> The ratio expresses the Financial Liabilities as a percentage of Operating Income.	Less than 80%	35%	36%	35%
<b>Asset Renewal Funding Ratio</b> The ratio expresses the expenditure on Asset Renewals as a percentage of forecast required expenditure according to the Asset Management Plans.	90%-110%	93.5%	93.5%	94.7%
<b>Asset Test Ratio</b> The ratio expresses Borrowings as a percentage of Saleable Property Assets.	Maximum 50%	15.9%	16.4%	16.0%
<b>Interest Expense Ratio</b> Interest expense as a percentage of General Rates Revenue (less Landscape Levy).	Maximum 10%	1.5%	1.5%	1.5%
<b>Leverage Test Ratio</b> The ratio expresses total Borrowings relative to General Rates Revenue (less the Landscape Levy).	Maximum 1.5 years	0.33 years	0.34 years	0.33 years
<b>Cash Flow From Operations Ratio</b> The ratio expresses Operating Income as a percentage of Operating Expenditure plus expenditure on Renewal/Replacement of assets.	Greater than 100%	102%	104%	102%
<b>Borrowings</b> The ratio expresses Borrowings as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Within Prudential Limits	32%	33%	32%
<b>Borrowings</b> The ratio expresses Borrowings (Gross of Future Fund) as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Within Prudential Limits	52%	53%	52%

On track	Within range
At risk	May be within range but at risk of going outside of range
Off track	Outside of range

# Treasury Reporting

The tables below present the debt and cash investment information as required by Council's Treasury Policy.

**Table 1** shows the borrowing facilities taken out by Council. Council had nil borrowings as at 31 December 2025:

Borrowings Facility*	Available	Interest Type	Interest Rate	Current Borrowings	Change since previous report \$'000	Maturity Date
LGFA CAD 555	\$70m	Variable	4.85%	-	-	15/06/2033

\*Note CAD facilities are flexible and allows Council to convert all or part of it into a fixed rate interest only loan for a maximum of 5 years.

**Table 2** shows cash invested by Council. Council had \$9.803m in cash investments at 31 December 2025:

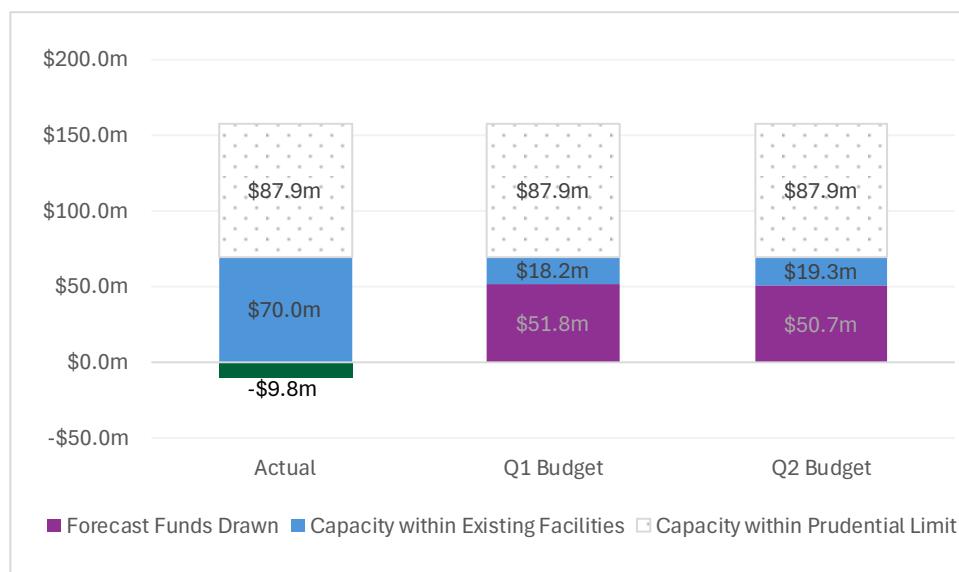
Cash & Cash Equivalents	Available	Interest Type	Interest Rate	Current Investments	Change since previous report \$'000	Maturity Date
LGFA General		Variable	3.90%	\$7.286m	\$2.781m	-
NAB		Variable	3.80%	\$0.233m	\$0.143m	-
CBA		Variable	3.60%	\$2.284m	(\$1.1694m)	-

Total cash position without the Future Fund offset (\$32.654m) would otherwise be \$22.851m in borrowings.

**Table 3** provides the Prudential Limit Ratios as outlined in Council's Treasury Policy:

Prudential Limit Ratio**	Comments	Limits	YTD Actual
<b>Interest Expense Ratio</b>	Annual interest expense relative to General Rates Revenue (less Landscape Levy).	Maximum 10%	0.31%
<b>Leverage Test</b>	Total borrowings relative to annual General Rates Revenue (Less Landscape Levy).	Max 1.5 years	0 years
<b>Asset Test</b>	The percentage of total borrowings to Council's saleable property assets.	Maximum 50%	0%

**Borrowings:** showing current facilities against our prudential limit and forecasted position



# Glossary

## **Budget**

*25/26 Budget:* is the adopted budget for the 2025/26 financial year.

*Financial Indicators:* Measures used to assess Council's financial performance, to guide decision making on major projects, and ensure its continued financial sustainability.

*Reallocation:* Reallocation of funds from one source to another.

*Reclassification:* A change of a project categorisation to reflect the scope, size or funding source of a project (e.g. Renewal to Upgrade).

*Retimed:* Deliberate change of timing of a project into a future year based on an agreed decision.

*Subsidiaries:* Established by Council under Section 42 of the *Local Government Act 1999* (SA) that operate under independent boards or organisations that the City of Adelaide either operates or supports.

## **Capital Works**

*New and upgrade:* Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.

*Renewal:* Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.

## **Project Management Phases**

*Commit/Concept:* A project plan is being finalised with scope, and greater understanding of budget timing and stakeholder management.

*Design:* Projects for which only the design phase will be undertaken in the current year, with construction occurring in another financial year.

*Design/Detail Planning:* The planning and design phase of a project, which includes activities such as project planning and technical design.

*Build/Construct (also Deliver):* The build and construction phase of a project, which includes activities such as tendering, and construction/creating an asset.

*Practical Completion:* The practical completion phase of a project where an area/asset is open and created in our asset system. Depreciation commences at this point.

*On Hold:* Project status indicating a decision of Executive or Council is required and cannot proceed until a decision is reached.

## **Types of Projects**

*Capital Project:* A long-term project to establish, develop, improve or renew a capital project.

*Strategic Project:* Delivers the Strategic Plan and are generally 'once off' that have been prioritised to be delivered in a specific timeframe. Strategic Project budgets are operational in nature (not capital) and are aligned to a relevant service.

# Appendix: Risk and Opportunities

## Risks and Opportunities

Council operations continue to be impacted by multiple external factors.

The temporary Golf course closure presents an opportunity for the City of Adelaide to proactively activate other areas of the Park Lands, encouraging broader community participation in active lifestyles and informal exercise.

As at 31 December 2025, CoA had been awarded \$3.4 million in grants to assist with the delivery of the capital and strategic programs. City of Adelaide has submitted and is awaiting a decision on 9 grants to the value of \$6.9 million to state and federal grant schemes.

Resourcing, both internal and external, remains a challenge across the organisation from facilitating major events to progressing capital projects through design and construction. For project delivery, internal resources continue to be supplemented with short term contract staff and external consultants and contractors have high workloads due to a busy time in the industry, with pricing remaining at post-covid levels.

Increased Renewals program and the 93.5% Asset Renewal Funding Ratio KPI is an increase on the previous year. This remains challenging in terms of delivery, resources, timing and the challenges of working within a busy City. This risk is being addressed in part by the identification and engagement of appropriate external consultants and contractors to supplement Council resources.

Delays to Main Streets projects may cause construction to converge across multiple sites, increasing pressure on budget, contractor capacity, traffic and pedestrian impacts, and the delivery of high-value capital projects within the current financial year.

Leveraging the Integrated Transport Strategy and Integrated Climate Strategy outcomes provides an opportunity to revisit and strengthen safe cycling routes, supporting safer and lower-carbon travel.

Change in legislation for Public Health Plans, Dog and Cat Management and Community Engagement provide an opportunity for CoA to revisit how these services are operated.

Rising homelessness and the management of campsites in the Park Lands and U-Parks pose ethical and reputational risks, particularly when relocating vulnerable community members.

# Appendix: Financial Statements

## Statement of Comprehensive Income

\$'000s	Adopted Budget	Q1	Q2
<b>Income</b>			
Rates Revenue	154,908	154,908	154,908
Statutory Charges	17,809	18,507	18,854
User Charges	70,309	71,973	72,604
Grants, Subsidies and Contributions - Capital	409	409	886
Grants, Subsidies and Contributions - Operating	4,487	4,534	4,755
Investment Income	171	171	171
Reimbursements	181	374	374
Other Income	695	695	731
<b>TOTAL INCOME</b>	<b>248,969</b>	<b>251,571</b>	<b>253,282</b>
<b>Expenses</b>			
Employee Costs	90,792	90,694	90,868
Materials, Contracts and Other Expenses	84,413	87,113	88,707
Depreciation, Amortisation and Impairment	64,506	64,506	62,751
Finance Costs	717	717	2,416
<b>TOTAL EXPENSES</b>	<b>240,428</b>	<b>243,030</b>	<b>244,741</b>
<b>Operating Surplus (Deficit)</b>	<b>8,541</b>	<b>8,541</b>	<b>8,541</b>
Asset Disposal & Fair Value Adjustments	-	-	-
Amounts Received Specifically for New or Upgraded Assets	8,018	13,667	14,121
<b>Net Surplus / (Deficit)</b>	<b>16,559</b>	<b>22,208</b>	<b>22,662</b>
Changes in Revaluation Surplus – I, PP&E	-	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>16,559</b>	<b>22,208</b>	<b>22,662</b>

## Statement of Financial Position

\$'000s	Adopted Budget	Q1	Q2
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	800	800	800
Trade & Other Receivables	20,847	20,847	20,847
Inventories	741	741	741
Other Current Assets	-	-	-
<b>Total Current Assets</b>	<b>22,388</b>	<b>22,388</b>	<b>22,388</b>
<b>Non-Current Assets</b>			
Trade & Other Receivables	755	755	755
Equity Accounted Investments in Council Businesses	4,706	4,706	4,706
Investment Property	3,197	3,197	3,197
Infrastructure, Property, Plant and Equipment	2,134,740	2,142,735	2,142,049
Other Non-Current Assets	-	-	-
Non-Current Receivable	-	-	-
<b>Total Non-Current Assets</b>	<b>2,143,398</b>	<b>2,151,393</b>	<b>2,150,707</b>
<b>TOTAL ASSETS</b>	<b>2,165,786</b>	<b>2,173,781</b>	<b>2,173,095</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	24,280	24,883	24,884
Provisions	17,381	17,381	17,381
Borrowings (Lease Liabilities)	5,264	5,264	5,264
<b>Total Current Liabilities</b>	<b>46,926</b>	<b>47,528</b>	<b>47,529</b>
<b>Non-Current Liabilities</b>			
Trades and Other Payables	15,732	15,732	15,732
Borrowings	50,074	51,818	50,677
Provisions	2,109	2,109	2,109
Borrowings (Lease Liabilities)	22,658	22,658	22,658
<b>Total Non-Current Liabilities</b>	<b>90,573</b>	<b>92,317</b>	<b>91,176</b>
<b>TOTAL LIABILITIES</b>	<b>137,499</b>	<b>139,845</b>	<b>138,705</b>
<b>Net Assets</b>	<b>2,028,287</b>	<b>2,033,936</b>	<b>2,034,390</b>
<b>EQUITY</b>			
Accumulated Surplus	824,521	830,170	830,624
Asset Revaluation Reserves	1,171,995	1,171,995	1,171,995
Future Reserve Fund	31,771	31,771	31,771
<b>TOTAL COUNCIL EQUITY</b>	<b>2,028,287</b>	<b>2,033,936</b>	<b>2,034,390</b>

**Statement of Changes in Equity**

\$'000s	Adopted Budget	Q1	Q2
Balance at the end of previous reporting period	2,011,728	2,011,728	2,011,728
a. Net Surplus / (Deficit) for Year	16,559	22,208	22,662
b. Other Comprehensive Income		-	-
Total Comprehensive Income	16,559	22,208	22,662
<b>Balance at the end of period</b>	<b>2,028,287</b>	<b>2,033,936</b>	<b>2,034,390</b>

**Statement of Cash flows**

\$'000s	Adopted Budget	Q1	Q2
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Rates - general & other	154,042	154,042	154,042
Fees & other charges	17,815	18,513	18,860
User charges	70,470	72,133	72,764
Investment receipts	171	171	171
Grants utilised for operating purposes	4,487	4,534	4,755
Reimbursements	181	374	374
Other revenues	695	695	731
<b>Payments</b>			
Employee costs	(90,225)	(90,127)	(90,301)
Materials, contracts & other expenses	(81,676)	(84,376)	(87,669)
Finance Payments	(2,913)	(2,913)	(2,913)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>73,047</b>	<b>73,047</b>	<b>70,815</b>

**Cash Flows from Investing Activities**

<b>Receipts</b>			
Amounts Received Specifically for New/Upgraded Assets	8,018	7,350	7,805
Grants utilised for capital purposes	-	-	477
Proceeds from Surplus Assets	18,500	18,500	18,500
Sale of Replaced Assets	500	500	500
<b>Payments</b>			
Expenditure on Renewal/Replacement of Assets	(67,937)	(67,937)	(68,780)
Expenditure on New/Upgraded Assets	(46,041)	(54,036)	(51,563)
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)	(320)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(87,280)</b>	<b>(95,943)</b>	<b>(93,381)</b>

**Cash Flows from Financing Activities**

<b>Receipts</b>			
Proceeds from Borrowings	19,335	27,998	26,857
<b>Payments</b>			
Repayment from Borrowings	-	-	
Repayment of Lease Liabilities	(5,102)	(5,102)	(4,291)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>14,233</b>	<b>22,896</b>	<b>22,566</b>

**Net Increase (Decrease) in Cash Held**

plus: Cash and Cash Equivalents at beginning of period	800	800	800
<b>Cash &amp; Cash Equivalents at end of period</b>	<b>800</b>	<b>800</b>	<b>800</b>

**Uniform Presentation of Finances**

\$'000s	Adopted Budget	Q1	Q2
<b>Income</b>			
Rates Revenue	154,908	154,908	154,908
Statutory Charges	17,809	18,507	18,854
User Charges	70,309	71,973	72,604
Grants, Subsidies and Contributions - Capital	409	409	886
Grants, Subsidies and Contributions - Operating	4,487	4,534	4,755
Investment Income	171	171	171
Reimbursements	181	374	374
Other Income	695	695	731
<b>TOTAL INCOME</b>	<b>248,969</b>	<b>251,571</b>	<b>253,282</b>
<b>Expenses</b>			
Employee Costs	90,792	90,694	90,868
Materials, Contracts and Other Expenses	84,413	87,113	88,707
Depreciation, Amortisation and Impairment	64,506	64,506	62,751
Finance Costs	717	717	2,416
<b>TOTAL EXPENSES</b>	<b>240,428</b>	<b>243,030</b>	<b>244,741</b>
<b>Operating Surplus / (Deficit)</b>	<b>8,541</b>	<b>8,541</b>	<b>8,541</b>
Net Timing adjustment for General Purpose Grant Funding	-	-	-
Less Grants, subsidies and contributions - Capital	(409)	(409)	(886)
Add Roads to Recovery funding	409	409	409
<b>Adjusted Operating Surplus / (Deficit)</b>	<b>8,541</b>	<b>8,541</b>	<b>8,064</b>
<b>Net Outlays on Existing Assets</b>			
Capital Expenditure on Renewal and Replacement of Existing	(67,937)	(67,937)	(68,780)
Finance lease payments for right of use assets on existing assets	(5,102)	(5,102)	(4,291)
add back Depreciation, Amortisation and Impairment	64,506	64,506	62,751
Grants, Subsidies and Contributions - Capital Renewal	-	-	477
Proceeds from Sale of Replaced Assets	500	500	500
<b>Net Outlays on Existing Assets</b>	<b>(8,033)</b>	<b>(8,033)</b>	<b>(9,343)</b>
<b>Net Outlays on New and Upgraded Assets</b>			
Capital Expenditure on New and Upgraded Assets	(46,361)	(54,356)	(51,883)
Amounts received specifically for New and Upgraded Assets	8,018	7,350	7,805
Grants, Subsidies and Contributions - Capital New/Upgrade	-	-	-
Proceeds from Sale of Surplus Assets	18,500	18,500	18,500
<b>New Outlays on New and Upgraded Assets</b>	<b>(19,843)</b>	<b>(28,506)</b>	<b>(25,578)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(19,335)</b>	<b>(27,998)</b>	<b>(26,857)</b>

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# Adelaide Central Market Authority

Quarter 2 Report: 1 October 2025 - 31 December 2025

## Executive Summary

Leasing revenue remained strong in Q2, with no rent arrears, 98.6% occupancy and one lease currently under negotiation (Stall 55), after been left intentionally vacant to allow for trader relocations during fit out works and pop ups during December (Project Burrata and Full Circle). There was continued tenancy investment by Traders with 2 new stall fit outs completed (Michael's Fruit & Veg and Coco's Fruit & Veg) reopening in October and November respectively. One stall (House of Organics) retired their business at the end of December, with a pop-up (Electric Head) in place until 15 January, followed by a full site redevelopment (underway).

Market visitation has been strong across the quarter, supported by additional tourism in the month of December. There were 1.9 million customers over the quarter and 200,000 visitors in the final 6 days before Christmas, with traders indicating a consistent trade in comparison to 2024.

Operational highlights for Q2 included the launch of the inaugural Market Made campaign, showcasing over 1,000 products only available from the Adelaide Central Market. The key retail Christmas campaign supported traders with strong media opportunities, including national coverage, and delivered a program of in-Market entertainment, online shopping opportunities and home delivery service, plus support for our community partners, Catherine House and OzHarvest.

Work continues to lease the 53 tenancies in the Market Expansion with 21 accepted offers across key sites. Operational preparedness continues at pace, with the wayfinding detailed design compete, Place Activation Strategy finalised, commencement of Retail Design Management services and appointment of tenancy coordination.

The operating position is \$329K favourable to the YTD budget for the existing Market and \$258K favourable for the Market Expansion project, however, this is mainly based on timing of expenditure.

## Financial Report

\$'000	December 2025 YTD			Adopted Annual Budget	Proposed Q2 Budget
	Actual	Budget	Variance		
<b>Existing Marketing Operations</b>					
Income	2,770	2,832	(62)	5,645	5,695
Expenditure	2,726	3,117	391	6,282	6,332
<b>Total Existing Marketing Operations</b>	<b>44</b>	<b>(285)</b>	<b>329</b>	<b>(637)</b>	<b>(637)</b>
<b>Market Expansion</b>					
Income			-		-
Expenditure	107	365	258	939	859
<b>Total Marketing Expansion</b>	<b>107</b>	<b>365</b>	<b>258</b>	<b>939</b>	<b>859</b>
<b>Net Operating Surplus / (Deficit)</b>	<b>(63)</b>	<b>(650)</b>	<b>587</b>	<b>(1,576)</b>	<b>(1,496)</b>

## Debtors Summary

Financial Year	Total Arrears	Current	%	30 Days	%	60 Days	%	90+ Days	%
2025/26	\$ 3,714	\$ 80	2%	\$ 121	3%	\$ -	0%	\$ 3,513	95%
2024/25	\$ 57,129	\$ 48,552	85%	\$ 8,578	15%	\$ -	0%	\$ -	0%
2023/24	\$ 25,793	\$ 17,251	67%	\$ 9,893	38%	\$ 111	0%	\$ 1,239	-5%
2022/23	\$ 165,678	\$ 166,444	100%	\$ 132	0%	\$ 15	0%	\$ 620	0%

Note the minimal arrears. Percentage of rent paid in advance remains stable.

## Leasing

Q2 - The total number of Market stalls is 70 - 97% Occupancy	
Renewals	6 (out of 14 lease expiries in FY25/26)
Holdovers	1
Vacancy	1- lease negotiation in progress for Stall 55 House of Organics will be vacant in Q2

Q2 leasing movements included the reopening of Michael's Fruit & Veg and Coco's Fruit & Veg. Stall 55 was activated with two pop ups - Project Burrata and Full Circle (previous Producer in Residence). Stall 34-36 was activated early January by Electric Head (previous Producer in Residence).

## Risks and Opportunities

- Organic produce offering after the retirement of House of Organics.
- Multiple ACMA recruitments.
- Market Expansion: Cost of fit-out +rent levels

## Business Plan & Budget 2025/26 and Strategic Plan Measures

The 2025/26 ACMA Business Plan and Budget includes 109 priority actions, an increase from Quarter 1 following a *Strategic Plan Pulse Check* review by the ACMA Board in October 2025. These actions span across the five strategic pillars of the ACMA Strategic Plan 2023/28: Our Customers, Our Traders, Our Business, Our Community and Our Market. At the end of Q2, tracking of progress is as follows:

Summary of 109 actions	Complete/ Ongoing/ In Progress	To be monitored/ Deferred	Off track/ At Risk
OUR CUSTOMERS	27	0	0
OUR TRADERS	16	1	0
OUR BUSINESS	35	0	0
OUR COMMUNITY	15	0	0
OUR MARKET	15	0	0
<b>TOTAL</b>	<b>108</b>	<b>1</b>	<b>0</b>

## Q2 Highlights

### OUR CUSTOMERS

We will keep customer experiences at the heart of all decisions, every day.

- Delivery of in-Market events and activations including sold out school holiday program, Adelaide Italian Festival, cooking demonstrations, roving entertainment, live music and free kid's activities.
- Delivered Christmas program (marketing and operational).
- Partnership with Adelaide Festival Centre for the Cirque Alice show.

### OUR TRADERS

We will work with our traders to support them in the delivery of an exceptional shopping experience.

- Delivery of Market Made campaign.

- Trader event support (Lucia's cooking demonstration) and photography (Oct. and Dec.).
- Trader interview opportunities with media across TV, radio and print.
- Trading hours round table discussion with Minister Michaels.
- 2 x big cleans for the Market.

## OUR BUSINESS

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

- Annual General Meeting on 23 October.
- Adelaide Central Market Online -135 orders (\$29,405) delivered Christmas week with an average basket size of \$217
- 4 Recruitment: Customer Experience Attendant, Marketing Executive and Manager parental covers, Appointment of new Leasing Coordinator
- GM and MCM attended AEDA Visitor Economy Industry presentation.
- 3 ACMA staff nominated at CoA Awards.

## OUR COMMUNITY

We will make a valuable contribution to the economic, social and cultural wellbeing of our precinct and community.

- Ongoing partnership support - Oz Harvest (weekly produce collection) + Tree of Goodness raised \$6,323.30.
- Catherine House (monthly fruit and veg support) + produce for Christmas lunch for 70 people
- Guide Dogs SA/NT collections in Market.

## OUR MARKET

We will deliver infrastructure and programs that address the current and emerging needs for our customers and traders.

- Full working drawings for Northern toilets.
- Annual ducting clean for all cooking traders and form 3 compliance.
- Fire compartmentation works for escalators and special clean.
- Completed two stall rebuilds
- Basement / cellar remediation works ongoing.
- Market Expansion:
  - 21 accepted offers across key sites.
  - ACMA and AEDA Board Site Tour.
  - Wayfinding Detailed Design Competed.
  - Public Art Discussions.
  - Final Lease Plans issued by architects
  - Retail Design Manager (RDM) commenced.
  - Pace Activation Strategy finalised.
  - Tenancy Coordinator contract issued.
  - Christmas Decorations and bin housings tender process completed x2.

## **Upcoming quarter priorities: FY 25/26 1 January 2026 - 30 March 2026**

- Marketing:
  - Marketing resourcing (including recruitment).
  - Deliver events and activations
    - Sauce Day
    - Lunar New Year activation
    - Valentine's Day activation
    - School holidays program
    - Tourism advertising (awareness during key tourism period).
  - Plan and commence Easter campaign.
  - Ongoing program of live music and free kid's activities.
  - GISA Grant next steps: continuation of online modules and one-on-one consulting (due for completion in June 2026).
- Operational and leasing:
  - Stall 55 lease execution
  - Stall 34/36 redevelopment
  - EOI for Stall 34-36.
  - Federal Hall fitout commencement.
- Market Expansion:
  - Appointment of additional leasing agents to support progress
  - Ongoing leasing conversations with potential tenants and issue offers.
  - Continue to issue execution lease documentation to secured tenants.
  - Operational readiness project - wayfinding, casual leasing furniture, people counters, PA System, play equipment, storage, shade and greening underway.
  - Finalise trading hours options and establish for Expansion.
  - Award contract for Site Manager and Services Engineer (53 fit outs).
  - Support ORAT consultant engagement through developer, progress site readiness, including Waste, loading dock, Building Management System with CoA/ICD
  - Continuation of Placemaking Project.
  - Facade Signage development approval expected.
  - Public Bin Housing Upgrade Project underway.

# Adelaide Economic Development Agency

## Quarter 2 Report

1 October 2025 – 31 December 2025

Between 1 October 2025 and 31 December 2025, AEDA:

- delivered ADL Fashion Week, a program of 40 events, including five runway events, with more than 2,000 tickets sold
- provided data and information to the business community through Data4Lunch and the Visitor Economy Forum, collectively attended by 242 people
- activated and marketed Rundle Mall over the Black Friday and Christmas period
- stakeholder launch of Rundle Mall 50<sup>th</sup> Anniversary logo and program of activity
- finalised the Rundle Mall Marketing and Events Strategy
- completed detailed design for the Visitor Experience Centre and commenced procurement for AV hardware and digital production
- commenced engagement with ten businesses considering establishment or expansion in Adelaide representing a potential 294 jobs
- supported events including OzAsia, Lucky Dumpling Market, 2025 Beach Volleyball World Championships, Adelaide Christmas Pageant and Carols by Candlelight
- held the AEDA Annual General Meeting.

## Financial report

Operating Position		December YTD Results		Annual			
\$000s		Actuals	YTD Budget	Variance	Adopted Budget	Proposed Q2 Budget	Variance Q2 Budget
Income							
Rundle Mall Levy	2,083	2,069	14		4,138	4,138	-
Rundle Mall User charges	263	190	73		380	380	-
CoA Appropriation of Funds	4,306	5,622	(1,316)		9,182	9,184	2
Grants and other contributions	5	-	5		-	-	-
Other income	5	5	-		10	10	-
<b>Total income</b>	<b>6,662</b>	<b>7,886</b>	<b>(1,224)</b>		<b>13,710</b>	<b>13,712</b>	<b>2</b>
Expenses							
Employee costs	2,200	2,367	167		4,769	4,769	-
Materials, contracts and other expenses	3,001	3,647	646		5,543	5,518	(25)
Sponsorship, contributions and donations	1,751	2,511	760		3,346	3,346	-
Depreciation, amortisation and impairment	49	24	(25)		48	72	24
Financing costs	4	2	(2)		4	7	3
<b>Total expenses</b>	<b>7,005</b>	<b>8,551</b>	<b>1,546</b>		<b>13,710</b>	<b>13,712</b>	<b>2</b>
Operating Surplus/Deficit	(343)	(665)	322		0	0	(0)

Year to date (YTD) Financial Summary

### Income

- Rundle Mall Levy \$14k favourable due to timing of objections
- Rundle Mall User Charges \$73k favourable to budget due to timing of concessions and casual mall leasing
- CoA appropriation of funds is \$4,306, matching AEDA's expenditure (excluding Rundle Mall) for the first half of the year.
- Grants and Other Contributions \$5k favourable due to unbudgeted sponsorship received.

### Expenditure

- Employee costs \$167k favourable due to vacancies, partially offset by temp staff \$48k expensed under materials, contractors and other expenses
- Materials, Contracts and Other Expenses \$646k favourable driven by timing of budgets compared to actual spend, particularly with Christmas in the Mall \$390k and Marketing & PR \$117k
- Sponsorships, Contributions and Donations \$760k favourable due to timing of Events and Festival Sponsorship
- Depreciation and financing costs (\$27k) unfavourable to budget due to new leased asset recognised at the end of FY24/25.

## Proposed Quarter 1 variances and budget requests

- Net increase to expenditure related to accounting adjustments for the new leased asset, being an increase to depreciation and financing costs of \$24k and \$3k offset by a reduction in operating spend (\$25k). This is collectively offset by an additional \$2k in CoA appropriation of funds.

## Board and Advisory Committee Term Changes

On 9 December 2025, Council endorsed a recommendation from the AEDA Board Selection Panel to appoint Dr Michelle Perugini until 30 June 2027 to fill the casual vacancy created by the resignation of Matt Poblocki.

Changes to the AEDA Advisory Committee in Q2:

- Lauren Giorgio, Chief Operating Officer, GPN Vaccines, retired at the expiration of her term on 1 November 2025
- Cr Alfredo Cabada resigned from the Advisory Committee effective from the Committee's December 2025 meeting following the Central Ward election
- Paula Mifsud, Director Corporate and Government Relations at the University of Adelaide, commenced her term on 1 November 2025 with that term expiring on 12 February 2028
- Nikki Hamdorf has been reappointed as the Precinct group's representative for a further 12-month term expiring 31 October 2026.

## Risks and opportunities

- There is currently a high level of interest in external organisations collaborating with AEDA on various projects and opportunities. The agency has limited capacity to effectively collaborate on many of these opportunities given the extent of the current work program.
- There is no significant change in Australia's domestic economic environment internationally, however, the impact of global economic uncertainty including its potential impact on trade, investment and consumer confidence is one that will continue to be monitored
- Safety and security remain an ongoing risk in Rundle Mall. Multiple high-profile incidents have received media coverage with the negative sentiment beginning to emerge in consumer research initiatives
- Continuing changes and activity within the higher education and international education sector
- Increased competition to Rundle Mall from suburban shopping centres and on-line shopping

NB: AEDA's strategic risks are included within the City of Adelaide's Strategic Risk Register, which is reported through the Strategic Risk and Internal Audit Group that then reports into the Audit and Risk Committee.

## AEDA Review implementation

Since Council's adoption of the AEDA Review Implementation Plan on 24 October 2023, which detailed how the 36 actionable recommendations from the Deloitte and KPMG reviews of AEDA would be addressed, 35 actions have been completed. The one remaining item relates to the development of a long-term financial plan for AEDA. A further workshop on the subject of AEDA's funding was held on 9 December 2025.

## Grant Funding Approved

Nil.

## Business Plan and Budget and Strategic Plan Measures

The 2025/26 AEDA Business Plan and Budget includes 22 measures across five key areas: Investment & Business Growth; Visitor Economy; Rundle Mall & Precincts; City Brand & Marketing and Governance & Operations.

As at the end of quarter two, progress against the measures was as follows:

- four measures have been marked 'Completed' indicating it has been finalised or the annual target met
- thirteen measures are 'On track', meaning the pro-rata measure is tracking ahead or in-line with the target
- five measures are 'Active underway', indicating progress has been made towards the annual target, but has not yet been achieved.

## Activate Rundle Mall & Precincts

Operational Measures	Status	Annual Measure	Actual	Difference
Total expenditure in Rundle Mall grows by at least three percent per annum	On track	3%	3.4%	+0.4 percentage points
Engage with at least eight new brands to promote Rundle Mall as a premium location to grow their businesses	On track	8	5	-3
Rundle Mall visitation remains above 52 million	On track	52 million – 12 month cumulative	52.1 million	+0.1 million
Three new major brand partnerships	Completed	3	5	+2
Concession income exceeds budget	On track	Financial Year to Date	\$263k FYTD	+\$73k FYTD
ADL Fashion Week delivered	Completed	Y/N	Delivered October 2025	-

## City Brand & Marketing

Operational Measures	Status	Annual Measure	Actual	Difference
Brand identity created	On track	Y/N	Project commenced	-
At least two cooperative campaigns delivered	On track	2	1	-1
Increase Experience Adelaide newsletter metrics to 36%+ open rate and 1.9% click through rate*	On track	36% 1.9%	17.5% open rate 3.51% click through	-18.5% points +1.61 % points
Provide at least three industry briefing events	On track	3	2	-1

\* Q2 reflects the transition to HubSpot which temporarily disrupted normal benchmarks (not comparable with Q1). Q2 2025 now a baseline for future measurement and optimisation.

## Growing the Visitor Economy

Operational Measures	Status	Annual Measure	Actual	Difference
At least 20 events and Festivals supported through sponsorship	Completed	20	20	0
Maintain value of business event delegates	On track	Cumulative total	\$288m YTD	+\$81m YTD
Work with existing firms and new entrants to develop at least 10 bookable experiences	On track	10	4	-6
Visitor Experience Centre opened	Active underway	Y/N	Detailed design completed	-
At least 45,000 people provided with information through AEDA's visitor information services	Active underway	45,000	17,715	-27,285
Greater Adelaide Destination Management Plan (DMP) completed	On track	Y/N	Draft DMP prepared	-

## Investment and Business Growth

Operational Measures	Status	Annual Measure	Actual	Difference
Work with at least 75 inbound/expanding companies with an aim to identify an additional 2,000 new city-based jobs	Active underway	75	33	-42
Work with the development sector to facilitate/support an additional three residential developments in the city	Completed	3	10	+7
Provide/support at least eight programs to support emerging industries and the scaling up of businesses	On track	8	5	-3
Increase the number of users of the data and insights component of the AEDA website	Active underway	7,000	2,212	-4,788

## Governance & Operations

Operational Measures	Status	Annual Measure	Actual	Difference
Opportunities and issues identified in the Board's annual governance review are addressed	On track	Y/N	Board evaluation occurring in February 2026	
An approach to funding that supports multi-year planning is applied	Active underway	Y/N	Underway	-

# Delivery



## Strategic Partnerships

Business Events Adelaide held its AGM on 29 October 2025. Chair Ian Horne confirmed that during the 2024–25 financial year, 149 future business events were secured for South Australia, injecting more than \$684 million into the State economy. Between August and December 2026, 11 business events worth \$33.3 million were confirmed, with 18 additional events in the pipeline expected to deliver \$23.8 million.

The pitch night for ThincLab's ThincSeed program was held on 19 November 2025. Participating businesses covered the spectrum of improving IVF outcomes, customisable fashion, risk management, spare parts inventory management, nanomedicines, improving HR recruitment and AI driven tools to enhance outcomes for people with learning disabilities.

StudyAdelaide's Global agent Famil program was held in October 2025. The program aims to raise awareness of Adelaide as a high-quality study destination. Sixty-nine education agents from 15 countries participated with 82% first time visitors to Adelaide. The education agencies who participated in the collectively send more than 13,000 students to Australia.

Renew Adelaide opened four new ventures including Cut Sick, Extra Hard Nails, Adario's and Thread Collective.

MTP Connect led an outbound delegation to the BIO25 international congress where they supported Adelaide companies to participate, provided a clinical trials concierge generating 75 leads for South Australia (primarily to Biomed City) and presented at a global clinical trials event, showcasing Adelaide's capabilities. Introductions at BIO25 to Adelaide Industry leaders, created opportunity for one outbound delegation and one inbound delegation (potentially during LIV Golf). MTP Connect is also working with SouthStart on investor education initiatives.



## Data and Insights

AEDA's Data team responded to 55 requests for information, with 25% from external stakeholders. Presentations were made at West End AGM, AEDA Data4Lunch, The Innovation Factory's 5th Birthday and AEDA's Visitor Forum.

Reports published included the 2025 Q3 Activity Report and Visitor Economy Report.

Focus groups to better understand city attendance behaviours, working-from-home trends and Rundle Mall were conducted.

The ninth AEDA Data4Lunch, held on Wednesday, 12 November 2025, at the Marriott Adelaide, was sold out, attracting 147 attendees. The program featured Scott Philp, Acting Director, Workforce Planning and Analyst at the Department of State Development. Scott provided insights into South Australia's workforce planning and highlighted employment sectors experiencing strong demand. Jane Johnston, Chief Executive of StudyAdelaide, shared insights into the international graduate talent pool. Jordon Tomopoulos, AEDA's Economic Research Advisor, presented the latest analysis of Adelaide's workforce, including employment rates, job demand and supply, and current workforce challenges.



## Rundle Mall Activations

### Rundle Mall Shopping Weekend

Three days of activations were held in Rundle Mall during ADL Fashion Week (ADLFW), designed to inspire discovery and reward loyal shoppers, encouraging people to shop, explore, and experience Rundle Mall. More than 475k visitors were recorded in Rundle Mall across the three days, a 4% increase on ADLFW 2024. Overall spend in the Mall was up 5% vs 2024.

### Black Friday

AEDA delivered a program of activity, featuring extended midnight trading, positioning Rundle Mall and the City as the focal point of South Australia's Black Friday weekend. Shoppers visiting the City and Rundle Mall for Black Friday sales had the opportunity to win their share of \$40,000 in \$100 Experience Adelaide gift cards, redeemable across postcodes 5000 and 5006 — encouraging local spending and supporting businesses throughout the wider city area.

City-wide expenditure was stable across the weekend compared to the 2024 Black Friday weekend although retail expenditure city-wide was down 3.5%. Friday foot traffic numbers were impacted by the 18.8mm of torrential rain that fell in Adelaide. Saturday was up 19% on 2024 and up 6% on 2023 (the last time Black Friday weekend coincided with the car race).

### Christmas in Rundle Mall

In partnership with the City of Adelaide, a new Christmas creative suite launched on Friday 7 December, delivering a cohesive and complementary look and feel across the city. Rundle Mall's Christmas positioning sits under the banner *Where Christmas Is Made*.

This Christmas marks the first year of a new five-year festive strategy, focused on strengthening Rundle Mall as South Australia's home of. New decorations have been introduced to encourage exploration throughout the Precinct, including Jingle Junction, a new feature at the Gawler Place canopy that acts as a festive focal point. These are supported by a curated program of Christmas markets, live music and performances, and family-friendly activities, creating an immersive atmosphere that encourages longer stays and memorable experiences for all ages.

### Rundle Mall Marketing and Events Strategy

In November, the AEDA Board formally endorsed the Rundle Mall Marketing and Events Strategy, developed with Showpony and co-designed with stakeholders, traders, and customers. The strategy provides a clear framework for how we activate, market, and grow the Precinct, bringing to life five place principles and four strategic pillars aimed at increasing visitation, spend, and emotional connection with the Mall.



## Sponsored Events and Festivals

The following events and festivals, supported through the Events and Festivals Sponsorship Program, were held during Q2:

- Adelaide Guitar Festival\* \$30,000
- Nature Festival of South Australia\* \$60,000
- Adelaide Film Festival \$60,000
- OzAsia Festival \$75,000
- Feast Festival \$80,000
- National Pharmacies Christmas Pageant \$75,000
- Adelaide FIVB Beach Volleyball World Championships \$100,000
- bp Adelaide Grand Final \$30,000
- Carols by Candlelight \$75,000

*\*Event commenced in Q1 and concluded in Q2*

Aside from the National Pharmacies Christmas Pageant which does not conduct formal research, these events and festivals are expected to generate an estimated gross economic impact of \$126,224,950 to the State and an estimated total attendance of 995,100. Of this, city-based attendance is expected to be approximately 941,500.

The following eight events and festivals, supported through the Commercial Events and Festivals Sponsorship Program were held during Q2:

- Gathered Market in the Mall\* \$16,000
- CheeseFest \$20,000
- Hongdae in Adelaide \$14,000
- Poppin Out \$10,000
- Lucky Dumpling Market \$45,000
- Our Sound \$16,000
- Hyde and Seek Street Festival (formerly Rhino Room Street Fest) \$20,000
- Adelaide Polo Classic \$14,000

These events and festivals are expected to generate an estimated attendee expenditure of \$13,400,514 and an estimated total city-based attendance of 210,233 people. These figures are based on application estimates, with the exception of Lucky Dumpling Market, which has submitted their acquittal report.

*\*Gathered Market in the Mall is a recurring monthly event from Feb – Dec 2025, with two markets held in December. Data reflects the four markets held in Q2, based on application estimates.*



### ADL Fashion Week

ADL Fashion Week ran from 8-12 October. The program featured 40 events, including five runway events, with more than 2,000 total festival tickets sold. This year's program featured a close working relationship with the fashion industry, both with the South Australian Fashion Industry Association as well as with individual brands

The post event evaluation demonstrated a high net promoter score and about half of the attendees attended for the first time signalling strong new audience attraction. Flow on spend in the City was strong with 68% of participants dining before or after the event they attended and 45% doing additional shopping.

ADL Fashion Week generated 75 media items, including national syndication support with an approximate 11.9M+ audience reach reported.



### Visitor Experience Centre

Progress on the Visitor Experience Centre continued with the completion of the Concept Design and Detailed Design phases. In November Design Documentation and Digital Production began. The AV Hardware Tender was finalised with evaluation in progress and Issued for Construction (IFC) documents are nearing 100% completion.

## Planned Quarter Three Activity

Coming up from 1 January 2026 to 31 March 2026:

- Rundle Mall 50<sup>th</sup> Anniversary commences
- Tour Down Under, Rundle Mall 50<sup>th</sup> Anniversary branded car
- Experience Adelaide cross promotion and competition
- LIV Golf in Rundle Mall
- Tour Down Under Experience Adelaide Visitor Information booth
- AEDA Corporate Communications proactive media engagement
- Adelaide Visitor Centre awareness campaign
- 2026 Adelaide Visitor Guide release
- Adelaide Investment Attraction campaign
- Lunar New Year Activation in Rundle Mall
- Festival Season in Rundle Mall
- Colours of Asia Food Festival in Rundle Mall
- AEDA promoting city employers at the Western Adelaide Jobs Expo
- SouthStart Innovation Festival supported by AEDA to deliver a program across the City, including an Investment Day
- Study Adelaide International Agent Familiarisation
- Opening of 2026/27 Events and Festivals Sponsorship Program for applications



# Kadaltilla / Adelaide Park Lands Authority

October to December 2025/2026  
**Quarter 2 Report**

**Kadaltilla**  
Adelaide Park Lands Authority

## Kaurna Acknowledgement

The Kadaltilla/Adelaide Park Lands Authority (Kadaltilla) tampendi, ngadlu Kaurna yertangga banbabbanbalyarnendi (inbarendi). Kaurna meyunna yaitya mattanya Womma Tarndanyako. Parnako yaitya, parnuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kaurna meyunna itto yaitya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaitya miyurna iyangka yalaka ngadlu tampinthi.

Kadaltilla acknowledges the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today. And we also extend that respect to other Aboriginal Language Groups and other First Nations

Kadaltilla is a traditional Kaurna word meaning Green place/Green lands/Parklands.

# Kadaltilla / Adelaide Park Lands Authority

## Quarter 2 Report

October to December 2025

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### Executive Summary

This report details activity for the period 1 October 2025 to 31 December 2025, aligned with the achievement of the Kadaltilla Business Plan & Budget 2025/2026 and the functions of Kadaltilla. As per section 4.8.5 of the Kadaltilla Charter, no Board meeting was held in December 2025.

Between 1 October 2025 and 31 December 2025, Kadaltilla:

- Attended a Cultural Burn in Victoria Park / Pakapakanthi (Park 16)
- Received a workshop from the Department for Environment and Water on the *Biodiversity Act 2025* (SA)
- Received a workshop from the City of Adelaide on the Adelaide Park Lands Partnering Opportunities document
- Finalised a submission to Green Adelaide on its Draft Regional Landscape Plan 2026-2031
- Endorsed a revised Community Land Management Plan for the Adelaide Oval Precinct part of Tarntanya Wama (Park 26) for community consultation (subject to Council decision)
- Supported the Park Lands Community Lease Agreement, and the exemption of Blackfriars Priory School from the Expression of Interest process
- Noted the concept design for a new Community Building at Mary Lee Park / Tulya Wardli (Park 27B), supported the Lease Agreement and the Exemption to Expression of Interest process, and reinforced the importance of inclusion of renewable energy initiatives for Park Lands buildings to support financial sustainability for lease holders
- Approved the Kadaltilla / Adelaide Park Lands Authority 2026 meeting dates
- Considered (in confidence) Adelaide TreeClimb Exemption to EOI and Lease discussions
- Noted progress by the City of Adelaide towards the draft Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscapes

# Business Plan & Budget 2025/2026

## Key Actions October to December 2025

### Cultural Value

Promote the cultural values of the Park Lands including Kaurna culture, heritage, and wellbeing

Performance	Achievements and Measures
1.1 Seek Kaurna cultural authority in everything we do	<ul style="list-style-type: none"><li>• Board members attended a Cultural Burn in Victoria Park / Pakapakanthi (Park 16) conducted in partnership with the Kaurna Fire Team (Firesticks Alliance Indigenous Corp.)</li><li>• Kadaltilla's social media channels were used to raise awareness and educate the community about the cultural and environmental benefits of cultural burning</li><li>• Kaurna cultural considerations were embedded across all relevant reports, with cultural authority clearly acknowledged where appropriate, including recognition of engagement with Aboriginal and Torres Strait Islander Peoples under the principles of Free, Prior and Informed Consent in the Tentative List submission for the World Heritage bid for Adelaide and its Rural Settlement Landscapes</li><li>• 'Storytime Sunday' was promoted on Kadaltilla's social media to share the history and significance of Kaurna naming in the Adelaide Park Lands</li></ul>
1.2 Assist with Kaurna cultural mapping	<ul style="list-style-type: none"><li>• Promotion of the Kaurna Voices Cultural Mapping Tool developed by the City of Adelaide with project partners on Kadaltilla's social media platforms</li></ul>
1.3 Advocate for the featuring of the Adelaide Park Lands in relevant promotional campaigns	<ul style="list-style-type: none"><li>• Kadaltilla featured the Adelaide Park Lands in paid social media promotional campaigns</li></ul>
1.4 Champion the development of World Heritage listing nomination	<ul style="list-style-type: none"><li>• Received regular reports from the City of Adelaide on the World Heritage Tentative listing submission progress</li></ul>

## Environmental Performance

Maintain and improve climate resilience and the landscape values of the Park Lands

Performance	Achievements and Measures
2.1 Define, protect, and enhance landscape values and design qualities	<ul style="list-style-type: none"><li>Landscape values and design qualities were reviewed in the Mary Lee Park / Tulya Wardli (Park 27B) – Draft Lease Agreement and Draft Community Building Concept Design report</li></ul>
2.2 Promote ecologically sustainable initiatives and monitor tree canopy cover, biodiversity, and environmental sustainability and design quality	<ul style="list-style-type: none"><li>Received a workshop from the Department for Environment and Water on the implications of the new <i>Biodiversity Act 2025 (SA)</i> for the Adelaide Park Lands</li></ul>
2.5 Increase the accessibility of evidence-based information	<ul style="list-style-type: none"><li>Continued to deliver regular social media content in line with the Social Media Strategy, maintaining consistent engagement across Kadaltilla's three digital platforms</li></ul>

## Management and Protection

Treat the Park Lands holistically with an adaptive future focused approach

Performance	Achievements and Measures
3.1 Monitor delivery of priority projects in the Adelaide Park Lands Management Strategy	<ul style="list-style-type: none"><li>Workshopped the new digital strategic project tracking tool, which will be regularly updated to reflect progress on priority projects in line with the digital Adelaide Park Lands Management Strategy (APLMS)</li></ul>
3.2 Advocate for and establish Funding Mechanisms to support delivery of the Adelaide Park Lands Management Strategy	<ul style="list-style-type: none"><li>Received a workshop from the City of Adelaide on the Adelaide Park Lands Partnering Opportunities document</li></ul>
3.4 Advocate for progression of State Heritage Listing by the State Government	<ul style="list-style-type: none"><li>Sent a letter to the Hon Lucy Hood MP, South Australian Minister for Climate, Environment and Water, in line with the undertaking made on 18 September 2025 to proactively engage on the Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscapes</li></ul>
3.5 Assess the landscape value of the Adelaide Park Lands including economic, environmental and cultural significance	<ul style="list-style-type: none"><li>Endorsed a revised Community Land Management Plan for the Adelaide Oval Precinct part of Tarntanya Wama (Park 26) for public consultation (subject to Council decision)</li></ul>

## Expert Advice

Function as the peak advisory body for policy, development, heritage, and management of the Park Lands based on sound data and evidence

Performance	Achievements and Measures
4.1 Provide advice on plans, projects, and policies for the Adelaide Park Lands	<ul style="list-style-type: none"><li>Advice of Kadaltilla was endorsed and adopted by Council as relevant</li></ul>
4.2 Engage with City of Adelaide and State Government including input into State Government initiatives	<ul style="list-style-type: none"><li>Received a workshop from the Department for Environment and Water on the <i>Biodiversity Act 2025 (SA)</i></li><li>Finalised a submission to Green Adelaide on its Draft Regional Landscape Plan 2026-2031</li></ul>
4.3 Review leasing and licensing and event management policies together with other relevant Park Lands use policies	<ul style="list-style-type: none"><li>Supported the Lease Agreements for the West Adelaide Soccer Club in Mary Lee Park / Tulya Wardli (Park 27B), and Blackfriars Priory School in Denise Norton Park / Pardipardinyilla (Park 2)</li><li>Discussed (in confidence) an exemption from the Expressions of Interest process for Adelaide TreeClimb for the lease at Blue Gum Park / Kurangga (Park 20)</li></ul>
4.4 Strengthen Kadaltilla's engagement with City of Adelaide, State Government, and adjoining Councils	<ul style="list-style-type: none"><li>The City of Adelaide and State Government actively engaged with Kadaltilla</li></ul>
4.5 Increase the profile of the Kadaltilla Board	<ul style="list-style-type: none"><li>Kadaltilla's social media platforms continue to inform and educate the public about the Board's activities and initiatives, providing insights into ongoing projects, strategic priorities, and opportunities for community engagement</li></ul>

## Governance

The City of Adelaide governance support enables Kadaltilla to meet legislative requirements and obligations arising from its Charter

Performance	Achievements and Measures
5.1 Maximise utilisation of skills, known and enthusiasm of Kadaltilla through effective meetings that foster dialogue and the development of shared thinking	<ul style="list-style-type: none"><li>Formal and informal opportunities were provided to share advice and expertise on the Adelaide Park Lands, including through meetings, workshops, and the Kadaltilla portal</li></ul>
5.2 Develop a high level of knowledge and understanding of the Park Lands amongst Members through regular site visits and briefings	<ul style="list-style-type: none"><li>On 2 October 2025, Board Members attended a Cultural Burn in Victoria Park / Pakapakanthi (Park 16) undertaken by the Kaurna Fire Team (Firesticks Alliance Indigenous Corp.)</li></ul>
5.3 Seek early input into issues relating to the Park Lands to ensure Kadaltilla advice is timely and relevant	<ul style="list-style-type: none"><li>Kadaltilla provided advice on plans, projects and policies for the Adelaide Park Lands</li><li>Eight items were reviewed by Kadaltilla between October-November 2025, including one external presentation</li></ul>
5.4 Monitor developments subsequent to Kadaltilla advice	<ul style="list-style-type: none"><li>Advice of Kadaltilla was endorsed and adopted by Council as relevant</li></ul>
5.5 Advocate for the value of Kadaltilla as a proactive, accountable, independent, skills-based Board that advises on Park Lands management and protection	<ul style="list-style-type: none"><li>Advice provided to Council and the State Government on strategic matters relating to the Adelaide Park Lands</li></ul>
5.6 General purpose accounts are operational	<ul style="list-style-type: none"><li>General purpose accounts are maintained by the City of Adelaide and Kadaltilla makes appropriate use of available finances provided by Council</li></ul>
5.7 Annual Business Plan and Budget is in place for Kadaltilla	<ul style="list-style-type: none"><li>An Annual Business Plan and Budget was prepared in accordance with legislative and Charter requirements, and is in place for Kadaltilla</li></ul>
5.8 Kadaltilla makes appropriate use of available finances provided by Council	<ul style="list-style-type: none"><li>Quarterly finance reports were presented to Council</li><li>Kadaltilla financial management is in accordance with legislative and Charter requirements</li></ul>

Performance	Achievements and Measures
5.9 The Adelaide Park Fund is operational	The Adelaide Park Lands Fund is operational and monies are received and expended according to the provisions of Kadaltilla's Charter
5.10 Kadaltilla's Annual Report is prepared detailing achievement of the aims and objectives of the APLMS, Strategic Plan, and Business Plan and Budget	<ul style="list-style-type: none"> <li>• An Annual Report is being prepared in accordance with legislative and Charter requirements</li> </ul>
5.11 Kadaltilla is insured according to the requirements of the Local Government Mutual Liability Scheme	<ul style="list-style-type: none"> <li>• Kadaltilla maintains insurance coverage in line with the requirements of the Local Government Mutual Liability Scheme</li> </ul>

## Upcoming - Quarter 3 of 2025/26

Coming up from 1 January to 31 March 2026 are:

- Induction of new Kadaltilla Board Members
- Delivery of a strategic planning workshop with Kadaltilla Board Members
- Review of the draft Park Lands Leasing and Licencing Policy
- Promotion of the Adelaide Park Lands Partnering Opportunities document.

# Budget Position

## October to December 2025

Year-to-date expenditure for the 2025/2026 financial year is \$70,000 under budget, primarily due to lower materials, contracts, and other expenses. All other expenditure areas are broadly consistent with planned allocations and financial targets.

\$'000s	YTD Actual	YTD Budget	Variance	2025/26 Q1 Budget	2025/26 Q2 Budget
Grants, Donations, Sponsorships	0	0	0	-323	-323
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-323</b>	<b>-323</b>
Employee Costs	69	89	20	180	180
Materials, Contracts and Other Expenses	6	56	50	143	143
Sponsorships, Contributions and Donations	0	0	0	0	0
<b>Total Expenditure</b>	<b>75</b>	<b>145</b>	<b>70</b>	<b>323</b>	<b>323</b>
<b>Operating Deficit</b>	<b>75</b>	<b>145</b>	<b>70</b>	<b>0</b>	<b>0</b>

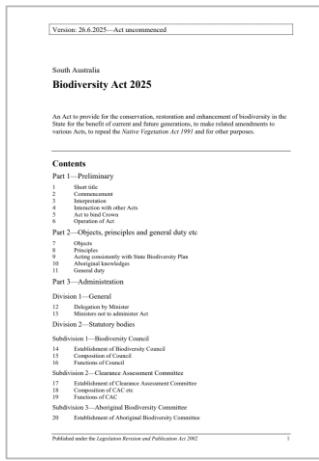
For 2025/2026, Kadaltilla's budget of \$322,609 is allocated as follows:

- Sitting Fees and Salary of \$254,554
- Brand and Marketing of \$26,317
- Insurance, Audit and Legal of \$22,168
- Sponsorships of \$0
- Operations (e.g. meetings, community forum) of \$14,420
- External Advice of \$5,150

# Key Highlights from Quarter 2



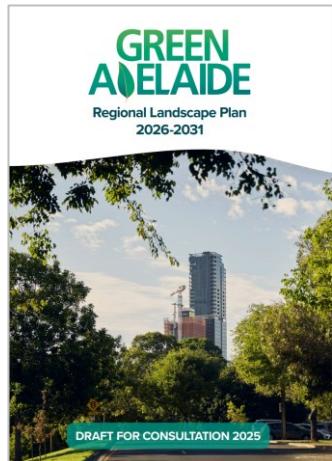
Attended a Cultural Burn in Victoria Park / Pakapakanthi (Park 16)



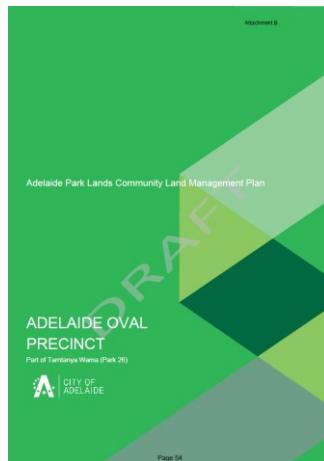
Received a workshop from the Department for Environment and Water on the *Biodiversity Act 2025* (SA)



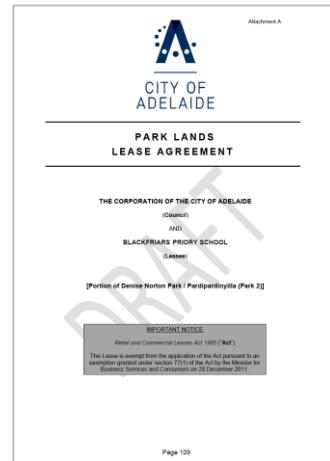
Received a workshop from the City of Adelaide on the Adelaide Park Lands Partnering Opportunities document



Finalised a submission to Green Adelaide on its Draft Regional Landscape Plan 2026-2031



Endorses the revised Community Land Management Plan for the Adelaide Oval Precinct part of Tarntanya Wama (Park 26) for public consultation (subject to Council decision)



Supported the Park Lands Community Lease Agreement, and the exemption of Blackfriars Priory School from the Expression of Interest process



Noted the concept design for the new Community Building at Mary Lee Park / Tulya Wardli (Park 27B), supported the Lease Agreement and EOI exemption, and reinforced the importance of inclusion of renewable energy saving initiatives for Park Lands buildings



Approved the Kadaltilla / Adelaide Park Lands Authority 2026 meeting dates



Considered (in confidence) Adelaide TreeClimb Exemption to EOI and Lease Discussions in confidence



Noted progress by the City of Adelaide towards the draft Tentative List Submission for the World Heritage Bid for Adelaide and its Rural Settlement Landscapes

# Kadaltilla

Adelaide Park Lands Authority

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 [facebook.com/KadaltillaAdelaideParkLandsAuthority](https://www.facebook.com/KadaltillaAdelaideParkLandsAuthority)

 [instagram.com/kadaltilla\\_adelaideparklands/](https://www.instagram.com/kadaltilla_adelaideparklands/)



# Brown Hill Keswick Creek Stormwater Project

## Project Newsletter

### Welcome

This newsletter focusses on the 5 projects being delivered in Upper Brown Hill Creek. These locations are funded with support from the Australian Government's Disaster Ready Fund and Urban Rivers and Catchments Program, and will be constructed over the summer months of 2025/26 and 2026/27. Residents and local communities will see immediate flood protection benefits and these important projects bring us one step closer to achieving whole of catchment flood protection.

### November 2025

### In This Edition

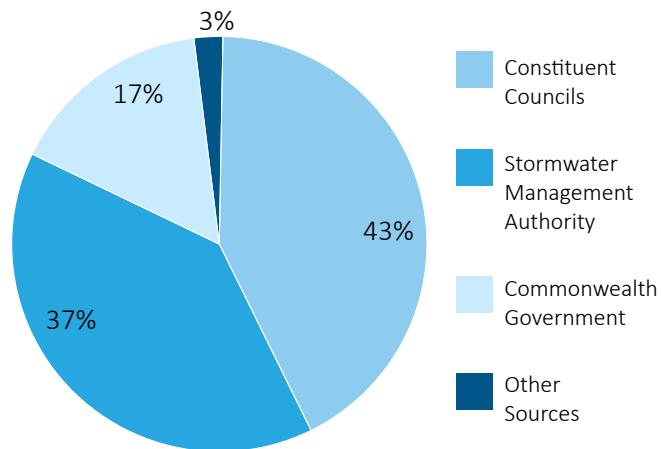
- Financial Summary
- Summary of Completed Works
- 2025/26 Maintenance Budget
- Focus on Safety
- Upper Brown Hill Creek
  - Area 1: Wilberforce Walk, Forestville
  - Area 1: Forestville Reserve
  - Area 2: Orphanage Park, Millswood
  - Area 5: Cross Road to Hampton Street, Hawthorn
  - Area 6: Betty Long Gardens, Torrens Park

## Financial Summary

### Capital Funding Summary as at 31 October 2025

- \$34.2m from the 5 Constituent Councils – the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens.
- \$29.9m from the Stormwater Management Authority.
- \$13.4m from the Commonwealth Government, being portion of a total \$21.6m commitment provided under 3 grant programs.
- \$2.8m from other sources including property owner contributions to projects and smaller State Government grant programs.

#### Capital Funding Contributors



### 2025/26 Operating Summary as at 31 October 2025

	Actual YTD	Budget YTD	Variance \$
Income	\$577,908	\$494,504	\$83,404
Expenses	\$297,322	\$354,885	(\$57,563)
<b>Net Surplus</b>	<b>\$280,586</b>	<b>\$139,619</b>	<b>\$140,967</b>
Depreciation	\$96,562	\$206,698	(\$110,136)



In accordance with the Local Government (Financial Management) Regulations 2011, the Board recently approved:

- the review of 2024/25 financials against budget, undertaken in compliance with Regulation 10; and
- the quarter 1 review of the 2025/26 budget, prepared in compliance with Regulation 9.

Strategic Management Plans have been reviewed and updated, where required, including the Long-Term Financial Plan, Infrastructure and Asset Management Plan, Strategic Plan, Business Plan, and Business Continuity Plan.

The Board has also recently undertaken a review of its Risk Management Policy and Strategic and Operational Risk Register.

# Summary of Completed Works

## Maintenance Responsibility

Stage	Sub-project	Responsibility for Maintenance
Flood Detention	Ridge Park Flood Control Dam	City of Unley
	Glenside Flood Detention Basin	BHKCSB – stormwater infrastructure delivered under the plan. City of Burnside – all non-stormwater assets on site.
	Pakapakanthi Wetland and Kurangga Creek Works	BHKCSB – stormwater infrastructure delivered under the plan. City of Adelaide – all existing and non-stormwater assets on site.
LBHC	LBHC Packages 1A – 1D Airport to Harvey Ave, including Watson & Harvey Ave crossings	BHKCSB – stormwater infrastructure delivered under the plan. City of West Torrens – road components of the project and safety fencing.
	LBHC – Package 4 Daly Street Bridge	BHKCSB – stormwater infrastructure delivered under the plan. City of West Torrens – road components of the project.
UBHC	UBHC Area 1 Everard Park	BHKCSB – stormwater infrastructure delivered under the plan (culvert). City of Unley – ground level shared use path improvements.
	UBHC Area 1C Forestville- Leah St to Ethel St	BHKCSB – stormwater infrastructure delivered under the plan within Council drainage corridor. City of Unley – all existing and non-stormwater assets on site. Private Property Owner – all assets located on site (new and existing).
	UBHC Diversion- DPTI Culvert	DPTI
	UBHC Hawthorn Reserve	BHKCSB – stormwater infrastructure delivered under the plan. City of Mitcham – all existing and non-stormwater assets on site.

*Responsibility for clearing blockages within the creek always rests with the property owner.*

## 2025/26 Maintenance Budget YTD

### Annual Maintenance Actual vs Budget to 31 October 2025

YTD Actual	YTD Budget	Variance \$
\$30,976	\$118,680	(\$87,704)

<sup>1</sup> The first Glenside GPT clean for FY26 was undertaken in October and the invoice was received in November so it is not included in these figures

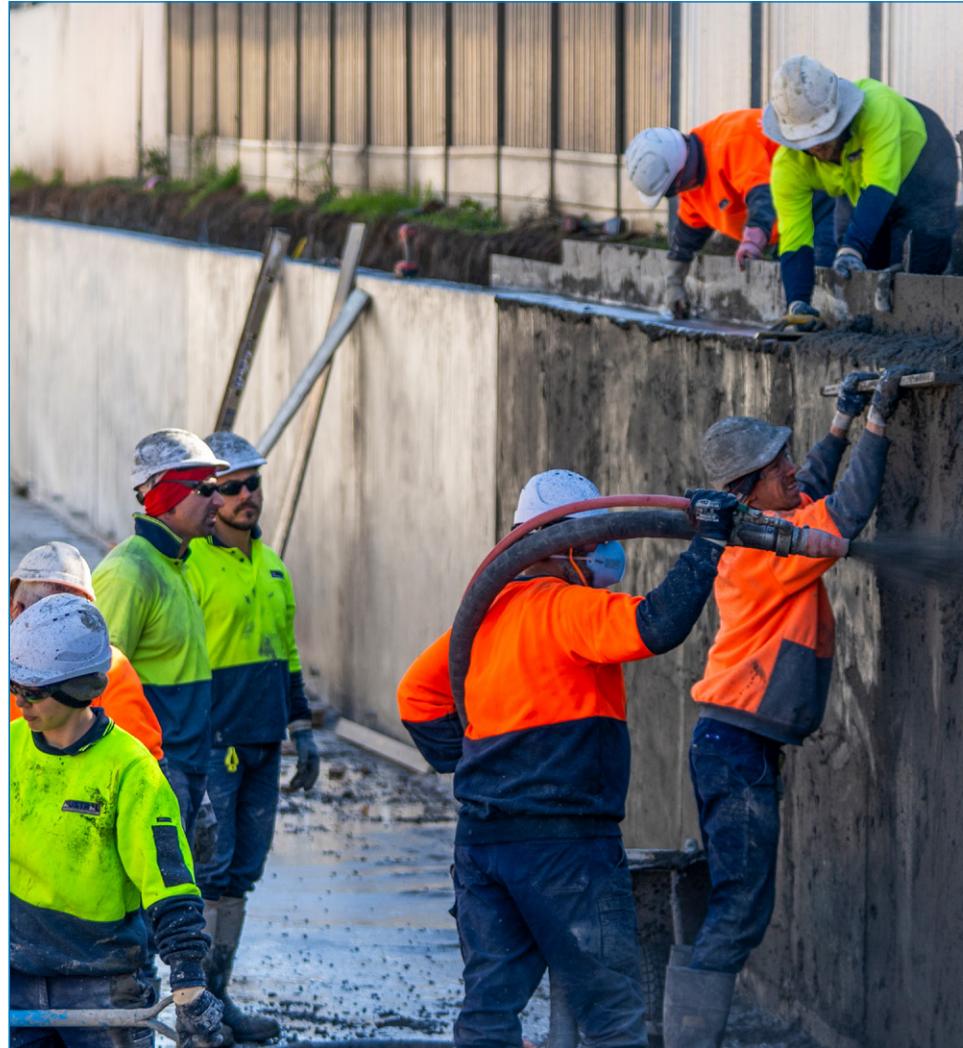
<sup>2</sup> Wetland maintenance is being provided under a services agreement in accordance with a defined maintenance schedule with scope for one-off requirements on an as-needs basis.



## Focus on Safety



The Brown Hill and Keswick Creeks Stormwater Board places utmost importance on the health and safety of our employees, our consultants and the communities within which we operate. Our extensive health and safety management systems ensure we partner with likeminded organisations and are subject to regular review and improvement.



**136,000**

total site hours  
delivering works



**0**

notifiable  
incidents



**0**

lost time  
injuries



# Upper Brown Hill Creek

## Area 1: Wilberforce Walk, Forestville



### Existing Conditions

Brown Hill Creek runs alongside Wilberforce Walk, an established shared use path network recently upgraded by City of Unley, and in its current form the channel and road crossings are of insufficient capacity to accommodate major flows.

The condition of the existing watercourse has been significantly altered from its natural condition, with a concrete low flow channel and steep banks that are prone to erosion. Where Brown Hill Creek passes beneath Second Avenue there are currently no footpaths, resulting pedestrian safety concerns.

An arborist assessment revealed a diverse range of tree species, both native and introduced, including trees that are located within the watercourse corridor that will require removal and a Significant Red Gum that needs to be protected and retained. An ecological assessment identified a predominance of invasive weeds – 53 species of weeds were identified, including declared and environmental weeds.

There is an urgent need to upgrade this section of Brown Hill Creek to improve flow capacity and public safety, while enhancing the tree canopy and understory with native species that provide habitat and biodiversity outcomes.

### Description of Proposed Works

The delivery approach seeks to achieve the required flow capacity while ensuring protection of the Significant Red Gum and maximizing opportunities for planting new large native trees to enhance the tree canopy along Wilberforce Walk.

For the channel bank adjacent to the Significant Red Gum a stacked rock wall treatment will be constructed to ensure that the structural root zone of the tree is not impacted by the works. For the other sections of channel bank, a vertical concrete block wall will be used to minimize the width of Wilberforce Walk that is required for the open channel and to maximize the area between the channel and shared path for the establishment of new trees and plantings.

While some trees are required to be removed for the upgrades, most of these are weed and exotic species, and on completion of the channel works an extensive revegetation program will be undertaken to plant new trees, shrubs and groundcovers along the creek corridor but outside of the main channel.

A new 1,200mm high 'open style' safety fence will be installed along the top of the channel wall in Wilberforce Walk and the existing cobble base of Brown Hill Creek will be retained and replenished with new stones.

The new culvert crossings at First Avenue and Second Avenue will include the relocation of some existing utility services and new footpaths on both sides of the roads.

Once the works are completed this upgraded section of watercourse will convey the 1% Annual Exceedance Probability (or 1-in-100 year) design flow as defined in the Brown Hill Keswick Creek Catchment Stormwater Management Plan.

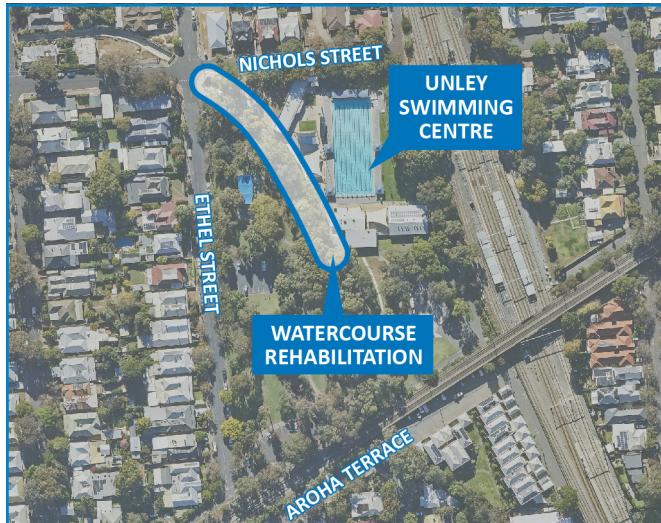
Delivery of these works will mark completion of the Area 1 upgrades of Upper Brown Hill Creek in Forestville.

*This project is funded by the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens, the Stormwater Management Authority and the Australian Government's Disaster Ready Fund.*



# Upper Brown Hill Creek

## Area 1: Forestville Reserve



### Existing Conditions

The condition of the existing Brown Hill Creek watercourse through Forestville Reserve has been significantly altered from its natural condition. The concrete low flow channel and steep banks require restoration efforts to improve ecological health and biodiversity.

An arborist assessment revealed a diverse range of tree species, both native and introduced, including trees that are located within the main channel that will require removal and other mature trees along the watercourse corridor that can be retained.

An ecological assessment identified 23 weed species, including declared and environmental weeds, and 8 native species including Blackwood and River Red Gum, highlighting the importance of preserving the existing local flora.

The survey recorded 12 bird species, including the Red Wattlebird and Laughing Kookaburra, indicating the area's ecological value and the need for habitat improvement.

There is a need to rehabilitate this section of Brown Hill Creek to improve the creek function, biodiversity, amenity and community interaction at the reserve.

### Description of Proposed Works

The delivery approach seeks to achieve channel naturalisation and biodiversity outcomes with a focus on protection of significant trees, improved water quality and habitat for native species, and opportunities for increased amenity and community interaction.

New gabion walls will be constructed for the channel banks – the gabion baskets can be installed with limited disturbance to the existing channel banks and will be filled with sandstone quartzite stones to prevent erosion. The baskets are durable and flexible and will tolerate future ground movements.

On the western side of the channel, the new gabion walls will be constructed in a terraced configuration to maximise the opportunity for new plantings. The existing concrete base will be removed and replaced with cobble stones to promote groundwater replenishment

The works will not impact the existing playspace and a new 1,200mm high 'open style' safety fence will be installed along the top of the gabion wall in Forestville Reserve. The existing pedestrian bridge to the Unley Swimming Centre will be replaced.

While some trees are required to be removed for the upgrades, most of these are weed and exotic species, and on completion of the channel works an extensive revegetation program will be undertaken to plant new trees, shrubs and groundcovers along the creek corridor.

Once the works are completed this rehabilitated section of watercourse will convey the 1% Annual Exceedance Probability (or 1-in-100 year) design flow, as defined in the Brown Hill Keswick Creek Catchment Stormwater Management Plan.

*This project is funded by the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens, the Stormwater Management Authority and the Australian Government's Urban Rivers and Catchments Program.*





### Existing Conditions

The condition of the existing Brown Hill Creek watercourse through Orphanage Park is significantly degraded and the historical land use has led to disturbance and loss of native vegetation.

An arborist assessment identified 36 tree species, including both native and invasive types. An ecological assessment identified various bird species and mammal signs, indicating the presence of wildlife in the area. Five bird species were observed, including the Black-faced Cuckoo-shrike and Eastern Rosella, although hollow-bearing trees were not observed.

Sedimentation and bank erosion are currently impacting riparian vegetation, and the assessment also identified a predominance of invasive weeds – 33 species of weeds were identified, including declared and environmental weeds.

There is a need to rehabilitate this section of Brown Hill Creek to improve the creek function, biodiversity, amenity and community interaction at the reserve.

### Description of Proposed Works

The delivery approach seeks to achieve channel naturalisation and biodiversity outcomes with a focus on protection of significant trees, improved water quality and habitat for native species, and opportunities for increased amenity and community interaction.

This approach is cognisant of the existing features of the reserve by:

- Retaining and protecting existing significant, regulated and native trees in preference to weed and exotic species in the watercourse corridor.
- Retaining and protecting the existing heritage stone channel base.
- Improving the existing pedestrian and cycle access at the culvert crossing in the reserve.
- Retaining the existing culvert crossing at Mitchell Street.

The cross-section of the watercourse needs to vary through the reserve to satisfy these objectives and site constraints.

While some trees are required to be removed for the upgrades, most of these are weed and exotic species, and on completion of the channel works an extensive revegetation program will be undertaken to plant new trees, shrubs and groundcovers along the creek corridor.

Once the works are completed this rehabilitated section of watercourse will convey the 1% Annual Exceedance Probability (or 1-in-100 year) design flow, as defined in the Brown Hill Keswick Creek Catchment Stormwater Management Plan.

*This project is funded by the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens, the Stormwater Management Authority and the Australian Government's Urban Rivers and Catchments Program.*



# Upper Brown Hill Creek

## Area 5: Cross Road to Hampton Street, Hawthorn

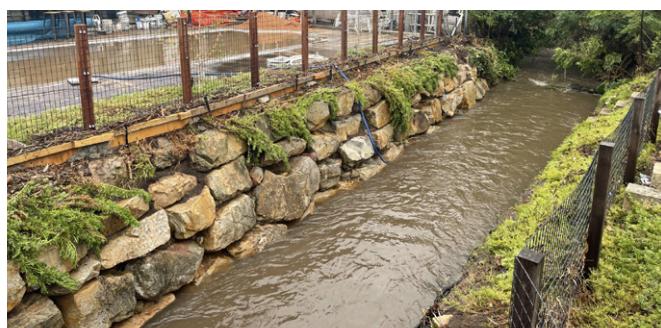


### Existing Conditions

The section of Brown Hill Creek that runs through private properties between Cross Road and Hampton Street in Hawthorn is a known flooding hotspot – multiple properties at this location have been inundated by high flow events in 2005, 2016 and 2023 and remain vulnerable to flooding.

The condition of the existing watercourse varies along this section. For some properties, the watercourse bisects their backyard and represents an asset of high intrinsic value that is fully integrated with landscaping. For other properties, the watercourse is less maintained and delineated from useable yard areas by fences or walls.

There is an urgent need to upgrade this section of Brown Hill Creek to improve flow capacity and flood protection to private properties, while reinstating the land that is impacted by the works.



Existing Channel - November 2023

### Description of Proposed Works

The delivery approach seeks to achieve the required flow capacity while integrating the channel wall selections of adjoining property owners and otherwise minimizing the land that is impacted by the works.

The new channel walls will include a range of treatments from the BHKC Design Guide, including vertical concrete block walls, stacked rock walls and rock landscape walls. New safety fences will be installed along the channel walls through private property and the existing cobble base of Brown Hill Creek will be retained and replenished with new stones.

There is also an opportunity for property owners to contribute funds that would enable the amenity of the channel and landscape reinstatement to be further enhanced. Examples include the cladding of vertical concrete block walls with natural stone and the installation of alternative fencing styles.

While some trees are required to be removed for the upgrades, most of these are weed and exotic species, and on completion of the channel works an extensive revegetation program will be undertaken in consultation with property owners to plant new trees, shrubs and groundcovers along the creek corridor but outside of the main channel.

The new culvert crossing at Hampton Street will include the relocation of some existing utility services and new footpaths on both sides of the road.

Once the works are completed this upgraded section of watercourse will convey the 1% Annual Exceedance Probability (or 1-in-100 year) design flow as defined in the Brown Hill Keswick Creek Catchment Stormwater Management Plan.

*This project is funded by the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens, the Stormwater Management Authority and the Australian Government's Disaster Ready Fund.*



# Upper Brown Hill Creek

## Area 6: Betty Long Gardens, Torrens Park



### Existing Conditions

The condition of the existing Brown Hill Creek watercourse through Betty Long Gardens and adjacent private property has been significantly impacted by high flow events in 2005, 2016 and 2023 which have caused erosion of the creek bed and undermining of the channel banks.

An arborist assessment for this section of watercourse identified various tree species, including both native and invasive types, and some high value significant trees that are in good health.

An ecological assessment identified only nine bird species and no native mammals at the project site, with no hollow-bearing trees limiting the nesting opportunities for fauna. The assessment also identified a predominance of invasive weeds – 38 species of weeds were identified, including declared and environmental weeds.

There is an urgent need to rehabilitate this section of Brown Hill Creek to protect the significant Kauri trees that are located along the top of the western bank and to improve the creek function, biodiversity, amenity and community interaction at the reserve.

### Description of Proposed Works

The delivery approach seeks to achieve channel naturalisation and biodiversity outcomes with a focus on protection of significant trees, improved water quality and habitat for native species, and opportunities for increased amenity and community interaction.

New gabion walls will be constructed for the channel banks. The gabion baskets can be installed with limited disturbance to the existing channel banks and will be filled with sandstone quartzite stones to prevent erosion. The baskets are durable and flexible and will tolerate future ground movements.

A new 1,200mm high 'open style' safety fence will be installed along the top of the gabion walls in Betty Long Gardens Reserve and the existing cobble base of Brown Hill Creek will be retained and replenished with new stones.

While some trees are required to be removed for the upgrades, most of these are weed and exotic species, and on completion of the channel works an extensive revegetation program will be undertaken to plant new trees, shrubs and groundcovers along the creek corridor but outside of the main channel.

Once the works are completed this rehabilitated section of watercourse will convey the 1% Annual Exceedance Probability (or 1-in-100 year) design flow, as defined in the Brown Hill Keswick Creek Catchment Stormwater Management Plan.

*This project is funded by the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens, the Stormwater Management Authority and the Australian Government's Urban Rivers and Catchments Program.*



## Unsolicited Proposals Policy and Guideline

Strategic Alignment - Our Corporation

**Friday, 6 February 2026**

Audit and Risk Committee

Public

**Program Contact:**

Rebecca Hayes, Associate  
Director Governance & Strategy

**Approving Officer:**

Anthony Spartalis, Chief  
Operating Officer

## EXECUTIVE SUMMARY

The purpose of this report is to present the updated Unsolicited Proposals Policy and Unsolicited Proposal Guideline to the Audit and Risk Committee.

On occasion, the council will receive suggestions and ideas seeking council's involvement, which may form the basis of an Unsolicited Proposal. To be considered as an Unsolicited Proposal, a proposal needs to be new and innovative, received from the private / non-government sectors, assist Council to achieve its strategic objectives or satisfy a community need, and not have been requested by the Council through its regular procurement process.

The Audit and Risk Committee is asked to note the Strategic Risk and Internal Audit (SRIA) Group's internal Unsolicited Proposal Policy and Unsolicited Proposal Guideline which are administrative in nature and apply to internal processes.

## RECOMMENDATION

### THAT THE AUDIT AND RISK COMMITTEE:

1. Notes the Strategic Risk and Internal Audit Group's internal Unsolicited Proposals Policy as contained in Attachment A to Item 6.6 on the Agenda for the Audit and Risk Committee meeting held on 6 February 2026.
2. Notes the Strategic Risk and Internal Audit Group's internal Unsolicited Proposal Guidelines as contained in Attachment B to Item 6.6 on the Agenda for the Audit and Risk Committee meeting held on 6 February 2026.

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation
Policy	The Strategic Risk and Internal Audit Group's internal Unsolicited Proposal Policy and Guideline
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	The Unsolicited Proposals Policy and Unsolicited Proposal Guideline reduce risk for Council by providing clarity to proponents of unsolicited proposals, Council Members, the Administration and the community on how it will receive and consider unsolicited proposals to ensure Council/community benefit, value for money, probity, accountability and transparency through the process.
Opportunities	Unsolicited proposals present an opportunity for Council to consider innovative ideas and alternative delivery models that may not emerge through standard planning or procurement processes. When aligned with Council's strategic objectives, such proposals can accelerate outcomes, leverage private sector expertise, and improve the utilisation of Council assets to deliver enhanced community benefits. While these opportunities can support improved service delivery and infrastructure outcomes, they must be considered within a robust governance, probity and value-for-money framework to ensure transparency, fairness and alignment with legislative and policy requirements.
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 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
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

1. At the SRIA meeting on 13 November 2025, a decision was made to:  
*Receive the draft Unsolicited Proposals Policy and Guideline as contained in Attachments A & B on the agenda for the meeting of the Strategic Risk and Internal Audit Group held on 13 November 2025.*
2. SRIA noted at the meeting, that the next steps was to present the Policy and Guideline to the Audit and Risk Committee (the Committee).
3. The receipt of an Unsolicited Proposal should be reviewed as an exploration of both opportunity and risk for the Council.
4. While there is no legislated requirement for Council to have a Policy or Guideline that addresses unsolicited proposals, it is considered good practice to have a clear and transparent process for addressing these types of requests.
5. At a Council meeting on 15 March 2022, the Council revoked the previous Guidelines relating to unsolicited proposals and noted that SRIA will manage the receipt of unsolicited proposals moving forward and assess them using the City of Adelaide's risk framework prior to the Council's discussion and decision.
6. Prior to March 2022, Council used the Guideline to manage unsolicited proposals. The Guideline was intended to give innovators, entrepreneurs, investors, and the community confidence that proposals would be considered consistently, transparently, and lawfully.
7. Since the March 2022 Council decision, the assessment of any unsolicited proposals received has been managed in accordance with the City of Adelaide's Risk Management framework.
8. In 2025, the Strategic Risk and Internal Audit Group (SRIA) reviewed the Unsolicited Proposals Policy (Policy) (**Attachment A**) and the Unsolicited Proposal Guideline (Guideline) (**Attachment B**). Both documents are administrative in nature and are intended to guide internal decision-making and procedural consistency.
9. Given that the consideration of an Unsolicited Proposal is directly related to an assessment of risk, it is appropriate to utilise SRIA to ensure that Unsolicited Proposals are assessed from a risk management perspective. This is designed to ensure fairness and equity in the consideration of Unsolicited Proposals, considering Council's strategic priorities, its policy framework, legal, reputational and political risks.
10. Proposals ought to be reviewed constructively with a comprehensive review of the opportunity presented to Council, balanced with a risk-based approach that examines how risk can be managed.
11. The SRIA Terms of Reference state that SRIA will assess the risks and opportunities from Unsolicited Proposals and ensure the evaluation process includes consideration of key elements such as strategic plan alignment, relevance to existing policies, legislative compliance, transparency in the decision-making process, and respect for confidentiality requirements.
12. In addition, the use of SRIA ensures that the Audit and Risk Committee is involved in the advisory process.

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## DATA AND SUPPORTING INFORMATION

Nil

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## ATTACHMENTS

**Attachment A** – Unsolicited Proposal Policy

**Attachment B** - Unsolicited Proposal Guideline

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- END OF REPORT -

# Unsolicited Proposals Policy

TBC

legislative / non-legislative

## PURPOSE

The purpose of this Policy is to define the circumstances by which an Unsolicited Proposal shall be considered by Council. The process of assessment is addressed under the Unsolicited Proposals Procedure.

It is recognised by the City of Adelaide that new partnerships and ideas are important to the Council in realising its strategic goals and the Council's vision of a city which is Bold, Aspirational and Innovative. It is acknowledged that any legislative requirement which affects Council will take precedence over Council's policies and procedures.

The contents of and the commitments that Council makes in this policy are not intended to be and should not be interpreted to be any more than a statement of the City of Adelaide's general position in relation to those matters, and to facilitate its aspirations wherever it is reasonable to do so.

## STATEMENT

This Policy applies to:

- Any Unsolicited Proposal that a Proponent submits to Council.
- Circumstances in which the Council is considering waiving the application of all or part of its existing Procurement Policy to assess an Unsolicited Proposal.

An Unsolicited Bid/Proposal may include a proposal for:

- The purchase, lease or development of Council owned or managed land, infrastructure and other assets.
- The delivery of goods or services to or on behalf of Council.
- The provision of infrastructure for the community.
- An innovation or entrepreneurship with benefits to Council.

This Policy excludes Minor Proposals (under \$100,000 ex GST) and those that do not offer innovative and/or improved outcomes for the City of Adelaide. Minor Proposals will be referred to the relevant programs for consideration. All other proposals will be assessed in line with the principles of a tender for the relevant value/impact.

## Introduction/Preamble

Council recognises that there are opportunities for it to consider Unsolicited Proposals that can clearly demonstrate benefits to its community, through economic growth, job creation, development of public infrastructure or the provision of services.

Council will generally only consider a proposal where either the Proposal or its Proponent has unique attributes (as defined above) that justify consideration in alignment with Policy criteria and principles rather than Council's regular processes.

In doing so, Council has a responsibility to ensure that receiving and assessing proposals does not compromise the requirements of legislative compliance.

Council may, at its absolute discretion, enter into a period of exclusive negotiation with a party who has submitted an Unsolicited Proposal. The assessment of a proposal shall be subject to the requirements of this Policy and undertaken in accordance with the Unsolicited Proposals Operating Guideline.

Good governance and probity shall be overarching considerations to the process.

### **Criteria for an Unsolicited Proposal to be considered**

An Unsolicited Proposal can be considered by the City of Adelaide where it meets the following criteria.

#### The proposal:

- Has not been sought by Council through a procurement process (e.g. no request, purchase order, tender process or other procurement process).
- Must be a new and innovative proposal from the private or non-government sectors.
- Does not duplicate a current or previous procurement evaluation process initiated by Council.
- Has a level of 'uniqueness' – for example:
  - the Proposal could not reasonably be delivered by another private party or achieve the same value for money through a competitive tender process
  - the Proponent owns something that would limit other parties from being able to deliver the proposal (e.g. intellectual property, land holdings)
  - the Proponent has unique financial arrangements that enable it to deliver the proposal.
- Could assist the Council to achieve its strategic objectives contained within our City's Strategic Plan or satisfy a community need
- May include the Proponent having intellectual property integral to delivering the project.
- Is not considered a Minor Project (value is under \$100,000 ex GST). Proposals with a value below \$100,000 ex GST will be referred to the relevant program for internal consideration.
- A proposal that includes the use, or management of the Adelaide Park Lands must demonstrate a clear alignment with the values and objectives outlined in the Adelaide Park Lands Management Strategy – Towards 2036 and the Kadaltilla/Adelaide Park lands Authority Strategic Plan 2023/28.

#### Exclusivity

Exclusivity can occur where an Unsolicited Proposal represents an opportunity where a desired outcome can be attained by negotiating exclusively with the Proponent/s of that proposal.

When Council enters into exclusive negotiations with a Proponent of an Unsolicited Proposal, the proposal must:

- Be solely limited to the Proponent/s for the purposes of developing the specific Unsolicited Proposal.

- Be granted for a limited time period. During the period of the exclusive negotiation, similar rights will not be granted to another Proponent if that other Proponent happens to offer a proposal that is substantially like that for which exclusive negotiations have already commenced. However, Council may enter negotiations with more than one Proponent if it has received multiple Unsolicited Proposals, concerning substantially the same subject matter, prior to ultimately selecting a successful Proponent if warranted.

#### Evaluation criteria

Unsolicited Proposals will generally be assessed in the same manner as a formal tender process for a project of similar value/impact. Weighting of the evaluation criteria is to be determined by a person with the necessary financial delegation in the relevant program.

#### **Guiding principles**

The following objectives will guide the Council's consideration of an Unsolicited Proposal:

- Promote the development of innovative ideas by the private and community sectors to support the Council's role and functions and the Council's broad objectives as outlined in its strategic plan.
- Ensure an Unsolicited Proposal is received via a transparent and accountable process and assessed using an evaluation process guided by high standards of probity, equity and public accountability, that maintains the confidentiality of the Proponent's proposal.
- Ensure the Unsolicited Proposal process is not used to circumvent the Council's regular procurement process(es) unless appropriate.
- Ensure the Unsolicited Proposal process does not duplicate a current or previous procurement evaluation process initiated by Council.
- Ensure the Council achieves value for money from any Unsolicited Proposal.
- Maximise the benefits from an Unsolicited Proposal for Council and its constituents.
- Ensure the intellectual property of a Proponent making a submission is appropriately protected.

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#### **OTHER USEFUL DOCUMENTS**

#### **Related documents**

- Local Government Association of South Australia Model Guidelines 'The Receipt & Assessment of Unsolicited Proposals'.
- Unsolicited Proposals Operating Guideline
- Adelaide Park Lands Management Strategy – Towards 2036
- Kadaltilla/Adelaide Park Lands Authority Strategic Plan 2023/28
- A Guide for those with Great Ideas
- City of Adelaide Strategic Plan 2024 - 2028

#### **Relevant legislation**

- *Local Government Act 1999 (SA)*
- *Foreign Acquisitions and Takeovers Act 1975 (Cth)*

- *Australia's Foreign Relations (State and Territory Arrangements) Act 2020 (Cth)*

### GLOSSARY

Throughout this document, the below terms have been used and are defined as:

Assessment Panel	Means a panel of Council employees and external advisors (when invited), formed to assess the proposal submitted. For the purposes of an Unsolicited Proposal the panel will comprise a Chair and core membership of: <ul style="list-style-type: none"><li>• at least one Director,</li><li>• the relevant Associate Director,</li><li>• a member of the program/team that the proposal is relevant to,</li><li>• a member of the Corporate Governance and Risk Team,</li><li>• a member of the Commercial Property team (if relevant),</li></ul> and any Council employee who is a subject matter expert in their relevant field and/or the area of Council affected by the proposal.
Innovative	Means a new method or idea(s) that creates a new use for an asset or solves a known problem.
Minor Proposal	Means a proposal that has a value less than \$100,000 (ex GST).
Proponent	Means the individual, company or consortium submitting the proposal.
Unsolicited Proposal	Is a new and innovative proposal from the private and non-government sectors which: <ul style="list-style-type: none"><li>• could assist the Council to achieve its strategic objectives or satisfy a community need.</li><li>• has not been requested by the Council through a regular procurement process.</li></ul> An Unsolicited Proposal may include a proposal or bid for: <ul style="list-style-type: none"><li>• the purchase, lease or development of Council owned or managed land,</li><li>• the delivery of goods or services to or on behalf of the Council,</li><li>• the provision of infrastructure for the community.</li><li>• an innovation or entrepreneurship with benefits to Council.</li></ul>

### ADMINISTRATIVE

As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed as per legislative requirements or when there is no such provision a risk assessment approach is taken to guide the review timeframe.

This Policy document will be reviewed every 4 years unless legislative or operational change occurs beforehand. The next review is required in 2029.

**Review history:**

Trim Reference	Authorising Body	Date/Decision ID	Description of Edits
ACC2025/XXXX	<i>Strategic Risk and Internal Audit Group (SRIA)</i>  <i>Audit &amp; Risk Committee</i>	13/11/2025  06/02/2026	<i>Draft Policy and Guideline received</i>

**Contact:**

For further information contact the Governance & Strategy Program.

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+61 8 8203 7203  
[city@cityofadelaide.com.au](mailto:city@cityofadelaide.com.au)

# Unsolicited Proposal Operating Guideline

*Date this document was adopted*

*council / administration*

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**PARENT DOCUMENT:** Unsolicited Proposal Policy**PURPOSE**

The purpose of this guideline is to set out a process for the receipt and consideration of an Unsolicited Proposal. The process for receipt and consideration shall be used in all instances where the Council is approached with an Unsolicited Proposal that has not been initiated by Council.

It is recognised by the City of Adelaide that new partnerships and ideas are important to the Council realising its strategic goals and the Council's vision of a prosperous, diverse and competitive economy.

It is acknowledged that any legislative requirement which affects Council will take precedence over Council's policies and procedures.

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**OPERATION**

This operating guideline applies to Unsolicited Proposals submitted to Council and create a framework for new and innovative ideas to be brought to Council. This operating guideline ensures that an Unsolicited Proposal will be considered in a consistent, transparent and fair manner.

An Unsolicited Proposal may include a proposal for:

- The purchase, lease or development of Council owned or managed land, infrastructure and other assets
- The delivery of goods or services to or on behalf of Council
- The provision of infrastructure for the community
- An innovation or entrepreneurship with benefits to Council.

This procedure excludes Minor Proposals (under \$100,000 ex GST) and those that do not offer innovative and/or improved outcomes for the City of Adelaide. Minor Proposals will be referred to the relevant programs for consideration. All other proposals/bids will be assessed in line with the principles of a tender of the same value/impact.

**Criteria for an Unsolicited Bid/Proposal to be considered**

An Unsolicited Proposal can be considered by the City of Adelaide where it meets the following criteria.

The proposal:

- Has not been sought by Council through a procurement process (e.g. no request, purchase order, tender process or other procurement process).
- Must be a new and innovative proposal from the private or non-government sectors.
- Does not duplicate a current or previous procurement evaluation process initiated by Council.
- Has a level of 'uniqueness' – for example:
  - the Bid/Proposal could not reasonably be delivered by another private party or achieve the same value for money through a competitive tender process
  - the Proponent owns something that would limit other parties from being able to deliver the proposal (e.g. intellectual property, land holdings)
  - the Proponent has unique financial arrangements that enable it to deliver the proposal.
- Could assist the Council to achieve its strategic objectives contained within our City's Strategic Plan or satisfy a community need.
- May include the Proponent having intellectual property integral to delivering the project.
- Is not considered a Minor Project (value is under \$100,000 ex GST). Proposals with a value below \$100,000 ex GST will be referred to the relevant business unit for internal consideration.
- A proposal that includes the use, or management of the Adelaide Park Lands must demonstrate a clear alignment with the values and objectives outlined in the Adelaide Park Lands Management Strategy – Towards 2036 and the Kadaltilla/Adelaide Park Lands Authority Strategic Plan 2023/28.

### Procedure

The table labelled Annexure A describes the Council's process for receipt and consideration of an Unsolicited Proposal.

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## OTHER USEFUL DOCUMENTS

### Related documents

- Local Government Association of South Australia Model Guidelines 'The Receipt & Assessment of Unsolicited Proposals'.
- Unsolicited Proposals Policy
- Adelaide Park Lands Management Strategy – Towards 2036
- Kadaltilla/Adelaide Park Lands Authority Strategic Plan 2023/28
- A Guide for those with Great Ideas
- City of Adelaide Strategic Plan 2024 - 2028

### Relevant legislation

- *Local Government Act 1999 (SA)*
- *Foreign Acquisitions and Takeovers Act 1975 (Cth)*
- *Australia's Foreign Relations (State and Territory Arrangements) Act 2020 (Cth)*

**GLOSSARY**

Throughout this document, the below terms have been used and are defined as:

---

Assessment Panel	<p>Means a panel of Council employees and external advisors (when invited), formed to assess the proposal submitted. For the purposes of an Unsolicited Proposal the panel will comprise a Chair and core membership of:</p> <ul style="list-style-type: none"> <li>• at least one Director,</li> <li>• the relevant Associate Director,</li> <li>• a member of the program/team that the proposal is relevant to,</li> <li>• a member of the Corporate Governance and Risk Team,</li> <li>• a member of the Commercial Property Team (if relevant).</li> </ul> <p>and any Council employee who is a subject matter expert in their relevant field and/or the area of Council affected by the proposal.</p>
Innovative	Means a new method or idea(s) that creates a new use for an asset or solves a known problem.
Minor Proposal	Means a proposal that has a value less than \$100,000 (ex GST).
Proponent	Means the individual, company or consortium submitting the proposal.
Unsolicited Proposal	<p>Is a new and innovative proposal from the private and non-government sectors which:</p> <ul style="list-style-type: none"> <li>• could assist the Council to achieve its strategic objectives or satisfy a community need.</li> <li>• has not been requested by the Council through a regular procurement process.</li> </ul> <p>An Unsolicited Proposal may include a proposal or bid for:</p> <ul style="list-style-type: none"> <li>• the purchase, lease or development of Council owned or managed land.</li> <li>• the delivery of goods or services to or on behalf of the Council.</li> <li>• the provision of infrastructure for the community.</li> <li>• an innovation or entrepreneurship with benefits to Council.</li> </ul>

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### ADMINISTRATIVE

As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed as per legislative requirements or when there is no such provision a risk assessment approach is taken to guide the review timeframe.

This Guideline document will be reviewed every 4 years unless legislative or operational change occurs beforehand. The next review is required in 2029.

#### Review history:

Trim Reference	Authorising Body	Date/Decision ID	Description of Edits
ACC2025/XXXX	<i>Strategic Risk and Internal Audit Group (SRIA)</i>  <i>Audit &amp; Risk Committee</i>	13/11/2025  06/02/2026	<i>Draft Policy and Guideline received</i>

#### Contact:

For further information contact the Governance & Strategy Program

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**Annexure A**

<b>Receipt and Consideration of Unsolicited Proposal</b>		
<b>Stage 1 – Pre-lodgement Meeting</b>		
<b>Proponent Actions</b>	<b>Assessment Panel Actions</b>	<b>Possible Outcomes</b>
<p>Clearly articulate:</p> <ul style="list-style-type: none"> <li>• The proposal.</li> <li>• The unique attributes of both the proposal and the Proponent's ability to deliver the proposal.</li> <li>• The inputs, assumptions and benefits to Council.</li> <li>• Any requirements or expectations the Proponent has of Council.</li> </ul>	<p>Pre-Lodgement meeting to be attended by relevant Associate Director and Director(s), (Relevant Director to invite Panel Members to Pre-Lodgement meeting).</p> <p>Check if the proposal duplicates a current or previous procurement evaluation process.</p> <p>Determine whether the proposal would be considered a Minor Proposal.</p> <p>Meet with Proponent and provide guidance as to the suitability of the proposal and whether it has merit to be considered under this Procedure.</p>	<p>Nothing stated at this meeting will be binding on either party.</p> <p>If the indicative value of the proposal is forecast to be less than \$100,000 excl GST the proponent is to be directed to the relevant program for consideration.</p> <p>The Proponent may continue with lodging an Unsolicited Proposal regardless of the outcome of any discussions at the pre-lodgement meeting.</p>

**Anticipated timeframe**

- To be held within 15 business days of receipt of request and lodgement of documentation.

<b>Stage 2 – Receipt of Initial Proposal</b>		
The Initial Proposal Stage of the process allows the Proponent to provide a 'high level outline' of the Unsolicited Proposal. There are no negotiations to be held at this stage of the process.		
<b>Proponent Actions</b>	<b>Assessment Panel Actions</b>	<b>Possible Outcomes</b>
<p>Submit a proposal, and any additional information that the Proponent wishes to have considered at this stage to support the proposal.</p> <p>Lodge the above information electronically to <b>(electronic form and delivery to be investigated)</b></p>	<p>If Panel has not been formed to consider this proposal, Relevant Director to invite Panel Members.</p> <p>Determine if the proposal can be considered under this Guideline.</p> <p>Assess the proposal against the following Guiding Principles:</p> <ul style="list-style-type: none"> <li>• Delivers community benefits</li> <li>• Value for money, time and/or financial benefits/savings that would otherwise not be achieved.</li> <li>• Whole of Council impact, such as meeting a project or service need.</li> <li>• The experience, capability and capacity of the Proponent to carry out the proposal.</li> <li>• Whether the proposal is legally, technically and financially feasible.</li> <li>• The need for an external probity advisor.</li> <li>• Does the proposal require Council funding, or for the Council to commit to purchasing proposed services.</li> <li>• Identify risks to be borne by the Proponent and the Council.</li> </ul>	<p>That the proposal is not suitable for further consideration and is now closed.</p> <p>OR</p> <p>The proposal does not meet the minimum value threshold of \$100,000 ex GST and is referred to the relevant program for consideration.</p> <p>OR</p> <p>That the proposal shall proceed to the next stage of consideration. This may include the proposal being brought before Council either as a CEO Briefing or as a report to Committee/Council. Confidentiality of the proposal will be assessed in accordance with section 90(3) of the Act.</p> <p>OR</p> <p>The Proponent shall be advised that the proposal may form the basis of a competitive process.</p> <p>OR</p> <p>Direct the proponent to a suitable grant program.</p>

	<ul style="list-style-type: none"><li>• If there is a cost to Council determine if a grant program would be more suitable than a Proposal.</li><li>• Assess whether the proposal meets the requirements of 'uniqueness', including the unique ability of the Proponent to deliver the proposal.</li><li>• Whether the proposal should be the subject of a competitive bidding process.</li><li>• Determine if the Proponent will be granted a period of exclusivity to develop their proposal, and if so, the length of the term.</li><li>• Determine if the proposal should be further considered.</li><li>• Report to Strategic Risk Internal Audit Group (SRIA) with recommendations.</li><li>• Subject to the outcome of the SRIA report, a report can be prepared for the Audit and Risk Committee and a report will be provided to Council (via City Finance and Governance Committee) to gauge level of Council support for proposal.</li><li>• Advise the Proponent of the Council's decision.</li></ul>	
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**Anticipated timeframe**

- To be received by Council within 30 business days of notification of pre-lodgement meeting; the Panel may consider that the proposal is not going to be pursued. Proponent to be advised of outcome of this stage within 90 days (wherever possible, accounting for Council meeting cycles).

<b>Stage 3 – Receipt of Detailed Proposal</b>		
Stage 3 involves further consideration of the feasibility of the proposal – how it will be delivered, whether it represents value for money for Council and what outcomes it will deliver to Council and the community.		
<b>Proponent Actions</b>	<b>Assessment Panel Actions</b>	<b>Possible Outcomes</b>
<p>Develop a detailed proposal, in line with the requirements advised by Council at the end of Stage 2.</p> <p>Provide additional information as required through clarification.</p> <p>Be readily available to meet with the Panel and respond to communications in a timely manner.</p>	<p>Establish the assessment framework prior to any further assessment being undertaken. This framework may include:</p> <ul style="list-style-type: none"> <li>• Establishing protocols for confidentiality, conflict of interest and communication and governance.</li> <li>• Establishing terms and conditions.</li> <li>• Establishing assessment criteria.</li> <li>• Develop Probity Plan if required.</li> <li>• Agreeing on timeframes and milestones.</li> <li>• Assessing how the proposal can be structured to deliver the best outcome for Council and the community.</li> <li>• Financial – cost/benefit analysis.</li> <li>• Risk and opportunities.</li> <li>• Allocation of risk between parties.</li> <li>• The framework will be communicated to the Proponent.</li> <li>• Report to SRIA with recommendations.</li> <li>• Subject to the outcome of the SRIA report, provide report to Council to gauge level of</li> </ul>	<p>That all or part of the proposal will proceed to the final stage of the process.</p> <p>OR</p> <p>That all or part of the proposal will not be considered on an exclusive basis, but that all or part of the process will form the basis of a competitive process.</p> <p>OR</p> <p>That all or part of the proposal is not suitable for further consideration and is now closed.</p>

	<p>Council support to enter Stage 4 – Contract Negotiation.</p> <ul style="list-style-type: none"><li>• Council may direct that community consultation be undertaken on the Proposal.</li><li>• Advise the Proponent of the Council's decision.</li></ul>	
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**Anticipated timeframe**

- To be agreed based on complexity of offer

<b>Stage 4 – Contract Negotiation</b>		
Stage 4 will allow Council and the Proponent to negotiate a suitable contract to implement the proposal.		
<b>Proponent Actions</b>	<b>Assessment Panel Actions</b>	<b>Possible Outcomes</b>
Participate in contract negotiations, to reach mutual agreement.  Sign a confidentiality agreement prepared by Council.	Provide a confidentiality agreement to the Proponent for signing.  Advise the Proponent of the process for the development and negotiation of a contract.  Participate in contract negotiations, to reach mutual agreement.  Submit a report to Council's Elected Members for their endorsement.  Council delegate final contractual negotiations and signature to CEO.	That mutual agreement is reached in contract negotiations and a contract is prepared and signed by both parties.  OR  Council does not agree to enter into a contract but resolves to pursue the proposal through another process (including a competitive process).  OR  Council does not agree to enter into the contract and the proposal is now closed.

### Anticipated timeframe

- To be agreed based on complexity of offer

## Process Stages

Stage	Time allowed
Stage 1 – Pre-lodgement Meeting	To be held within 15 business days of receipt of request and lodgement of documentation.
Stage 2 – Initial Proposal	To be received by Council within 30 business days of notification of pre-lodgement meeting; the Panel may consider that the proposal is not going to be pursued.  Proponent to be advised of outcome of this stage within 90 days (wherever possible, accounting for Council meeting cycles).
Stage 3 – Detailed Proposal	To be agreed based on complexity of offer
Stage 4 – Contract Negotiation	To be agreed based on complexity of offer

## Confidentiality

Confidentiality of the proposal will be managed in accordance with the *Local Government Act 1999 (SA)* (the Act) pursuant to section 90(3) of the Act.

## Period of exclusivity

If Stage 2 of the process determines that the Proponent shall be granted a period of exclusivity, then Council must determine the term. The Panel shall recommend an appropriate period for Council to endorse.

The Proposal shall be assessed against the following criteria to determine if a period of exclusivity should apply:

- Strategic priority of the proposal outcomes.
- Uniqueness of the Proposal.
- Value for money proposition for Council.
- Whether the proposal is legally, technically and financially feasible.
- Whether the proposal should be the subject of a competitive bidding process.

## Probity

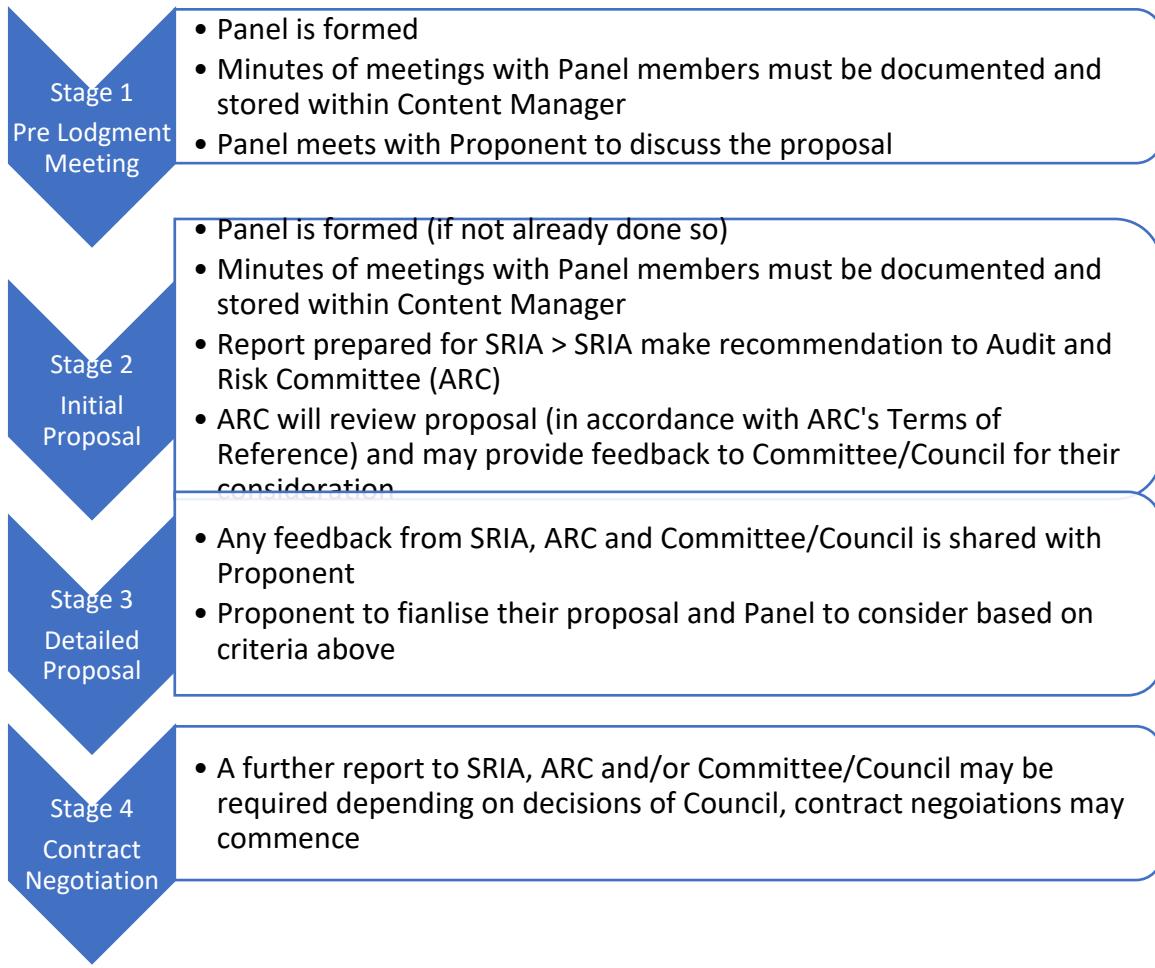
An important objective of this Administrative Procedure is to ensure a high standard of probity is applied to the receipt and assessment of any Unsolicited Proposals.

A probity plan must be developed to ensure that the following items are considered:

- Proposals are received, assessed and any negotiations are undertaken with an approved and transparent framework in line with Procurement principals.
- Decisions are made to ensure the best outcome is delivered for Council and its community
- Confidential information is protected.
- Any perceived conflict of interest, bias or misconduct can be prevented or eliminated.

Council may choose to engage an independent probity advisor or auditor at any stage in the process, although it should be noted that upfront engagement of a probity consultant is preferable.

**Flowchart of Process of Stages**



## Internal Audit Progress Report

**Friday, 6 February 2026**

Audit and Risk 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 provides an update on Council's Internal Audit Plan, outlining the findings and recommendations of internal audits completed, and the progress of any agreed actions. The Audit and Risk Committee (ARC) last received an Internal Audit Progress Report at its meeting on 14 November 2025.

Sixteen actions have been completed since November 2025.

Currently, there are thirty open actions of which six are overdue.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

This report details the Council's current Internal Audit Actions. which includes information about:

- Internal Audit Actions that have been completed since the last Internal Audit Progress report to ARC in November 2025;
- Extensions granted by the Chief Executive Officer for the completion date of Internal Audit Actions;
- The number and status of Overdue Actions; and
- A summary of the status of all Internal Audit Actions.

## RECOMMENDATION

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as contained in Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
2. Notes the progress of the completion of Internal Audit Actions as contained in Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.

# IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<p><b>Strategic Alignment – Our Corporation</b></p> <p>Internal audit is an essential component of a good governance framework. It is a mechanism that enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively and efficiently, and to advise how it can improve performance.</p>
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Delays in completing internal audit actions can expose an organisation to operational, financial, compliance, and reputational risks by allowing control weaknesses to persist. It can also undermine accountability, damage stakeholder confidence, and negatively impact organisational culture.
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such audits suggest a range of improvement opportunities related to an area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
25/26 Budget Allocation	\$250,000 is budgeted for external consultancy support in accordance with the 2025-26 internal audit program.
Proposed 26/27 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
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 role of Internal Audit is to provide independent assurance that the Council's risk management, governance and internal controls processes are operating effectively.
2. The Audit and Risk Committee (ARC) receives all Internal Audit reports. It reviews and monitors Council's responsiveness to findings and recommendations of the Internal Auditor, other external providers and in house advice.

## Internal Audit Actions

3. All recommendations arising from the Internal Audit and Strategic Reviews are reported to the Strategic Risk and Internal Audit Group (SRIA).
4. All recommendations and agreed actions, responsibilities and timeframes for implementation are recorded in the Council's process mapping and management software, Process Manager (Promapp).
5. The implementation status of recommendations is tracked and reported to SRIA and ARC.

## Completed Actions

6. Sixteen internal audit recommendations from previous Audits have been completed since November 2025. These completed recommendations are outlined in the table below:

No	Internal Audit ID	Audit Title
1	I00670	Essential 8 Maturity Assessment
2	I00711	Workforce Planning and Staff Retention
3	I00865	Data Protection and Privacy
4	I00866	Data Protection and Privacy
5	I00874	Culture Survey Review
6	I00906	Lease Management
7	I00910	Lease Management
8	I00912	Lease Management
9	I00923	Archives
10	I00951	Electric Vehicles Transition for Workshop Operations
11	I00952	Electric Vehicles Transition for Workshop Operations
12	I00953	Electric Vehicles Transition for Workshop Operations
13	I00958	TechnologyOne Post Implementation Review
14	I00970	Council Administration Expenses
15	I00977	Paid Parking Review
16	I00979	Paid Parking Review

7. Thirty recommendations are currently in progress.

## Extensions

8. All requests for an extension of a due date for completion of an Internal Audit Action require the approval of the Chief Executive Officer. This process ensures that there is appropriate accountability before an extension is granted.
9. Since the last report to ARC in November 2025, seven actions have been approved for an extension. Those actions and the rationale for their extension are listed below in the table:

No	Internal Audit Actions	Rationale for Extension	Original Due Date	Revised Due Date
1	I00905 – Lease Management Provide respective teams 'read-only' access to the debtor module in Pathway and commence sending statements.	The action has since been reassigned to the Manager, Rates & Receivables, for review and action. CEO has approved the extension.	31 December 2025	30 June 2026
2	I00907 – Lease Management Investigate the use of the accounting module within Progensis	Relevant actions involve work led by other parts of the organisation, which are yet to be resolved (i.e. Finance and ACMA, Progensis expansion, TechOne interface, accounting module).	31 December 2025	30 June 2026
3	I00908 – Lease Management Finalise the review and update of the Policy and Operating Guidelines for the Park Land Leases	The review of the Policy has been ongoing, with multiple touchpoints with Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) and Council, including public consultation on a draft Policy in 2022 and workshops with Council Members in 2023, 2024 and 2025. Much of the deliberation surrounding the Policy has focused on community buildings, leading to the development and adoption of an Adelaide Park Lands Community Buildings (Sport and Recreation) Policy.	31 December 2025	31 August 2026
4	I00913 – Lease Management Investigate the opportunity to expand Progenesis to utilise the system to its fullest potential as a property management system.	Relevant actions involve work led by other parts of the organisation, which are yet to be resolved (i.e. Finance and ACMA, Progensis expansion, TechOne interface, accounting module). The final action is dependant on the implementation of Progensis prior to training occurring.	31 December 2025	30 June 2026
5	I00914 – Fraud Prevention Develop and implement comprehensive training for hiring managers to ensure consistent adherence to approved recruitment practices.	The recruitment team have now conducted hiring manager workshops for the LRD hiring managers. We are currently developing additional resources and working on developing recruitment / hiring manager training workshops for CoA wide, however we will require an extension for this piece of work to be rolled out across CoA.	30 November 2025	31 May 2026
6	I00957 – TechnologyOne Post Implementation Review Conduct a comprehensive review of Accounts	The action has since been reassigned to the Manager, Rates & Receivables, for review and action.	31 December 2025	30 June 2026

No	Internal Audit Actions	Rationale for Extension	Original Due Date	Revised Due Date
	Receivable integration with the CoA's IT ecosystem and identify key issues, deficiencies and manual workarounds currently being conducted.			
7	I00981 – Record Keeping 2025  Review and confirm if the documents are required to be saved in Content Manager for the identified Sharepoint / Team sites.	Working through all the documents (over 1,000 documents in total) and majority have been transferred across to Content Manager. An extension requested to complete remaining documents.	31 December 2025	28 February 2026

#### Overdue Actions

10. Six actions have become overdue since the last update to ARC on 14 November 2025.
11. The new overdue actions are related to the following internal audit:
  - 11.1. I00973 – Legislative Compliance 2025
12. Two overdue actions have been completed since November 2025. The status on all currently overdue actions is provided in the table below:

Internal Audit ID	Audit Title	Status
I00679	Asset Inspection	In progress, due for completion 30 June 2026
I00757	Review of the Adelaide Economic Development Agency	In progress, due for completion 30 November 2026
I00835	Post Audit Implementation Review	In progress, due for completion 30 June 2026
I00838	Post Audit Implementation Review	In progress, due for completion 31 December 2026
I00841	Local Government Security Framework	In progress, due for completion 30 April 2026
I00973	Legislative Compliance 2025	In progress, due for completion 30 November 2026

13. A summary of the status of actions is shown in the below table, with the Agreed Action Progress Report accessed via [LINK 1](#).

Risk	Definition	Complete	Overdue	In Progress	Total Open
High	Issues represent a control weakness which could have or is having major adverse effect on the ability to achieve project objectives.	2	4	5	9
Moderate	Issues represent a control weakness which could have or is having a moderate effect on the ability	6	1	8	9

Risk	Definition	Complete	Overdue	In Progress	Total Open
	to achieve project objectives.				
Low	Issues represent a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives.	3	1	7	8
N/A	Improvement Opportunity	5	0	4	4
	<b>TOTAL</b>	<b>16</b>	<b>6</b>	<b>24</b>	<b>30</b>

## DATA AND SUPPORTING INFORMATION

[Link 1 – Agreed Actions Progress Report](#)

## ATTACHMENTS

Nil

- END OF REPORT -

## Exclusion of the Public

**Program Contact:**  
Anthony Spartalis, Chief  
Operating Officer

Public

**Approving Officer:**  
Michael Sedgman, Chief  
Executive Officer

## EXECUTIVE SUMMARY

Section 90(2) of the *Local Government Act 1999 (SA)* (the Act), states that a Council may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.

It is the recommendation of the Chief Executive Officer that the public be excluded from this Audit and Risk Committee meeting for the consideration of information and matters contained in the Agenda.

### 11.1 Activity of Strategic Risk and Internal Audit Group [section 90(3) (i) of the Act]

The Order to Exclude for Items 11.1:

- Identifies the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
- Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
- In addition, identifies for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

## ORDER TO EXCLUDE FOR ITEM 11.1

### THAT THE AUDIT AND RISK COMMITTEE

- Having taken into account the relevant consideration contained in section 90(3) (b) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 6 February 2026 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 11.1 [Activity of Strategic Risk and Internal Audit Group] listed on the Agenda.

#### Grounds and Basis

This Item is confidential in nature because the report includes information on Council litigation. The disclosure of information in this report could reasonably be expected to prejudice the outcome of Council's actual litigation.

- Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 6 February 2026 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 11.1 [Activity of Strategic Risk and Internal Audit Group] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (b) of the Act.

## DISCUSSION

- Section 90(1) of the *Local Government Act 1999 (SA)* (the Act) directs that a meeting of a Council Committee must be conducted in a place open to the public.
- Section 90(2) of the Act, states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a

meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.

3. Section 90(3) of the Act prescribes the information and matters that a Council may order that the public be excluded from.
4. Section 90(4) of the Act, advises that in considering whether an order should be made to exclude the public under section 90(2) of the Act, it is irrelevant that discussion of a matter in public may -
  - (a) *cause embarrassment to the council or council committee concerned, or to members or employees of the council; or*
  - (b) *cause a loss of confidence in the council or council committee; or*
  - (c) *involve discussion of a matter that is controversial within the council area; or*
  - (d) *make the council susceptible to adverse criticism.'*
5. Section 90(7) of the Act requires that an order to exclude the public:
  - 5.1 Identify the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
  - 5.2 Identify the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
  - 5.3 In addition identify for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.
6. Section 87(10) of the Act has been utilised to identify in the Agenda and on the Report for the meeting, that the following reports are submitted seeking consideration in confidence.
  - 6.1 Information contained in Item 11.1 - Activity of Strategic Risk and Internal Audit Group
    - 6.1.1 Is not subject to an existing Confidentiality Order dated.
    - 6.1.2 The grounds utilised to request consideration in confidence is section 90(3) (i) of the Act
      - (i) *information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council.*

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## ATTACHMENTS

Nil

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- END OF REPORT -

Document is Restricted