



AUDIT AND RISK COMMITTEE

Agenda and Reports

for the meeting on

Wednesday, 23 September 2026

at 9.00 am

in the Colonel Light Room, Adelaide Town Hall

© 2026 City of Adelaide. All Rights Reserved.

Our Adelaide.
Bold.
Aspirational.
Innovative.

AUDIT AND RISK COMMITTEE
Meeting Agenda, Wednesday, 23 September 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	Mark Davies
Committee Members	The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio) Councillor Janet Giles John Jovicevic Russell D'Costa Sam Mill

Agenda

Item	Pages
1. Acknowledgement of Country At the opening of the Audit and Risk Committee meeting, the Presiding Member will state: 'The City of Adelaide acknowledges the Kaurna People of the Adelaide Plains as the Traditional Custodians of the land on which we meet today. We acknowledge and honour their spiritual and cultural stewardship of this Country and recognise their deep and enduring relationship with its lands, waters, the sky, and all living things. We pay our respects to Kaurna Elders past and present and recognise the important role of emerging leaders in sustaining and strengthening culture.'	
2. Apologies and Leave of Absence Apologies - Sam Mill	
3. Confirmation of Minutes That the Minutes of the meeting of the Audit and Risk Committee held on 14 August 2026 and the Special Meeting held 8 September 2026, be taken as read and be confirmed as an accurate record of proceedings. View public 14 August 2026 Minutes here . View public 8 September 2026 Minutes here .	
4. Declaration of Conflict of Interest	
5. Presiding Member Reports	
6. Reports	
6.1 2025/26 Audit Completion Report	4 - 33
6.2 2025/26 Financial Statements	34 - 225
6.3 Internal Audit Report - Project Management Framework Review	226 - 282
6.4 Internal Audit Report - Strategic Planning, Governance and Implementational Review	283 - 325

6.5	Internal Audit Progress Report	326 - 334
6.6	Climate Risk Register - Transition to Enterprise Risk Management	335 - 366
6.7	Integrated Climate Strategy Annual Report 2025/26	367 - 407
7.	Emerging Key Risks	
8.	Independent Member Discussion	
9.	Other Business	
10.	Exclusion of the Public	408 - 410
	In accordance with sections 90(2),(3) and (7) of the <i>Local Government Act 1999</i> (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	Confidential Meeting with External Auditors [S90(3) (b)]	411 - 413
11.2	Confidential Meeting with Internal Auditors [S90(3) (b)]	414 - 416
12.	Closure	

2025/26 Audit Completion Report

Strategic Alignment - Our Corporation

Public

Wednesday, 23 September
2026

Audit and Risk Committee

Program Contact:

Mitch Woods, Associate Director
Finance & Procurement

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

This report presents the Presiding Member of the Audit and Risk Committee with the 'Annual Completion Report for the year ended 30 June 2026' (Council's appointed auditor Galpins' end of year audit) for the City of Adelaide and its subsidiaries (**Attachment A**).

Under Section 129 (4) of the *Local Government Act 1999* (SA) (the Act) the external auditor appointed by Council must provide to the Council a report on particular matters arising from the audit of its financial statements and the controls exercised by Council. The report must specifically identify any irregularity in Council's accounting practices or in the management of the Council's financial affairs identified by the auditor during the course of the audit.

Under Section 129 (3) of the Act, the auditor must provide to Council an audit opinion with respect to the financial statements and the controls associated with financial transactions. Galpins' report notes they have identified no material deficiencies in internal controls which would impact audit testing or expose the Council to risk of material misstatement of results for the year ended 30 June 2026.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the 'City of Adelaide Audit Completion Report for the year ended 30 June 2026' from Council's external auditors, Galpins, as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held 23 September 2026.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation External audit supports responsible financial management and reporting, strengthening the City's financial sustainability.
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	The annual Audit Completion Report is provided to Council to enable Council's auditors to satisfy their reporting obligations under section 129 of the <i>Local Government Act 1999</i> (SA).
Opportunities	Not as a result of this report.
26/27 Budget Allocation	The conduct of the annual audit has been fully funded within the adopted operating budget.
Proposed 27/28 Budget Allocation	Not as a result of this report.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report.
26/27 Budget Reconsideration (if applicable)	Not as a result of this report.
Ongoing Costs (eg maintenance cost)	Not as a result of this report.
Other Funding Sources	Not as a result of this report.

DISCUSSION

1. In accordance with Section 128 of the *Local Government Act 1999* (SA) ("the Act"), Council appointed Galpins as its external auditor at the Council Meeting held on 19 December 2025.
2. At its meeting on 6 February 2026, the Audit and Risk Committee endorsed the proposed 2025/26 end-of-year financial reporting process and external audit timetable. The timetable included the presentation of audit reports to the Committee and provided an opportunity for the Committee to discuss the auditor's findings in confidence, without management present.
3. At its meeting on 12 June 2026, the Audit and Risk Committee received Galpins' Interim Report on the 2025/26 external audit. The report noted that, to date, no material deficiencies in internal controls had been identified that would affect audit testing or expose Council to a risk of material misstatement in the financial statements for the year ended 30 June 2026. The report also provided an update on key issues for which Council was taking appropriate action.
4. Galpins has now finalised the audit and issued an audit opinion on Council's 2025/26 Financial Statements and the controls exercised by Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities.
5. In accordance with Section 129 of the Act, Galpins has provided Council with a report on matters arising from the audit, including any irregularities in Council's accounting practices or the management of its financial affairs identified during the course of the audit.
6. Having considered the Annual Audit Completion Report, the annual financial statements, and the auditor's findings presented in confidence, the Audit and Risk Committee is satisfied that it has sufficient information to assess whether the financial statements present a true and fair view of the Corporation of the City of Adelaide's financial position as at 30 June 2026.
7. In accordance with the Act this report will be provided by the auditor to the Audit and Risk Committee and Principal Member of the Council (who must then ensure that a copy is provided to the Chief Executive Officer and other members of Council).

Report on Matters Arising from the Audit

8. The external auditor, Mr Tim Muhlhausler (Partner, Galpins), has completed the audit of the financial statements and provided audit clearance for the Audited Financial Statements subject to their:
 - 8.1. review of subsequent events post 30 June 2026
 - 8.2. receipt of written management representation on various matters
 - 8.3. receipt of adopted financial statements and agreement with the draft financial statements provided to date.
9. These are scheduled to be completed subsequent to the Audit and Risk Committee meeting on 23 September 2026.
10. As part of their audit process Galpins have tabled their final Annual Completion Report (**Attachment A**) dealing with matters arising from the audit. This report addresses the following:
 - 10.1. Status of the audit
 - 10.2. Areas of audit focus
 - 10.3. Summary of misstatements
 - 10.4. Internal controls
 - 10.5. Other reporting requirements
11. Key areas of audit focus addressed by the report include:
 - 11.1. Valuation of Infrastructure assets
 - 11.2. Valuation of Land and Buildings
 - 11.3. Accounting treatment of capitalisation of assets
 - 11.4. Revenue Recognition
 - 11.5. Management Override of Controls
12. No uncorrected misstatements were noted in the report.

13. The audit was conducted in accordance with the Australian Auditing Standards as required by the Act and provides Council with reasonable assurance that the Financial Statements are free of material misstatement.
14. The report identified no material deficiencies existed in the accounting treatment and disclosures of matters previously identified as significant risks.
15. The audit did not identify any significant deficiencies with internal controls. However, the following two (2) performance improvement observations were made:
 - 15.1. Delays in year-end financial reporting and audit readiness
 - 15.2. Employees with excessive annual leave balances
16. The audit has concluded that the consolidated financial reports of the City of Adelaide present fairly, in all material respects, the entity's financial position as at 30 June 2026.

ATTACHMENTS

Attachment A – City of Adelaide Audit Completion Report for year ended 30 June 2026

- END OF REPORT -



Accountants, Auditors & Business Consultants

2025/26 Audit Completion Report

City of Adelaide



Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
DX 29044
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
F: (08) 8332 3466
E: norwood@galpins.com.au

www.galpins.com.au

Table of Contents

EXECUTIVE SUMMARY.....	3
1. Status of Our Audit Work	4
2. Key Audit Matters.....	5
2.1 Valuation of Infrastructure assets	5
2.2 Valuation of Land and Buildings	6
2.3 Accounting treatment of capitalisation of assets.....	7
2.4 Revenue Recognition.....	7
2.5 Management Override of Controls	8
2.6 Other High and Moderate Risk Areas.....	9
2.7 Intended Opinion on the Financial Report	10
3. Internal Controls Opinion and Recommendations.....	11
4. Immaterial Uncorrected Misstatements	12
5. Final Management Letter	13
Appendix 1 – Proposed Independent Auditor’s Report on the Financial Report.....	15
Appendix 2 – Proposed Independent Auditor’s Report on the Internal Controls.....	18
Appendix 3 – Proposed Independent Auditor’s Reports on the Financial Report of Council’s subsidiaries	20
Appendix 4 – Risk Ratings.....	26

EXECUTIVE SUMMARY

To the members of the audit and risk committee of City of Adelaide

We are pleased to present our Audit Completion Report for the financial year ended 30 June 2026. The purpose of this document is to summarise the key accounting and audit matters that have arisen during the engagement and our audit conclusions.

We intend to issue the following opinions (subject to the satisfactory completion of the items described in section 1 – *Status of our Audit Work* of this document):

Intended opinions	Type	Proposed Auditor's Report
Opinions on the Financial Statements	Unmodified	Refer to Appendices 1* and 3** of this report.
Controls Opinion	Unmodified	Refer to Appendix 2 of this report.

* Opinion on the financial report prepared by Council in relation to City of Adelaide (the Company) and its subsidiaries (the Council).

** Opinions on the separate reports of each subsidiary.

An unmodified opinion (also known as an unqualified opinion) indicates that we have concluded that the financial statements of the entity are presented fairly, in all material respects, in accordance with the Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

We have included in this report the following information to ensure that management and audit and risk committee members are aware of all significant matters relating to the audit.

Matters	Sections
Status of our audit work	Section 1
Key Audit Matters	Section 2
Internal Controls Opinion and Recommendations	Section 3
Immaterial Uncorrected Misstatements	Section 4
Final Management Letter	Section 5
Proposed Independent Auditor's Report on the Financial Report	Appendix 1
Proposed Independent Auditor's Report on the Internal Controls	Appendix 2
Proposed Independent Auditor's Report on the Financial Report of Council's subsidiaries	Appendix 3

We have also signed the statement by auditor regarding our independence, and confirmed that for the audit of the year ended 30 June 2026 we have maintained our independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

Yours faithfully



Tim Muhlhausler CA Registered Company Auditor

Date: 17 September 2026

1. Status of Our Audit Work

Below is a summary of the status of audit activities and key documents related to the completion of our final audit.

Activities/Documents	Responsibility	Status
Final draft of the financial report	Management	Completed
Final audit visit	Audit	Completed
Final substantive procedures	Audit	Completed
Audit verification of the final draft of the financial report	Audit	Completed
Final draft of the financial report after audit verification	Management	Completed
Audit Completion Report	Audit	Completed
Final audited financial statements from the Council's subsidiaries	Management	Completed
Signed certification of auditor independence	Management	Note 1
Final financial report after considerations from the audit & risk committee	Management	Note 1
Signed certification of financial statements	Management	Note 1
Signed management representation letter	Management	Note 1
Final Independent Auditor's Report on the Internal Controls	Audit	Note 2
Final Independent Auditor's Report on the Financial Reports	Audit	Note 2

Note 1 To be provided after the audit & risk committee meeting.

Note 2 To be provided by audit on receipt of both the:

- final financial report containing the signed certification of financial statements and the signed certification of auditor independence, and
- signed management representation letter.

2. Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgement, were 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.

2.1 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. 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: - components of assets that are replaced at different times in the asset lifecycle - costs required to replace these components using current prices for materials, labour, and plant costs - indices for measuring subsequent changes in unit rates (noting that council has recently begun applying indexation based on LGPI). 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. ESCOSA report flags concerns re valuation of Adelaide Bridge and Torrens Weir.	Our audit included (where applicable) but is not limited to the following activities: - reconciled closing balances to the asset register/s - reconciled the movements in note 7 to the asset register/s - reviewed methodology and supporting calculations for internally performed valuations - reviewed the basis for valuation used by external valuers - assessed the competence of external valuers (experts) in accordance with Australian Auditing Standards - performed analytical review of valuation reports to understand the drivers behind any significant changes in asset values - reviewed the fair value hierarchy disclosed in note 7 for each category of asset - reconciled the useful lives used to calculate the accumulated depreciation and depreciation for the period to revaluation reports - obtained an understanding of the currency of asset condition data, and methodologies used to collect this data - reviewed useful lives for different components in comparison to condition data, other local government entities, and industry standards - performed a recalculation of depreciation - reviewed 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 - reconciled 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) - reviewed the unit rates in comparison to other local government entities, and - assessed the adequacy of disclosures in the financial report.

2.2 Valuation of Land and Buildings

Why the matter is significant	Audit response
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 and purpose of the asset, the highest and best use of the asset, and potential restrictions to the disposal of these assets among other factors. 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. 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. 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). 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. The significant professional judgments used to estimate the value of buildings directly influence the calculation of annual depreciation expense for these assets. Councils building portfolio includes investment properties, which involve different valuation considerations including availability of market data and consideration of 'market' vs 'income' methodologies. Buildings have been revalued as at 30 June 2026 , with the previous valuation conducted during the reporting period ended 30 June 2021 and indexation not applied since.	Our audit included (where applicable) but is not limited to the following activities: ▪ reconciled closing balances to the asset register/s ▪ reconciled the movements in note 7 to the asset register/s ▪ reviewed the basis for valuation used by external valuers ▪ assessed the competence of external valuers (experts) in accordance with Australian Auditing Standards ▪ performed analytical review of valuation reports to understand the drivers behind any significant changes in asset values ▪ obtained an understanding of the currency of building condition data, and methodologies used to collect this data ▪ analysed 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 ▪ reconciled the useful lives used to calculate accumulated depreciation and depreciation expense for the period to the revaluation reports ▪ reviewed useful lives for different components in comparison to condition data, other local government entities, and industry standards ▪ performed a recalculation of depreciation, and ▪ assessed the adequacy of disclosures in the financial report.

2.3 Accounting treatment of capitalisation of assets

Why the matter is significant	Audit response
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 upgraded capital projects and \$67m in asset renewal. Due to the unique characteristics of Council's assets, a number of considerations are considered when an item of expenditure is capitalised, including: ▪ 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 ▪ inclusions and exclusions of costs at initial recognition of an asset in accordance with AASB 116, including internal salaries and wages ▪ treatment dismantling and removal costs and/or site restoration under AASB 137 ▪ borrowing costs to be capitalised into the cost of IPPE where the asset is a "qualifying asset" per AASB 123, and ▪ accounting for subsequent costs and defining the nature of these costs as being capital or maintenance expenditure. 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).	Our audit included but is not limited to the following activities: ▪ performed analytical procedures to define whether the amounts capitalised for the financial year were in line with our expectations and understanding of the council ▪ reviewed internal policies and controls in place for capitalisation of assets ▪ reviewed methodologies and supporting calculations for capitalisation of wages ▪ reviewed calculations for internal plant hire rates, including assessment of appropriateness and currency ▪ selected 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 ▪ reviewed 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 ▪ obtained an understanding of the process and controls for identifying and capitalising completed WIP projects, and ▪ reviewed the WIP schedule in order to identify projects that should have been capitalised but were not.

2.4 Revenue Recognition

Why the matter is significant	Audit response
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. 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.	Our audit included but is not limited to the following activities: ▪ performed analytical procedures to identify any variance that may represent a risk or incorrect application of AASB 15 and/or AASB 1058 ▪ reviewed a sample of grant agreements and assessing whether agreements contain sufficiently specific performance obligations ▪ evaluated the accounting policies used by Council to account for grants in accordance with AASB 15 and AAB 1058, and ▪ tested a sample of financial transactions for compliance with Australian Accounting Standards.

2.5 Management Override of Controls

Why the matter is significant	Audit response
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.	Our audit included but is not limited to the following activities: ▪ reviewed the appropriateness of journal entries recorded in the general ledger ▪ risk assessed all manual journals posted in the ledger using AI Assisted Audit Techniques to identify any high risk journals for further testing ▪ tested the effectiveness of controls over the posting and authorisation of journals ▪ reviewed 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) ▪ performed final analytical procedures to conclude as to whether the financial report is consistent with our understanding of the entity ▪ obtained written representation from Management, and ▪ reviewed key controls mitigating the risks of management override, including ○ IT access controls ○ fraud prevention and control framework ○ policy framework ○ delegations ○ oversight committees ○ independent review of key reports, including exception reports, reconciliations, audit trails of changes to master files, payroll and AP details.

2.6 Other High and Moderate Risk Areas

The other high and moderate risk areas described in this section are account balances and/or audit areas that are not subject to a high degree of professional judgement, however we assessed their inherent risks as being high or moderate due to the materiality of the account balances, the high volume of transactions involved and other reasons outlined below:

Account balance	Why the risk is High/Moderate	Overall audit response
Rates and charges	- largest revenue item - often used as a reference point for analysing expenditure decisions - politically sensitive - reputational risk involved if rates are raised incorrectly.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - comparison of total capital values from the VG report to the total capital value recorded in the rates system - reconciliation of the rates modelling to the rates system and to the general ledger - recalculation of rates for a sample of rate payers.
Employee costs	- one of the largest expense items - high volume of transactions / data – subject to error - errors impact individuals financially.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of employee files (contracts, awards, EBs) - inspection of timesheets - recalculation of a sample of individual payments.
Materials, Contracts & Other expenses	- one of the largest expense items - high volume of transactions, inherently higher risk of error - fraud risk area (procurement, payments and credit cards) - procurement and contracting are key focus areas for ICAC and the Auditor-General's Department.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of supporting documents (contracts, invoices, purchase orders, subsequent payments, etc) for a sample of expenses.
Cash and cash equivalents	- material balance - fraud risk - if there is any instance of errors and/or fraud it will be indicative of broader errors - poor attitude to cash controls may be indicative of overall culture related to the entity's controls environment - public money.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - bank confirmation - inspection of bank statements - verification of outstanding reconciling items - reperformance of bank reconciliations.
Trade and other payables	- one of the largest liabilities - material balance - opportunity for understatements - poor use of accrual basis of accounting may be indicative of poor culture related to financial reporting - payments represent an opportunity for fraud.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - reconciliation between subsidiary ledgers and the general ledger - inspection of subsequent payments for a sample of creditors - inspection of a sample of subsequent payments for completeness test.

Account balance	Why the risk is High/Moderate	Overall audit response
User charges (Parking fees / Off-Street Parking, Property lease income)	- One of the largest revenue items - Accuracy/timing/cut-off of income recognition reliant on appropriate integration of data from subsidiary systems - high volume of transactions / data – subject to error - commercial considerations - 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.	- walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - reconciliation between subsidiary ledgers and source systems to the general ledger - selection of a sample of transactions and inspection of supporting documents to verify the occurrence, accuracy and appropriate recognition of revenue.

2.7 Intended Opinion on the Financial Report

We have completed our final risk of material misstatements assessment and concluded that the audit procedures performed were sufficient to reduce the audit risk to an acceptable level. We have evaluated the results of our audit testing and determined that no further adjustments to the financial statements are required.

In our opinion, subject to the satisfactory completion of the items described in Section 1 of this report, ***the financial report prepared by Council in relation to City of Adelaide (the Company) and its subsidiaries (the Council) presents fairly***, in all material respects, the Council's financial position as at the end of the current financial year and its financial performance for the year ended on that date (refer to our proposed Independent Auditor's Report on the Financial Report included in Appendix 1 of this report).

3. Internal Controls Opinion and Recommendations

We have performed an extensive review of the Council's financial controls for the purpose of forming our control opinion as required by section 129 of the *Local Government Act 1999* based on council's obligations under s125 of that Act.

Our controls opinion is restricted per s129 of the Act to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively					2026 Findings			
		2030	2029	2028	2027	2026	H	M	L	BP
Fixed Assets	8	TBC*	TBC*	TBC*	TBC*	5	-	2	1	1
Purc & Procur/Contr	7	TBC*	TBC*	TBC*	TBC*	6	-	1	-	-
Payroll	7	TBC*	TBC*	TBC*	TBC*	4	-	2	1	2
User Pays Income	5	TBC*	TBC*	TBC*	TBC*	2	-	3	-	-
Grants	2	TBC*	TBC*	TBC*	TBC*	1	-	-	1	-
Credit cards	5	TBC*	TBC*	TBC*	TBC*	4	-	-	1	-
Banking	5	TBC*	TBC*	TBC*	TBC*	4	-	1	-	-
Receipting	2	TBC*	TBC*	TBC*	TBC*	1	-	-	1	-
Rates	8	TBC*	TBC*	TBC*	TBC*	8	-	-	-	-
General Ledger	8	TBC*	TBC*	TBC*	TBC*	8	-	-	-	-
Accounts Payable	8	TBC*	TBC*	TBC*	TBC*	8	-	-	-	-
Budgets	2	TBC*	TBC*	TBC*	TBC*	2	-	-	-	-
Debtors	5	TBC*	TBC*	TBC*	TBC*	5	-	-	-	-
Project costing	3	TBC*	TBC*	TBC*	TBC*	3	-	-	-	-
IT Gen Controls	17	TBC*	TBC*	TBC*	TBC*	11	-	6	-	-
Total	92					72	-	15	5	3

*TBC – To be confirmed in future audits for benchmarking and comparison purposes.

Overall, the Council demonstrated a **high level of compliance** with the implementation of an internal control framework consistent with the principles within the Better Practice Model.

During our interim audit visit we found that the majority of key internal controls reviewed were in place and were operating effectively (72 out of 92 core controls reviewed). Risks were rated based on an assessment of the risk of non-compliance with s125 of the *Local Government Act 1999* as described in Appendix 3 – Risk Ratings.

An interim audit management letter was issued and presented to the audit & risk committee containing our overall assessment of the council's internal controls and all the controls weaknesses identified during our review of the Council's financial controls.

In our opinion, subject to the satisfactory completion of the items described in section 1 of this report, **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.

4. Immaterial Uncorrected Misstatements

There are no immaterial uncorrected misstatements to report. All misstatements identified during our audit have been adjusted in the financial report.

5. Final Management Letter

We have identified the following additional performance improvement observations when performing our substantive procedures during our final audit:

		Risk
5.1 Delays in year-end financial reporting and audit readiness		Moderate
Finding	The final audit visit for the 2025/26 financial year was scheduled for the week commencing 17 August 2026, with the timing determined by Council in advance of the year-end audit process. Council determined the dates of the final audit visit without prior consultation with auditors. At the commencement of the final audit visit, Council had not finalised its asset register nor a complete draft financial report ready for audit. Delays were predominantly due to Council experiencing difficulties in reconciling its stormwater assets. During the financial year, Asset Management staff undertook verification procedures of these assets which resulted in some data cleansing in the asset register to ensure that the asset attributes recorded in the register appropriately reflected the physical characteristics of the underlying assets. The processing of some amendments inadvertently caused issues with processing indexation of stormwater assets in the asset register. As a result, the asset register and associated financial statement balances were still being finalised during and following the scheduled audit visit. Consequently, the auditors were unable to perform all planned final audit procedures during the scheduled visit and additional work was subsequently required by both Council's finance team and the audit team to finalise the audit within the statutory reporting timeframe. Similar year-end asset management challenges were identified in the prior year. The 2024/25 External Audit Completion Report noted delays in the capitalisation of projects due to insufficient availability of as-constructed drawings and identified that the manual capitalisation process was lengthy and complex. This also resulted in significant additional effort by both Council's finance team and the audit team. While the underlying asset issues differed between the two financial years, the recurring difficulties indicate an opportunity to strengthen Council's year-end planning and audit readiness processes, particularly in relation to the finalisation of asset information and the timing of the final audit visit.	
Risk	Delays in finalising the asset register and draft financial reports results in an inefficient audit process, additional effort for both Council and the audit team, and increased pressure on meeting statutory reporting deadlines.	

Recommendation	We recommend that Council strengthen its year-end financial reporting and audit planning process by: - establishing realistic internal deadlines for finalising the asset register, including asset verification, capitalisation, reconciliation, indexation and other valuation adjustments, allowing a margin of error taking into account the difficulties experienced in both the current and prior financial years; - ensuring that a substantially complete draft financial report and supporting working papers are available before the commencement of the final audit visit; and - consulting with the external auditors when determining the timing of the final audit visit, to ensure that the timing reflects Council's expected financial reporting readiness and allows the audit to be completed efficiently.
----------------	---

	Risk
5.2. Employees with excessive annual leave balances	Low
Finding	Audit identified 72 employees with annual leave balances in excess of 300 hours (approximately 2 years of entitlement).
Risk	Leave balances exceeding the allowable balances under the relevant EB. Staff not taking leave has financial implications as leave is paid at higher rates than it was accrued, and may lead to health, safety and welfare issues. Regular taking of leave also acts as a fraud prevention control.
Recommendation	Implement strategies to systematically reduce excessive leave balances, and prevent employees from accumulating excessive balances.

Risks were rated based on an assessment of the risk of non-compliance with s125 of the Local Government Act 1999 as described in Appendix 3 – Risk Ratings.

Appendix 1 – Proposed 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 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 enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Date:

Appendix 2 – Proposed Independent Auditor’s Report on the Internal Controls

Independent Assurance Report on the Internal Controls of City of Adelaide

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.

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 Muhlhausler CA Registered Company Auditor
Partner

Date:

Appendix 3 – Proposed Independent Auditor’s Reports on the Financial Reports of Council’s subsidiaries

To the members of Adelaide Central Market Authority

Opinion

We have audited the accompanying financial report of Adelaide Central Market Authority (the Authority), 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, notes comprising a summary of significant accounting policies and other explanatory information, and the Certification of Financial Statements.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2026, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *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 Authority 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility for the Financial Report

The Authority 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 the Authority determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority is responsible for assessing the Authority’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 the Authority either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority’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 misstatements, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level 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 decision 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 risk 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, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 the Authority'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 Authority's ability 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

Date:

To the members of Adelaide Park Lands Authority**Opinion**

We have audited the accompanying financial report of Adelaide Park Lands Authority (the Authority), 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, notes comprising a summary of significant accounting policies and other explanatory information, and the Certification of Financial Statements.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2026, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *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 Authority 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility for the Financial Report

The Authority 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 the Authority determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority is responsible for assessing the Authority'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 the Authority either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority'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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 decision 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 risk 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, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 the Authority'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 Authority's ability 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

Date:

To the members of Adelaide Economic Development Agency**Opinion**

We have audited the accompanying financial report of Adelaide Economic Development Agency (the Agency), 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, notes comprising a summary of significant accounting policies and other explanatory information, and the Certification of Financial Statements.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Agency as at 30 June 2026, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *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 Agency 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility for the Financial Report

The Agency 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 the Agency determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Agency is responsible for assessing the Agency'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 the Agency either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Agency'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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 decision 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 risk 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, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 the Agency'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 Agency's ability 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

Date:

Appendix 4 – Risk Ratings

The audit findings identified during our interim audit documented in our interim management letter and in section 3 of this report were rated as follows:

Category	Description
Potential Material Weaknesses	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.
Moderate Weaknesses	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.
Low Risk Weaknesses	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.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

2025/26 Financial Statements

Strategic Alignment - Our Corporation

Public

**Wednesday, 23 September
2026**

Audit and Risk Committee

Program Contact:

Mitch Woods, Associate Director
Finance & Procurement

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

The purpose of this report is to consider and approve the Audited Financial Statements of Council for the year ended 30 June 2026 for certification.

As required by the *Local Government (Financial Management) Regulations 2026* (SA), the Annual Financial Statements of Council must include a statement signed by the Chief Executive Officer and the Principal Member of Council.

The Consolidated Financial Statements present an overall surplus result of \$9.205 million, an improvement of \$0.664 million compared to the budget of \$8.541 million approved at Q3.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Receives the City of Adelaide's Consolidated Financial Statements for the year ended 30 June 2026, as contained in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026, subject to minor administrative changes and subsequent balance date event adjustments, to be certified by the Chief Executive Officer and the Lord Mayor.
2. Considers that the Consolidated Financial Statements present fairly the financial position of the City of Adelaide, having reviewed the Consolidated Financial Statements for the year ended 30 June 2026, as contained in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026.
3. Considers it is appropriate that the representation letter requested by the external auditor, as contained in Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026, is signed by management.
4. Notes the Certification of Auditor Independence for the City of Adelaide and its subsidiaries as contained in Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026 is considered by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
5. Authorises the Chief Executive Officer and the Lord Mayor to certify the Annual Financial Statements in their final form.
6. Notes the Adelaide Central Market Authority Financial Statements for the year ended 30 June 2026, as contained in Attachment D to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026, have been reviewed by the Adelaide Central Market Authority Board outside of a formal Board meeting as they were provided through electronic distribution on 7 September 2026. These financial results are included in the Consolidated Financial Statements of the City of Adelaide, and

- 6.1. Considers the Financial Statements for the year ended 30 June 2026 fairly present the financial position of the Adelaide Central Market Authority.
- 6.2. Notes the representation letter requested by the external auditor of the Adelaide Central Market Authority, as contained in Attachment E to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026, is signed by management.
7. Notes the Adelaide Economic Development Agency Financial Statements for the year ended 30 June 2026, as contained in Attachment F to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026, have been reviewed by the Adelaide Economic Development Agency Board at its meeting on 16 September 2026. These financial results are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 7.1. Considers the Financial Statements for the year ended 30 June 2026 fairly present the financial position of the Adelaide Economic Development Agency.
 - 7.2. Notes the representation letter requested by the external auditor of the Adelaide Economic Development Agency, as contained in Attachment G to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026, is signed by management.
8. Notes the Kadaltilla / Adelaide Park Lands Authority Financial Statements for the year ended 30 June 2026, as contained in Attachment H to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026, are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 8.1. Considers the Financial Statements for the year ended 30 June 2026 present fairly the financial position of the Kadaltilla / Adelaide Park Lands Authority and can be certified by the Lord Mayor as Chair of Adelaide Park Lands Authority.
 - 8.2. Considers it is appropriate that the representation letter requested by the external auditor of the Kadaltilla / Adelaide Park Lands Authority, as contained in Attachment I to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026, to be signed by management.
9. Notes the audited Brown Hill and Keswick Creeks Storm Water Board's Financial Statements for the year ended 30 June 2026 as contained in Attachment J to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026. Council's equity interest of 8% is included in the Consolidated Financial Statements of the City of Adelaide.
10. Recommends the 2025/26 Consolidated Financial Statements of the City of Adelaide, and the Financial Statements of the Adelaide Economic Development Agency, Kadaltilla / Adelaide Park Lands Authority, Adelaide Central Market Authority and Brown Hill and Keswick Creeks Stormwater Board be presented to Council for noting on 13 October 2026 and included in the adopted Annual Report.
11. Notes the 2025/26 Report on the financial results for the City of Adelaide and its subsidiaries, as contained in Attachments K, L, M and N to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024–2028 Strategic Plan	Strategic Alignment – Our Corporation External audit supports responsible financial management and reporting, strengthening the City's financial sustainability.
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	<i>Local Government Act 1999 (SA) and the Local Government (Financial Management) Regulations 2026 (SA)</i>
Opportunities	Not as a result of this report
26/27 Budget Allocation	Not as a result of this report
Proposed 27/28 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
26/27 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. The Consolidated Financial Statements for the year ended 30 June 2026 have been prepared in accordance with the *Local Government Act 1999* (SA) (the Act) and the *Local Government (Financial Management) Regulations 2011* (SA) (the Regulations) and all applicable Australian Accounting Standards. The format used in these statements is prescribed by legislation to be in accordance with the Model Financial Statements, approved by the Minister for Local Government in June 2026.
2. As per the Regulations, the Financial Statements of Council must include a statement signed by the Chief Executive Officer and the Principal Member of Council. By the Audit and Risk Committee adopting Recommendation 5 above, the Chief Executive Officer and the Lord Mayor will have been authorised by Council to certify the Annual Financial Statements in their final form.
3. The role of the external auditor is to provide an audit opinion to Council with respect to the audited financial statements. The external auditor, Galpins, has completed the audit of the financial statements and in their report on matters arising from the audit (Audit Completion Report) has provided audit clearance for the Consolidated Financial Statements as part of a separate report to the Audit and Risk Committee.
4. Audit clearance is subject to Galpins conducting a subsequent event review up to the date of signing of the Consolidated Financial Statements of the Corporation together with the required Letter of Representation being signed by the relevant parties, subsequent to the Audit and Risk Committee meeting on 23 September 2026.

Consolidated Financial Statements

5. The statutory Consolidated Financial Statements of the Corporation, prepared in accordance with the Regulations and the relevant Australian Accounting Standards (AASB), have been completed for the 2025/26 year (**Attachment A**).
6. The Consolidated Financial Statements comprise the following:
 - 6.1. Council Certification
 - 6.2. Statement of Comprehensive Income
 - 6.3. Statement of Financial Position
 - 6.4. Statement of Changes in Equity
 - 6.5. Statement of Cash Flows
 - 6.6. Notes to and forming part of the Financial Statements
 - 6.7. Independent Audit Report
 - 6.8. In addition, the Financial Statements are required to be accompanied by the Certification Statement of Independence of the City of Adelaide (CoA) Auditor by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee, as well as the Audit Certificate of Audit Independence.

Statement of Comprehensive Income

7. Council recorded an operating surplus of \$9.205 million for 2025/26 compared with an operating surplus of \$9.475 million in 2024/25. While the result is marginally lower than the previous year, it demonstrates Council's continued ability to fund operations from recurring revenue sources despite cost escalation pressures across labour, contracts, asset maintenance and financing costs.
8. Total operating income increased by \$16.1 million (6.6%) to \$259.3 million, reflecting continued growth in Council's revenue base. Key movements include:
 - 8.1. Rates related revenue increased by \$10.7 million (7.4%) to \$154.8 million. The increase reflects annual rate growth, growth from new developments and additional penalty income associated with overdue rates. Rates remain Council's largest and most stable source of revenue, comprising approximately 60% of operating income.
 - 8.2. Statutory charges increased by \$0.9 million (5.2%) to \$18.1 million, primarily driven by increased parking expiation revenue. This reflects ongoing recovery in city activity levels and parking demand.
 - 8.3. User charges increased by \$4.6 million (6.4%) to \$76.0 million. The increase was primarily driven by stronger performance across the UPark portfolio, property leasing activities and Town Hall operations.
9. Total operating expenditure increased by \$16.4 million (7.0%) to \$250.1 million. The primary drivers were employee costs, contract expenditure, depreciation and financing costs.

- 9.1. Employee costs increased by \$6.3 million (7.9%) to \$86.4 million. This increase reflects higher staffing levels compared to 2024/25, annual salary and superannuation increases, growth in employee leave provisions and the continued investment in organisational capability required to deliver Council services and strategic priorities. FTE increased from 627 to 676 during the year, as a result of lower turnover and filling vacancies.
- 9.2. Materials, contracts and other expenses increased by \$7.6 million (8.2%) to \$99.8 million. Major contributors included increases in contractor expenditure, professional services, subscriptions, insurance, catering, waste services and legal costs. These increases are consistent with broader inflationary pressures and the delivery of additional service and project commitments during the year.
- 9.3. Depreciation and impairment expense increased by \$1.1 million to \$61.5 million. The increase reflects continued capital investment and the resulting growth in Council's infrastructure asset base. A significant reduction in impairment expense occurred compared with the prior year, with only \$0.1 million recognised in 2025/26 compared with \$1.8 million in 2024/25.
- 9.4. Finance costs increased by \$1.4 million to \$2.5 million. The increase reflects the full-year impact of lease accounting obligations and financing arrangements associated with Council's infrastructure and property portfolio.
10. While Council recorded an operating surplus of \$9.2 million, the net accounting result was a \$44.8 million deficit, compared with a \$3.9 million surplus in 2024/25. This was mainly due to non-cash asset disposal losses of \$58.4 million from asset transfers and disposals, rather than Council's underlying operating performance. The statutory accounting result includes valuation movements, asset disposals and other accounting adjustments that do not directly affect Council's cash position or service delivery capacity. For this reason, the operating surplus remains the more useful measure of Council's underlying financial performance.

Statement of Financial Position

11. Total assets increased by \$162.1 million (7.2%) to \$2.411 billion. The increase was primarily attributable to asset revaluations and ongoing investment in infrastructure, property, plant and equipment. Infrastructure, property, plant and equipment increased by \$206.8 million to \$2.317 billion following annual revaluations and capital expenditure of approximately \$89.4 million.
12. Receivables reduced by \$3.8 million, reflecting improved collections and timing differences at year end. Cash balances reduced by \$1.0 million as Council continued to reinvest operating cash flows into its capital program and debt reduction initiatives.
13. Total liabilities decreased by \$10.5 million (7.6%) to \$128.8 million. This was largely driven by a reduction in borrowings from \$23.8 million to \$9.6 million following significant loan repayments during the year.
14. Lease liabilities reduced by \$2.2 million, while trade and other payables increased by \$4.6 million, reflecting timing of payments and accruals at year end. Employee provisions increased by \$1.3 million, consistent with workforce growth.
15. As a result of the movements outlined above, total net assets increased by \$172.6 million to \$2.282 billion. This reflects the continued strengthening of Council's balance sheet and growth in community assets under Council's stewardship.

Statement of Changes in Equity

16. Total equity increased by \$172.6 million during the year to \$2.282 billion. The increase was predominantly driven by infrastructure and property revaluation increments of \$214.7 million recorded within the Asset Revaluation Reserve. These increases were partially offset by the accounting deficit recognised in the Statement of Comprehensive Income and transfers to the Future Fund Reserve.
17. The Asset Revaluation Reserve increased to \$1.502 billion, while the Future Fund Reserve increased from \$14.4 million to \$31.9 million following proceeds received from the sale of surplus assets.

Statement of Cash Flows

18. Council generated strong operating cash inflows of \$81.9 million during 2025/26, an increase of \$7.2 million from the prior year. This reflects the strength of Council's underlying operating position and its ability to generate cash to fund service delivery and asset renewal.
19. Council invested \$85.7 million in capital works and asset investment activities during the year, supporting the renewal and enhancement of community infrastructure. Investment activities were partially offset by proceeds from asset disposals and external funding contributions. The net cash outflow on investing activities was \$62.7 million.

20. Financing activities resulted in a net cash outflow of \$20.3 million, reflecting the repayment of borrowings and lease obligations. Council repaid almost \$75.0 million in loans during the year while drawing new borrowings of \$60.8 million, resulting in a net reduction in debt of \$14.2 million.

Financial Indicators

21. Council continues to demonstrate sound financial sustainability across the key Local Government financial indicators.
- 21.1. Operating Surplus Ratio of 3.5% (2024/25: 3.9%), indicating operating revenues continue to exceed operating expenses.
- 21.2. Net Financial Liabilities Ratio improved to 39% from 44%, reflecting the reduction in borrowings and strengthening of Council's balance sheet.
- 21.3. Asset Renewal Funding Ratio improved to 94% from 85%, demonstrating continued investment in renewal of existing infrastructure assets.
22. Collectively, these indicators demonstrate that Council remains financially sustainable, maintains manageable debt levels and continues to invest in the renewal and replacement of community assets.

Preliminary End of Year vs End of Year Final Position

23. At the time the preliminary results were reported, several estimates and outstanding items remained subject to finalisation. Following completion of the audit, these items have now been finalised.
24. The preliminary end-of-year position was an estimated operating surplus of \$8.769 million. The final operating surplus is \$9.205 million, representing a favourable variance of \$0.436 million, or approximately 5%. Key movements include:
- 24.1. Operating Revenue has increased by \$1.222 million, primarily due to the finalisation of the outdoor advertising revenue share calculation under the contract (\$0.768 million), reimbursement of North Adelaide Public Golf Course operations (\$0.219 million), and reconciliation of developer contributions recognised through the tree development fund (\$0.235 million). Other minor adjustments were individually immaterial
- 24.2. Operating Expenditure has increased by \$0.768 million, mainly due to a correction to the Waste Services accrual (\$0.505 million), an adjustment to employee provisions (\$0.107 million), and an increase in the provision for doubtful debts (\$0.097 million). Other movements of \$0.059 million were individually immaterial
- 24.3. Overall, the final audited position remains favourable compared with the preliminary result.

Representation letter requested by the External Auditor

25. As per the Audit and Risk Committee's Terms of Reference, it is recommended that the Audit and Risk Committee review any representation letter(s) requested by the external auditor before they are signed by management. The copy of the representation letter required by the external auditors, Galpins, is included as **Attachment B**.
26. The presentation of this representation letter is standard practice of any audit and provides the auditor confirmation from management, that, amongst other matters, accounting standards have been consistently applied, that all matters that need to be disclosed have been so disclosed and that the valuation of assets has been consistently applied. It is planned that this representation letter be signed by relevant parties, following approval of the Audit and Risk Committee, subsequent to the meeting on 23 September 2026.

Certification Statement of Independence of Council Auditor

27. Section 21(2) of the Regulations requires the Council's Chief Executive Officer and the Presiding Member of the Audit and Risk Committee to provide a statement, on an annual basis, that the council auditor is independent of the Council for the relevant financial year (**Attachment A**).
28. Section 22(5) of the Regulations requires the auditor of a Council to provide a written statement attesting to their independence. Council's Auditor, Galpins, have provided a statement of Audit Independence in the Audit Completion Report, as prescribed in the Regulations (**Attachment C**).

Adelaide Central Market Authority

29. The Adelaide Central Market Authority (ACMA) was formed as a subsidiary of the CoA in May 2012 with CoA holding a 100% equity share. The ACMA Charter was updated and approved by Council, effective from the 12 October 2023 gazettal date.

30. The 2025/26 Financial Statements for ACMA (**Attachment D**) reflect a net operating deficit of \$1.352 million, impacted by costs preparing for the Market expansion. This has been accounted for in the Consolidated Financial Statements of the Corporation for 2025/26. The underlying operating position of the existing market has generated an operating surplus of \$0.131 million in 2025/26.
31. An equity contribution of \$1.352 million has been provided by the City of Adelaide to continue to support ACMA through the Market Expansion Preparedness process.
32. The preliminary 2025/26 financial results for ACMA were reviewed by the ACMA Board at its meeting on 20 August 2026.
33. Given the requirements of the Act and the terms of reference of the Audit and Risk Committee, it is appropriate for the Audit and Risk Committee to recommend that the Annual Financial Statements of ACMA together with any Letter of Representation be signed by the relevant parties.
34. Section 22(3) of the Regulations requires the Council's Chief Executive Officer and the Presiding Member of the Audit and Risk Committee to provide an annual statement, that the Auditor is independent of ACMA for the relevant financial year (**Attachment D**).
35. As per the Audit and Risk Committee's Terms of Reference, it is recommended that the Audit and Risk Committee review any representation letter(s) requested by the external auditor before they are signed by management. The copy of the representation letter required by the external auditors, Galpins is included (**Attachment E**).

Adelaide Economic Development Agency

36. The Adelaide Economic Development Agency (AEDA) was enacted on 18 January 2021 as a subsidiary of Council with the role of promoting the Rundle Mall and the function of economic development and business support on behalf of the CoA. The AEDA Charter was updated and approved by Council which took effect from the 30 November 2023 gazettal date.
37. The 2025/26 Financial Statements for AEDA (**Attachment F**) reflect a net operating surplus of \$0.245 million, as a result of the underspend in the Rundle Mall revenue generated through the separate rate and user charges. This has been accounted for in the Consolidated Financial Statements of the Corporation for 2025/26.
38. The 2025/26 Financial Statements for AEDA were reviewed by the AEDA Board at its meeting on 16 September 2026.
39. Given the requirements of the Act and the terms of reference of the Audit and Risk Committee, it is appropriate for the Audit and Risk Committee to recommend that the Annual Financial Statements of AEDA together with any Letter of Representation be signed by the relevant parties.
40. Section 22(3) of the Regulations requires the Council's Chief Executive Officer and the Presiding Member of the Audit and Risk Committee to provide an annual statement, that the Auditor is independent of AEDA for the relevant financial year (**Attachment F**).
41. As per the Audit and Risk Committee's Terms of Reference, it is recommended that the Audit and Risk Committee review any representation letter(s) requested by the external auditor before they are signed by management. The copy of the representation letter required by the external auditors, Galpins is included (**Attachment G**).

Kadaltilla / Adelaide Park Lands Authority

42. The Adelaide Park Lands Authority (APLA) was enacted on 14 December 2006 as a subsidiary of Council with its primary role of providing policy and advice to Council and the State Government regarding the management of the Park Lands. The Kadaltilla Charter (formerly APLA) was updated and approved by Council taking effect from the 11 May 2023 gazettal date.
43. The 2025/26 Financial Statements for APLA (**Attachment H**) reflect a nil net surplus for the year. This has been accounted for in the Consolidated Financial Statements of the Corporation for 2025/26.
44. The 2025/26 Financial Statements for APLA will be forwarded to the Minister for Climate, Environment and Water, following review of the Financial Statements by the Audit and Risk Committee at its meeting on 23 September 2026 as part of APLA's Annual Report.
45. Given the requirements of the Act and the terms of reference of the Audit and Risk Committee, it is appropriate for the Audit and Risk Committee to recommend that the Annual Financial Statements of APLA together with any Letter of Representation be signed by the relevant parties.
46. As per the Audit and Risk Committee's Terms of Reference, it is recommended that the Audit and Risk Committee review any representation letter(s) requested by the external auditor before they are signed by

management. The copy of the representation letter required by the external auditors Galpins is attached (**Attachment I**).

47. Section 22(3) of the Regulations requires the Council's Chief Executive Officer and the Presiding Member of the Audit and Risk Committee to provide an annual statement that the APLA Auditor is independent of APLA for the relevant financial year (**Attachment H**).

Brown Hill Keswick Creeks Storm Water Board

48. Brown Hill and Keswick Creeks Storm Water Board is a regional subsidiary under section 43 and schedule 2 of the Act and given that CoA is a constituent Council it is a subsidiary of the CoA under the Act.
49. Brown Hill and Keswick Creeks Storm Water Board was established by several constituent councils, comprising the Cities of Adelaide, Burnside, Mitcham, Unley, and West Torrens. Its Charter was endorsed by The South Australian Government and gazetted on 27 February 2018. The CoA's equitable interest is 8.0%; its annual contribution is 8.0% of a 50% capital works contribution (with the remaining 50% funded by the Stormwater Management Board) and 20.0% of operating expenditure of the Regional Subsidiary.
50. The 2025/26 Financial Statements for the Brown Hill and Keswick Creeks Storm Water Board (**Attachment J**) reflect an operating deficit of \$0.100 million for the year. The CoA's share of the operating deficit is \$0.008 million, and this has been accounted for in the Consolidated Financial Statements along with the recognition of a capital contribution of \$0.320 million.

Internal Financial Controls

51. As per the Act, section 129(1) (b), the external auditor of Council must undertake an audit of the financial controls exercised by the Council during the relevant financial year in relation to revenue, expenditure, assets, and liabilities. The auditor must provide an audit opinion on related internal financial controls to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with the Australian Accounting Standards.
52. In forming an opinion under section 129(3) (a), the auditor must give due consideration to the adequacy of the Council's policies, practices, and procedures of internal control under section 125 of the Act. The Council must ensure that appropriate measures are taken to implement and maintain the internal controls in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives.

Summary of Financial Results

53. Regulation 10 of the *Local Government (Financial Management) Regulations 2026* (SA) requires a separate report on financial results to be presented to Council, including the audited financial results for the previous financial year compared with the estimated financial results set out in the budget. These must be presented in a manner consistent with the Model Financial Statements.
54. The report on the financial results comparing the audited financial results for the CoA and its subsidiaries for the 2025/26 financial year with the estimated financial results set out in the 2025/26 budget are contained in **Attachments K, L, M and N**.

Other Items

55. It is considered that the Consolidated Financial Statements give a true and fair view of the Corporation of the CoA's financial position as at 30 June 2026.
56. Following delivery of the external auditor Galpins' final Audit Completion Report, discussions with the Auditors without management present and review of the Annual Financial Statements, it is considered appropriate for the Audit and Risk Committee to recommend that the Consolidated Financial Statements together with any Letter of Representation be signed by the relevant parties.
57. In addition, it is proposed that the Audit and Risk Committee recommends the presentation of the Consolidated Financial Statements of the CoA, Financial Statements of the Adelaide Central Market Authority, the Adelaide Economic Development Agency, the Adelaide Park Lands Authority, and the Brown Hill and Keswick Creeks Storm Water Board to Council on 13 October 2026.

ATTACHMENTS

Attachment A – Audited Financial Statements CoA 2025/26

Attachment B – Audit Representation Letter CoA 2025/26

Attachment C – Certification of Auditor Independence CoA 2025/26

Audit and Risk Committee – Agenda - Wednesday, 23 September 2026

Attachment D – Audited Financial Statements ACMA 2025/26

Attachment E – Audit Representation Letter ACMA 2025/26

Attachment F – Audited Financial Statements AEDA 2025/26

Attachment G – Audit Representation Letter AEDA 2025/26

Attachment H – Audited Financial Statements APLA 2025/26

Attachment I – Audit Representation Letter APLA 2025/26

Attachment J – Audited Financial Statements Brownhill & Keswick Creeks Stormwater Board 2025/26

Attachment K – 2025/26 Report on financial results for City of Adelaide

Attachment L – 2025/26 Report on financial results for Adelaide Central Market Authority

Attachment M – 2025/26 Report on financial results for Adelaide Economic Development Agency

Attachment N – 2025/26 Report on financial results for Adelaide Park Lands Authority

- END OF REPORT -

City of Adelaide

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2026

Our Adelaide. Bold. Aspirational. Innovative.



Contents	Page
Council certificate	2
Principal Financial Statements	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to and forming part of the Financial Statements	7
Independent Auditor's Report – Financial Statements	54
Independent Auditor's Report – Internal Controls	55
Certificates of Audit Independence	
Council Certificate of Audit Independence	56
Audit Certificate of Audit Independence	57

General Purpose Financial Statements
for the year ended 30 June 2026

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2026 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

George Anthony Spotalis
Acting Chief Executive Officer

dd MMMM yyyy

Dr Jane Lomax-Smith
Lord Mayor

dd MMMM yyyy

Statement of Comprehensive Income

for the year ended 30 June 2026

\$ '000	Notes	2026	2025
Income			
Rates	4a	154,817	144,084
Statutory charges	4b	18,083	17,193
User charges	4c	75,966	71,385
Grants, subsidies and contributions - operating	4g	5,539	6,801
Grants, subsidies and contributions - capital	4g	1,201	19
Investment income	4d	504	1,048
Reimbursements	4e	1,747	1,659
Other income	4f	1,469	988
Net gain - equity accounted council businesses	17(a)	—	13
Total income		259,326	243,190
Expenses			
Employee costs	5a	86,357	80,062
Materials, contracts and other expenses	5b	99,809	92,246
Depreciation, amortisation and impairment	5c	61,464	60,332
Finance costs	5d	2,483	1,075
Net loss - equity accounted council businesses	17(a)	8	—
Total expenses		250,121	233,715
Operating surplus / (deficit)		9,205	9,475
Physical resources received free of charge	4i	651	1,262
Amounts received specifically for new or upgraded assets	4g	3,719	4,703
Asset disposal and fair value adjustments	6	(58,423)	(11,547)
Net surplus / (deficit)		(44,848)	3,893
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	11a	214,726	124,105
Share of comprehensive income - equity accounted council businesses	17(a)i	15	666
Impairment (expense) / recoupments offset to asset revaluation reserve	11a	2,734	(11,424)
Total amounts which will not be reclassified subsequently to operating result		217,475	113,347
Total other comprehensive income		217,475	113,347
Total comprehensive income		172,627	117,240

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2026

\$ '000	Notes	2026	2025
ASSETS			
Current assets			
Cash and cash equivalent assets	7a	1,276	2,288
Trade and other receivables	7b	26,047	29,860
Other financial assets	7c	100	60
Inventories	7d	642	749
Other current assets	7e	—	45,500
Non-current assets held for sale	18	9,464	—
Total current assets		37,529	78,457
Non-current assets			
Trade and other receivables	8a	750	752
Equity accounted investments in council businesses	8b	5,392	5,065
Other non-current assets	8c	121	87
Infrastructure, property, plant and equipment	9	2,317,331	2,110,497
Investment property	9	3,255	4,705
Right of use assets	15a	46,483	49,208
Total non-current assets		2,373,332	2,170,314
TOTAL ASSETS		2,410,861	2,248,771
LIABILITIES			
Current liabilities			
Trade and other payables	10a	37,641	32,916
Lease liabilities	15b	2,700	3,314
Provisions	10c	14,553	13,877
Total current liabilities		54,894	50,107
Non-current liabilities			
Trade and other payables	10a	15,895	16,063
Borrowings	10b	9,600	23,820
Lease liabilities	15b	45,643	47,252
Provisions	10c	2,749	2,076
Total non-current liabilities		73,887	89,211
TOTAL LIABILITIES		128,781	139,318
Net assets		2,282,080	2,109,453
EQUITY			
Accumulated surplus		747,867	810,417
Asset revaluation reserves	11a	1,502,264	1,284,676
Other reserves	11b	31,949	14,360
Total equity		2,282,080	2,109,453

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2026

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2026					
Balance at the end of previous reporting period		810,417	1,284,676	14,360	2,109,453
Net surplus / (deficit) for year		(44,848)	—	—	(44,848)
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	9a	—	214,726	—	214,726
- IPP&E impairment (expense) / recoupments offset to asset revaluation reserve	9a(i)	—	2,734	—	2,734
- Share of OCI - equity accounted council businesses		(113)	128	—	15
Other comprehensive income		(113)	217,588	—	217,475
Total comprehensive income		(44,961)	217,588	—	172,627
Transfers between reserves		(17,589)	—	17,589	—
Balance at the end of period		747,867	1,502,264	31,949	2,282,080
2025					
Balance at the end of previous reporting period		783,588	1,171,995	36,630	1,992,213
Restated opening balance		783,588	1,171,995	36,630	1,992,213
Net surplus / (deficit) for year		3,893	—	—	3,893
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	9a	—	124,105	—	124,105
- IPP&E impairment (expense) / recoupments offset to asset revaluation reserve	9a(i)	—	(11,424)	—	(11,424)
- Share of OCI - equity accounted council businesses		666	—	—	666
Other comprehensive income		666	112,681	—	113,347
Total comprehensive income		4,559	112,681	—	117,240
Transfers between reserves		22,270	—	(22,270)	—
Balance at the end of period		810,417	1,284,676	14,360	2,109,453

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2026

\$ '000	Notes	2026	2025
Cash flows from operating activities			
<u>Receipts</u>			
Rates receipts		155,451	141,984
Statutory charges		17,538	17,193
User charges		90,378	78,524
Grants, subsidies and contributions		1,865	7,438
Investment receipts		400	1,048
Reimbursements		1,543	1,825
Other receipts		9,990	10,114
<u>Payments</u>			
Finance payments		(309)	(71)
Payments to employees		(83,444)	(79,266)
Payments for materials, contracts and other expenses		(111,465)	(104,011)
Net cash provided by (or used in) operating activities	12b	81,947	74,778
Cash flows from investing activities			
<u>Receipts</u>			
Grants utilised for capital purposes		1,200	20
Amounts received specifically for new or upgraded assets		3,169	6,360
Sale of replaced assets		191	603
Sale of surplus assets		18,500	3
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(68,356)	(51,655)
Expenditure on new/upgraded assets		(17,038)	(47,059)
Capital contributed to equity accounted Council businesses		(320)	(320)
Net cash provided (or used in) investing activities		(62,654)	(92,048)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from borrowings		60,777	53,221
Proceeds from bonds and deposits		162	148
<u>Payments</u>			
Repayments of borrowings		(74,997)	(29,401)
Repayment of lease liabilities		(6,247)	(6,487)
Net cash provided by (or used in) financing activities		(20,305)	17,481
Net increase (decrease) in cash held		(1,012)	211
plus: cash & cash equivalents at beginning of period		2,288	2,077
Cash and cash equivalents held at end of period	12a	1,276	2,288

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Material Accounting Policy Information	8
2	Financial indicators	16
3	Uniform presentation of finances	18
4	Income	19
5	Expenses	23
6	Asset disposal and fair value adjustments	26
7	Current assets	27
8	Non-current assets	28
9	Infrastructure, property, plant & equipment and investment property	
10	Liabilities	36
11	Reserves	37
12	Reconciliation to Statement of Cash Flows	38
13	Financial instruments	40
14	Capital expenditure and investment property commitments	43
15	Leases	44
16	Superannuation	46
17(a)	Interests in other entities	47
17(b)	Controlled entities	48
18	Non-current assets held for sale and discontinued operations	50
19	Contingencies & Assets / Liabilities Not Recognised in the Statement of Financial Position	50
20	Events after the Reporting Date	51
21	Related party transactions	51
	Additional Council disclosures (unaudited)	
22	Capital City Development and Economic Development (Unaudited)	53

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policy Information

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 23 September 2026.

1.2 Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

1.4 Estimates and assumptions

There are no material estimates or assumptions made in these financial statements that would impact the users understanding of the financial position of Council.

(2) The local government reporting entity

The City of Adelaide is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 25 Pirie Street, Adelaide. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

1. Adelaide Central Market Authority
2. Adelaide Economic Development Agency
3. Adelaide Park Lands Authority

Other entities in which Council has an interest but does not control are reported in Note 17.

(3) Income recognition

Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities (AASB 1058)* or *AASB 15 Revenue from Contracts with Customers (AASB 15)* when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when Council enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policy Information (continued)

asset has been received to enable Council to acquire or construct a recognisable non-financial asset that is to be controlled by Council. In this case, Council recognises the excess as a liability that is recognised over time in surplus and deficit when (or as) the entity satisfies its obligations under the transfer.

Rates and utility charges

Rates and utility charges are recognised as revenue when Council obtains control over these receipts which is the beginning of the rating period to which they relate. Prepaid rates and utility charges are recognised as a financial liability until the beginning of the rating period. Discounts given and rebates are recognised in the same period as the rates and utility charges to which they relate.

Fee & statutory charges

Revenue arising from fees and charges is recognised at a point in time when the performance obligation is completed, and the customer receives the benefits of the goods/services being provided.

Licences and permits granted by Council are either short-term or low value. Revenue is recognised at the time the licence or permit is granted.

Leases in which Council does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature. Contingent rents are recognised as revenue in the period in which they are earned.

Expiations

Expiation fees are recognised as income when control over the expiation fee is obtained. Accordingly, uncollected expiation fees are not recognised as income until payment is received. This recognises that Council does not have control over the assets comprising the expiation fees until payment is received or awarded to Council by the judicial system.

Grant income

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any remaining asset value at the time that the asset is received.

Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Physical assets contributed to Council are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets.

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, revenue is recognised when control of each performance obligation is satisfied. Performance obligations vary in each agreement and payment terms vary depending on terms of the grant. Cash is received upfront for some grants and on the achievement of certain payment milestones for others.

In recent years the payment of untied grants (General Purpose Grant (GPG), Roads Formula Funding (ILRG) and Supplementary Local Road Funding (Formula Funding) has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Net timing Adjustments
2023/24	\$174,165	\$1,151,757	\$977,592
2024/25	\$1,777,951	\$1,204,326	(\$573,625)
2025/26	\$1,689,358	\$1,280,896	(\$408,462)

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policy Information (continued)

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated. The amount of the distortion for 2025/26 is \$408,462 (2024/25: \$573,625).

The Adjusted Operating Surplus Ratio disclosed in Note 2 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

(4) Cash, cash equivalents and other financial instruments

Cash assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

(5) Inventories

Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

(6) Infrastructure, property, plant and equipment

6.1 Initial recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at reporting date are included in Infrastructure, Property, Plant and Equipment as part of Note 9.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office furniture and equipment	\$1,000
Other plant and equipment	\$1,000
Buildings	\$10,000
Infrastructure assets	\$5,000

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policy Information (continued)

6.3 Subsequent recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 9.

6.4 Depreciation of non-current assets

The majority of infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Assets that have an indefinite useful life are land, the formation components of footpaths, bikeways and roads, statues and monuments and the civic collection.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment

Office Furniture & Equipment	3 to 25 years
Vehicles and Road-making Equipment	2 to 20 years
Other Plant & Equipment	3 to 30 years

Buildings

Structure – Other	30 to 150 years
Structure – Heritage	250 years
Other Building Components	10 to 100 years

Infrastructure

Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	30 to 80 years
Sealed Roads - Formation	Indefinite
Bridges – Major	20 to 100 years
Bridges – Minor	25 to 75 years
Footpaths and Bikeways - Surface	20 to 50 years
Footpaths and Bikeways - Pavement	30 to 100 years
Footpaths and Bikeways - Formation	Indefinite
Kerb and Water Table	60 to 120 years
Stormwater Drainage Networks	50 to 125 years
Culverts	80 years
Weir Components	25 to 100 years
Basins	50 to 80 years
Earth Retaining Structures	30 to 80 years
Gross Pollutant Traps	80 years
Irrigation	10 to 30 years
Traffic Signals	10 to 40 years
Lighting and Electricals	10 to 60 years
Electrical Switch Boards	30 years
Ticket Machines	10 years
CCTV	5 to 10 years
Sports Fields	15 to 50 years

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policy Information (continued)

Park Land and Open Space Assets	5 to 80 years
Statues & Monuments	Indefinite
Urban Elements	5 to 80 years
Public Art	5 to 15 years
<i>Other Assets</i>	
Civic Collection	Indefinite

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount of credit available in the Asset Revaluation Reserve for that class of asset, with any excess being recognised as an expense.

6.6 Borrowing costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with *AASB 123 Borrowing Costs*. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 5, and the amount (if any) of interest revenue offset against borrowing costs in Note 4.

(7) Investment property

Investment property comprises land and/or buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Investment property is carried at fair value, representing an external valuation based on a capitalised method.

Annual changes in the fair value of Investment Properties are recorded in the Statement of Comprehensive Income as part of "Investment Income".

Revaluations are undertaken on an annual basis by external valuers.

(8) Payables

8.1 Goods and services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

8.2 Payments received in advance and deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policy Information (continued)

(9) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

(10) Employee benefits

10.1 Salaries, wages and compensated absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on-costs) measured in accordance with *AASB 119 Employee Benefits*.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on-costs) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted average discount rate 4.83% (2025, 4.21%)

Weighted average settlement period 10 years (2025, 10 years)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

10.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

(11) Provisions for reinstatement, restoration and rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

(12) Leases

Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

12.1 Council as a lessee

Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use-Assets

Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policy Information (continued)

leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	3 to 60 years
-----------	---------------

The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

At the commencement date of the lease, Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

iv) Leases with variable payments

Council leases the Light Square Car Park from the Department of Further Education Employment, Science and Technology under a lease which commenced 9 January 1983 for a period of 60 years. This lease contains variable payment terms that are linked to the car park's net profit at the reporting date.

Additionally, Council also leases the Vaughan Place car park under a lease which expires 31 January 2030. The lease contains variable payment terms that are linked to the car park's net profit at the reporting date.

Variable lease payments for these leases are recognised in the Statement of Comprehensive Income in the period in which the condition that triggers those payments occurs.

12.2 Council as a lessor

Leases in which Council does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(13) Equity accounted Council businesses

Council participates in cooperative arrangements with other councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 17.

(14) Non-Current Assets Held for Sale

Non-Current Assets which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

(15) GST implications

In accordance with Interpretation 1031 "Accounting for the Goods & Services Tax"

- Receivables and creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policy Information (continued)

(16) New accounting standards

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2026, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2026

- AASB 2025-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 [AASB 1, AASB 7, AASB 9, AASB 10 and AASB 107]

Effective for NFP annual reporting periods beginning on or after 1 January 2028

- AASB 18 Presentation and Disclosure in Financial Statements

(17) Comparative figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(18) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 2. Financial indicators

\$ '000	Amounts 2026	Indicator 2026	Indicators 2025	Indicators 2024
---------	-----------------	-------------------	--------------------	--------------------

These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating surplus	9,205	3.5%	3.9%	3.6%
Total operating income	259,326			

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net financial liabilities	100,608	39%	44%	29%
Total operating income	259,326			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

In addition, Council has presented an adjusted Net Financial Liabilities Ratio which excludes lease liabilities recognised under AASB 16. This adjusted ratio indicator assists in the interpretation of Council's indebtedness by removing the effects arising solely from the accounting treatment of lease liabilities, removing the distortion of the ratio's purpose as an indicator of underlying financing risk and Council's capacity to meet its financial obligations from operating revenue.

The Adjusted Net Financial Liabilities Ratio is provided for information purposes only and enhances comparability across Councils by aligning the ratio with its original intent prior to the adoption of AASB 16.

Adjusted Operating Surplus Ratio

Operating surplus	7,596	2.9%	3.7%	3.6%
Total operating income	257,717			

Adjusted Net Financial Liabilities Ratio

Net financial liabilities	53,247	21%	23%	29%
Total operating income	257,309			

3. Asset Renewal Funding Ratio

Asset renewals	68,356			
Infrastructure and Asset Management Plan required expenditure	72,660	94%	85%	94%

Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 2. Financial indicators (continued)

\$ '000	Amounts	Indicator	Indicators	
	2026	2026	2025	2024
Adjusted Asset Renewal Funding Ratio				
Net Asset Renewals	64,078	88%	95%	97%
Infrastructure & Asset Management Plan required expenditure	72,660			

In addition to the Asset Renewal Funding Ratio calculated on a cash basis in accordance with the current Model Financial Statements, Council has elected to disclose an adjusted Asset Renewal Funding Ratio calculated on an accrual basis as an interim measure pending updates to Information Paper 9. The adjusted ratio uses renewal and replacement additions reported in Note 9 (Property, Plant and Equipment – Additions: Renewal/Replacement) as the numerator, ensuring consistency of basis with the optimal renewal and replacement expenditure disclosed in the Infrastructure and Asset Management Plan (IAMP). This supplementary disclosure provides additional insight where timing differences occur between the completion of renewal works and the associated cash outflows. The adjusted ratio is presented for transparency and does not replace the required cash-based indicator.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 3. Uniform presentation of finances

\$ '000	2026	2025
The following is a high-level summary of both operating and capital investment activities of the Council prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income		
Rates	154,817	144,084
Statutory charges	18,083	17,193
User charges	75,966	71,385
Grants, subsidies and contributions - capital	1,201	19
Grants, subsidies and contributions - operating	5,539	6,801
Investment income	504	1,048
Reimbursements	1,747	1,659
Other income	1,469	988
Net gain - equity accounted council businesses	–	13
Total Income	259,326	243,190
Expenses		
Employee costs	(86,357)	(80,062)
Materials, contracts and other expenses	(99,809)	(92,246)
Depreciation, amortisation and impairment	(61,464)	(60,332)
Finance costs	(2,483)	(1,075)
Net loss - equity accounted council businesses	(8)	–
Total Expenses	(250,121)	(233,715)
Operating surplus / (deficit)	9,205	9,475
Net timing adjustment for general purpose grant funding	(408)	(574)
Less: grants, subsidies and contributions - capital	(1,201)	(19)
Adjusted Operating surplus / (deficit) before capital amounts	7,596	8,882
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(68,356)	(51,655)
Finance lease payments for right of use assets (principal)	(3,778)	(5,408)
Add back depreciation, amortisation and impairment	61,464	60,332
Add back grants, subsidies and contributions - capital renewal	1,201	19
Add back proceeds from sale of replaced assets	191	603
	(9,278)	3,891
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(17,038)	(47,059)
Finance lease payments for right of use assets (principal)	–	(4)
Add back grants, subsidies and contributions - capital new/upgraded	–	(19)
Add back amounts received specifically for new and upgraded assets	3,169	6,360
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	18,500	3
	4,631	(40,719)
Adjusted annual net impact to financing activities (surplus/(deficit))	2,949	(27,946)

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 4. Income

\$ '000	2026	2025
(a) Rates		
General rates		
General rates	156,379	147,269
Less: mandatory rebates	(6,610)	(6,241)
Less: discretionary rebates, remissions and write-offs	(2,374)	(4,131)
Total general rates	147,395	136,897
Other rates (including service charges)		
Landscape levy	1,893	1,966
Rundle Mall Separate Rate	4,194	4,076
Building Upgrade Finance	41	41
Total other rates (including service charges)	6,128	6,083
Other charges		
Penalties for late payment	1,294	1,104
Total other charges	1,294	1,104
Total rates	154,817	144,084
(b) Statutory charges		
Planning, Development and Infrastructure Act fees	1,806	2,054
Animal registration fees and fines	38	43
Parking fines / expiation fees	14,042	12,687
Other Fees, Fines, Penalties and Expiations	283	649
Encroachments Fees	370	274
Food Inspections Fees / Fines	162	141
Outdoor Dining Fees	567	567
Residential Parking Permits	61	59
Section 7 Searches	139	120
Temporary Parking Control Permits	615	591
Water Systems Fees	–	8
Total statutory charges	18,083	17,193

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 4. Income (continued)

\$ '000	2026	2025
(c) User charges		
Parking fees	14,208	13,370
Property lease	12,100	11,824
Sundry	295	101
Adelaide Aquatic Centre Charges	–	169
North Adelaide Public Golf Course	183	–
Adelaide Golf Links Charges	3,838	4,940
Adelaide Town Hall Charges	3,601	2,330
Compost Sales	999	982
Event Fees	1,096	1,011
Library Centre	3	2
Off-Street Parking	36,256	33,639
Park Lands Events Fees	216	294
Property Recovery	2,648	2,149
Rundle Mall	523	574
<u>Total user charges</u>	<u>75,966</u>	<u>71,385</u>

(d) Investment income

Interest on investments		
- Local Government Finance Authority	194	715
- Banks and other	34	84
Investment property rental income	153	225
Financial Instrument - Fair Value Increase / (Decrease)	113	14
Interest on Finance Leases	10	10
<u>Total investment income</u>	<u>504</u>	<u>1,048</u>

(e) Reimbursements

Private works	1,098	1,428
North Adelaide Public Golf Course	296	–
Other	353	231
<u>Total reimbursements</u>	<u>1,747</u>	<u>1,659</u>

(f) Other income

Insurance & Other Recoupments	714	503
Sundry	28	16
Merchandise Sales	77	78
Commission	367	289
Other	283	102
<u>Total other income</u>	<u>1,469</u>	<u>988</u>

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 4. Income (continued)

\$ '000	2026	2025
(g) Grants, subsidies and contributions		
Capital grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	3,719	4,703
Total amounts received for new or upgraded assets	3,719	4,703
Other grants, subsidies and contributions - capital		
Other grants, subsidies and contributions - capital	1,201	19
Total Other grants, subsidies and contributions - capital	1,201	19
Operating grants, subsidies and contributions		
Other grants, subsidies and contributions	2,761	3,977
Untied - Financial Assistance Grant	1,689	1,778
Home and Community Care Grant	–	322
Library and communications	511	493
Roads to Recovery	548	169
Sundry	30	62
Total other grants, subsidies and contributions - operating	5,539	6,801
Total grants, subsidies and contributions	10,459	11,523
(i) Sources of grants		
Commonwealth Government	1,922	1,893
State Government	7,714	9,568
Other	323	62
Developer Contributions	500	–
Total	10,459	11,523

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 4. Income (continued)

\$ '000	2026	2025
---------	------	------

(h) Conditions over grants and contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, and are required to be repaid to the funding body if not expended, are as follows:

Unexpended at the close of the previous reporting period	83	269
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Heritage and cultural services	–	(130)
Parks and Gardens	–	(50)
City housing	(38)	(51)
Administration activities	(42)	–
Subtotal	(80)	(231)
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Administration activities	–	45
Subtotal	–	45
Unexpended at the close of this reporting period	3	83
Net increase (decrease) in assets subject to conditions in the current reporting period	(80)	(186)

(i) Physical resources received free of charge

Land and improvements	–	3
Public Lighting	82	59
Urban Elements	–	17
Transportation	569	1,183
Total physical resources received free of charge	651	1,262

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 5. Expenses

\$ '000	Notes	2026	2025
(a) Employee costs			
Salaries and wages		74,234	69,707
Employee leave expense		10,985	9,255
Superannuation - defined contribution plan contributions	16	9,466	8,482
Workers' compensation insurance		1,902	1,746
Income Protection Insurance		352	404
Less: capitalised and distributed costs		(10,582)	(9,532)
Total operating employee costs		86,357	80,062
Number of Employees (full time equivalent at end of reporting period)		676	627
Number of Employees (temporary full time equivalent at end of reporting period)		98	89

(b) Materials, contracts and other expenses

(i) Prescribed expenses

Auditor's Remuneration		122	116
- Other services - Internal audit		180	234
Bad and doubtful debts		606	117
Elected members' expenses		627	688
Election expenses		691	53
Lease expense - low value assets / short term leases		857	395
Lease expense - variable payments		842	777
Other		42	—
Subtotal - prescribed expenses		3,967	2,380

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 5. Expenses (continued)

\$ '000	2026	2025
(ii) Other materials, contracts and expenses		
Contractors	24,553	22,409
Energy	5,776	6,416
Maintenance	7,053	6,916
Legal expenses	1,744	1,449
Levies Paid to Government - including NRM levy	2,693	3,117
Levies - other	66	65
Parts, accessories and consumables	3,889	4,376
Professional services	6,998	6,245
Advertising and Promotion	3,665	3,655
Bank Charges and Cash Collection	936	865
Catering	1,761	941
Cleaning	2,493	2,457
Communications	586	570
Contractual Expenses	1,634	1,249
Water	3,101	2,884
Entertainment - Council and Civic Events	54	40
External Plant Hire	1,436	1,203
Insurance	3,168	2,681
Investment Property Expenses	66	66
Minor Plant and Equipment	529	601
Printing, Freight and Postage	821	772
Rates and Taxes	331	291
Registrations	186	203
Searches	693	652
Security	2,596	2,273
Sponsorships, Contributions and Donations	6,639	7,088
Subscriptions	7,165	6,071
Training and Development	909	607
Waste Services	4,123	3,592
Other	191	112
Less: capitalised and distributed costs	(13)	—
Subtotal - Other material, contracts and expenses	95,842	89,866
<u>Total materials, contracts and other expenses</u>	<u>99,809</u>	<u>92,246</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 5. Expenses (continued)

\$ '000	2026	2025
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings	10,159	9,175
Infrastructure		
- Stormwater and Drainage	3,950	3,808
- Public Art	74	59
- Bridges	2,986	2,913
- Footpaths	9,158	8,956
- Kerb & Water Table	1,959	1,876
- Public Lighting	6,164	5,243
- Roads	9,018	8,609
- Ticket Machines	179	151
- Traffic Signals	2,733	2,783
- Urban Elements	3,369	3,436
Right-of-use assets	4,268	5,521
Plant and equipment	1,866	1,921
Furniture and fittings	3,177	1,846
Library books	597	345
Park Land Improvements	1,679	1,867
Subtotal	61,336	58,509
(ii) Impairment		
Park Land Improvements	128	1,823
Subtotal	128	1,823
Total depreciation, amortisation and impairment	61,464	60,332
(d) Finance costs		
Interest on loans	257	121
Interest on leases	2,481	1,075
Less: capitalised and distributed costs	(255)	(121)
Total finance costs	2,483	1,075

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 6. Asset disposal and fair value adjustments

\$ '000	2026	2025
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	191	603
Less: carrying amount of assets sold or renewed/replaced	(4,990)	(14,133)
Gain (loss) on disposal	(4,799)	(13,530)
(ii) Assets surplus to requirements		
Proceeds from disposal	–	3
Less: carrying amount of assets sold or disposed	(53,714)	(874)
Gain (loss) on disposal	(53,714)	(871)
Right-of-Use Assets		
Carrying amount of lease liability on disposal of right-of-use asset	–	10,866
Less: Carrying amount of right-of-use asset on disposal	–	(9,369)
Gain (loss) on disposal	–	1,497
Fair value adjustments		
Investment property - fair value increase / (decrease)	90	1,357
Total fair value adjustments	90	1,357
Net gain (loss) on disposal or revaluation of assets	(58,423)	(11,547)

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 7. Current assets

\$ '000	2026	2025
(a) Cash and cash equivalent assets		
Cash on hand and at bank	787	1,823
Deposits at call	489	465
<u>Total cash and cash equivalent assets</u>	<u>1,276</u>	<u>2,288</u>
(b) Trade and other receivables		
Rates - general and other	10,492	10,972
Accrued revenues	4,521	2,202
Debtors - general	7,300	11,496
GST recoupment	2,101	2,745
Prepayments	3,768	3,677
Deferred Rent	53	15
Finance Lease Receivable	11	10
<u>Subtotal</u>	<u>28,246</u>	<u>31,117</u>
Less: provision for expected credit losses	(2,199)	(1,257)
<u>Total trade and other receivables</u>	<u>26,047</u>	<u>29,860</u>
(c) Other financial assets		
Ergo Apartments - Shared Equity Loans	100	60
<u>Total other financial assets (investments)</u>	<u>100</u>	<u>60</u>
Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 12.		
(d) Inventories		
Stores and materials	418	548
Trading stock	117	152
Fuel	107	49
<u>Total inventories</u>	<u>642</u>	<u>749</u>
(e) Other current assets		
Other financial asset at cost	—	18,500
Prepayment for development contract	—	27,000
<u>Total other current assets</u>	<u>—</u>	<u>45,500</u>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 8. Non-current assets

\$ '000	Notes	2026	2025
(a) Trade and other receivables			
Receivables			
Finance Lease Receivable		449	452
Total receivables		<u>449</u>	<u>452</u>
Other financial assets (investments)			
Ergo Apartments - Shared Equity Loans at Fair Value through Surplus/(Deficit)		301	300
Total other financial assets (investments)		<u>301</u>	<u>300</u>
Total financial assets		<u>750</u>	<u>752</u>
(b) Equity accounted investments in council businesses			
The Brown Hill and Keswick Creeks Stormwater Board	17(a)i	5,392	5,065
Total equity accounted investments in Council businesses		<u>5,392</u>	<u>5,065</u>
(c) Other non-current assets			
Deferred rent		121	87
Total other non-current assets		<u>121</u>	<u>87</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 9. Infrastructure, property, plant & equipment and investment property

Infrastructure, property, plant and equipment

		as at 30/06/25				Asset movements during the reporting period															as at 30/06/26				
\$ '000	Fair Value Level	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 5c)	Impairment Loss (recognised in P/L) (Note 5c)	Impairment Loss (recognised in Equity) (Note 11)	Impairment Reversal (via Equity) (Note 11)	WIP Transfers	Adjustments & Transfers	Projected Related Expenditure (Note 5b)	Gifted Assets	TfIs from/to "Held for Sale" category	TfIs from/to Inv. Properties	Revaluation Decrements to Equity (ARR) (Note 11)	Revaluation Increments to Equity (ARR) (Note 11)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	
Capital work in progress		–	89,106	–	89,106	25,085	64,078	–	–	–	–	–	(58,970)	26,764	(3,613)	–	–	–	–	–	–	–	142,450	–	142,450
Land	2	153,064	–	–	153,064	–	–	(2,860)	–	–	–	–	–	11,050	–	–	(9,464)	–	–	94,184	245,974	–	–	245,974	
Community Land	3	13,680	–	–	13,680	–	–	–	–	–	–	–	–	(11,050)	–	–	–	–	(2,630)	–	–	–	–	–	
Land - Crown	3	–	388,400	–	388,400	–	–	(37,129)	–	–	–	–	–	–	–	–	–	–	–	–	–	351,271	–	351,271	
Buildings	2	302,462	–	(180,077)	122,385	–	–	(3,082)	(6,365)	–	–	–	9,026	–	–	–	–	–	(962)	–	652,661	(13,101)	(518,558)	121,002	
Buildings	3	168,112	–	(76,558)	91,554	–	–	(4,371)	(3,385)	–	(108)	–	6,084	–	–	–	–	1,540	–	43,133	266,978	–	(132,531)	134,447	
Leasehold Improvements	3	–	12,798	(3,691)	9,107	–	–	(199)	(409)	–	–	–	508	–	–	–	–	–	–	–	–	13,101	(4,094)	9,007	
Park Land & Open Space Assets	3	53,614	–	(22,673)	30,941	–	–	10	(1,679)	(128)	–	–	1,393	–	–	–	–	–	–	–	48,485	–	(17,948)	30,537	
Infrastructure	3	385,017	–	(202,189)	182,828	–	–	(15)	(3,950)	–	–	–	2,958	–	–	–	–	–	–	13,563	394,838	–	(199,454)	195,384	
- Stormwater and Drainage	3	253,880	–	(177,000)	76,880	–	–	–	(2,986)	–	–	–	76	–	–	–	–	–	–	2,066	261,062	–	(185,026)	76,036	
- Footpaths	3	570,872	–	(253,887)	316,985	–	–	(4,446)	(9,158)	–	–	3,065	7,892	–	–	562	–	–	–	8,266	584,471	–	(261,305)	323,166	
- Kerb & Water Table	3	153,659	–	(87,657)	66,002	–	–	(411)	(1,959)	–	–	45	3,143	–	–	–	8	–	–	1,741	159,827	–	(91,258)	68,569	
- Public Lighting	3	206,771	–	(76,661)	130,110	–	–	(809)	(6,164)	–	–	7	4,706	–	–	–	81	–	–	3,148	216,084	–	(85,005)	131,079	
- Roads	3	456,877	–	(164,549)	292,328	–	–	(2,438)	(9,018)	–	–	–	13,385	–	–	–	–	–	–	7,503	476,077	–	(174,317)	301,760	
- Ticket Machines	3	1,825	–	22	1,847	–	–	–	(179)	–	–	–	7	–	–	–	–	–	–	57	1,925	–	(193)	1,732	
- Traffic Signals	3	67,902	–	(26,236)	41,666	–	–	(1,330)	(2,733)	–	(219)	–	4,083	–	–	–	–	–	–	2,179	71,464	–	(27,818)	43,646	
- Urban Elements	3	62,315	–	(36,599)	25,716	–	–	(266)	(3,369)	–	(33)	–	587	–	–	–	–	–	–	39,241	105,998	–	(44,122)	61,876	
- Public Art	3	40,321	–	(484)	39,837	–	–	(15)	(74)	–	–	–	772	–	–	–	–	–	–	3,237	44,278	–	(521)	43,757	
Library books		–	2,432	(1,278)	1,154	21	–	–	(597)	–	–	–	278	–	–	–	–	–	–	–	–	1,758	(902)	856	
Equipment, Furniture and Fittings		–	25,776	(10,294)	15,482	186	–	–	(3,177)	–	–	–	2,105	–	–	–	–	–	–	–	–	28,155	(13,559)	14,596	
Plant and equipment		–	21,253	(11,266)	9,987	–	–	(1,328)	(1,866)	–	–	–	1,967	–	–	–	–	–	–	–	–	18,110	(9,350)	8,760	
Civic Collection		–	11,438	–	11,438	–	–	(12)	–	–	–	–	–	–	–	–	–	–	–	–	–	11,426	–	11,426	
Total infrastructure, property, plant and equipment		2,890,371		(1,331,077)	2,110,497			(58,701)	(57,068)					–	26,764	(3,613)	651	(9,464)	1,540	(3,592)	218,318	3,530,122		(1,765,961)	2,317,331
		1	551,203	7	7	25,292	64,078			(128)	(360)	3,117	–	26,764	(3,613)	651	(9,464)	1,540	(3,592)	218,318	2	553,170			1
Comparatives		2,771,422	516,118	(1,319,317)	1,968,223	47,522	53,605	(15,007)	(52,988)	(1,823)	(11,424)	–	(283)	(1,181)	(1,511)	1,262	–	–	–	124,105	2,890,371	551,203	(1,331,077)	2,110,497	

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 9. Infrastructure, property, plant & equipment and investment property (continued)

Investment property

		as at 30/06/25				Asset movements during the reporting period								as at 30/06/26			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	WIP Transfers	Tfrs from/(to) Inv. Properties	Revaluation Increments/ Decrements to P&L - Investment Properties (Note 6)	Revaluation Decrements to Equity (ARR) (Note 11)	Revaluation Increments to Equity (ARR) (Note 11)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
\$ '000	Fair Value Level																
Buildings and structures	2	4,705	–	–	4,705	–	–	–	–	(1,540)	90	–	–	3,255	–	–	3,255
Total investment property		4,705	–	–	4,705	–	–	–	–	(1,540)	90	–	–	3,255	–	–	3,255
Comparatives		3,065	–	–	3,065	–	–	–	283	–	1,357	–	–	4,705	–	–	4,705

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 9. Infrastructure, property, plant & equipment and investment property (continued)

Valuation of infrastructure, property, plant & equipment and investment property

Valuation of assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 9(a) for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on valuations

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Assets are valued at current replacement cost where there is no known market for buildings, infrastructure and other assets. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Other information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to *AASB 1.D5* to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with *AASB 13 Fair Value Measurement*. Accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land. Much of the land under

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 9. Infrastructure, property, plant & equipment and investment property (continued)

Council's care and control is Crown land or has been declared as community land under the provisions of the *Local Government Act 1999*. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Park Land & Open Space Assets

Council officers completed the valuation of Park Lands and Open Space assets effective at 30 June 2023, using unit rates and condition assessments obtained during 2022 and 2023, as detailed below. These inputs were reviewed and, where necessary, adjusted to reflect the replacement costs and asset condition at the valuation date.

- Date of valuation: 30 June 2023
- Valuation: Completed by Council officers
- Unit Rates:
 - Irrigation - Rates provided by City Operations team in 2022
 - Playground Equipment - Rates provided by City Operations team in 2022
 - Sportsfields and Sports Equipment - Provided by Rider Levitt Bucknell in 2023
 - Water Features - Provided by Rider Levitt Bucknell in 2023
- Condition audit:
 - Irrigation - Completed by an external contractor in 2022.
 - Playground Equipment - Completed by KICO in 2022
 - Sportsfields and Sports Equipment - Completed by Sproutt in 2023
 - Water Features - Completed by Sproutt in 2023

Assets purchased subsequent to this valuation have been measured at cost.

Land

Land - Other

- Date of valuation: 1 January 2026
- Valuer: Knight Frank Valuation and Advisory South Australia
- Basis of valuation: Fair value was determined using the market approach for saleable land, with reference to comparable market transactions

Community Land

- Date of valuation: 1 January 2026
- Valuer: Knight Frank Valuation and Advisory South Australia
- Basis of valuation: As Community Land is subject to sale restrictions, it is categorised within the Fair Value Level 3 of the fair value hierarchy. The land has been valued at current market value, less adjustments for applicable restrictions on its use and disposal

Land - Crown

- Council has care and control of Crown Land in accordance with the **Adelaide Park Lands Act 2005** and the **Adelaide Park Lands Plan**. This includes:
 - i) the land collectively known as the **Adelaide Park Lands**;
 - ii) **Victoria Square, Light Square, Hindmarsh Square, Hurtle Square, Whitmore Square and Wellington Square**; and
 - iii) **Brougham Gardens and Palmer Gardens**.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 9. Infrastructure, property, plant & equipment and investment property (continued)

- The Adelaide Park Lands support a broad range of environmental, cultural, recreational and social values and activities. As these lands are held for public benefit and are not intended for sale, changes in market values have limited relevance to the delivery of Council services.
- Accordingly, all Crown Land is measured at cost.

Buildings

- Date of Valuation: 1 January 2026

Fair Value Level 2

- Valuer: Knight Frank Valuation and Advisory South Australia
- Valuation Basis: Buildings located on operational or other land are classified as Fair Value Level 2. Fair value was determined using the market or income approach in accordance with AASB 13. The building component is derived as the difference between the improved value and unimproved value of the underlying land and is classified within the lower level of the fair value hierarchy of the inputs used in the valuation. When determining the building valuation consideration was given to the highest and best use of the asset, which in some cases was a development site.
- Market Valuations completed by Knight Frank for 1 January 2026.
- Condition audit: Completed June 2026 by GHD (Central Market) and Lucid Consulting (other level 2 buildings).

Fair Value Level 3

- Valuation: Completed by Council Officers
- Valuation basis: Buildings (other than transportable buildings) located on community land are generally classified as Fair Value Level 3 due to the limited availability of observable market inputs. Fair value is determined using the cost approach, whereby the replacement cost (RC) of a modern equivalent asset is adjusted for physical deterioration, functional obsolescence and economic obsolescence to determine the current replacement cost (CRC).
- Unit Rates: Developed by North Projects for public toilets and Rider Levitt Bucknell for all other buildings for January 2026.
- Condition audit: Completed June 2026 by Sproutt (Public Toilets), GHD (Town Hall) and Lucid Consulting (all other assets)

Leasehold Improvements

- Leasehold Improvements are recognised at cost and depreciated over the shorter of the asset's life or remaining lease term.

Infrastructure

Infrastructure assets are valued based on the current replacement cost of these assets. The current replacement cost is comprised by the gross replacement cost (based on estimated unit costs for which a substitute asset with similar service potential, physical characteristics, dimensions, depth and environmental parameters could be constructed) and accumulated depreciation (based on estimated total and remaining useful lives informed by the condition assessment of the asset, and the planned asset management strategy applicable to the asset).

Details of the most recent comprehensive revaluation for each asset class are provided below. Between comprehensive revaluations, unit rates are adjusted annually using the LGPI Capital Index as the basis for indexation.

Bridges

- Date of Valuation: 30 June 2024
- Valuation: Completed by GHD
- Unit Rates: Provided by GHD using unit rates developed by Rider Levitt Bucknell
- Condition assessment: Performed by GHD completed throughout FY2023/24.

Footpaths

- Date of Valuation: 30 June 2022
- Valuation: Completed by Council officers
- Unit Rates: Supplied by Rider Levitt Bucknell
- Condition assessment: Performed by Infrastructure Management Group for the footpath network in FY2020/21.

Kerb and Water Table

- Date of Valuation: 30 June 2024

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 9. Infrastructure, property, plant & equipment and investment property (continued)

- Valuation: Completed by Council officers
- Unit Rates: Supplied by Rider Levitt Bucknell
- Condition assessment: Performed by Sproutt completed June 2024.

Public Art

- Date of Valuation: 30 June 2026
- Unit Rates: Determined by Theodore Bruce Auctions Pty Ltd based on the fair value of these assets
- Condition Assessment: Theodore Bruce Auctions Pty Ltd completed May 2026.

Public Lighting and Electrical

- Date of Valuation: 30 June 2025
- Valuation: Completed by Council officers
- Unit Rates:
 - Sproutt and Deadshort Electrical provided unit rates for all lighting and electrical assets with the exception of Catenary Systems, which were provided by Ronstan Tensile Architecture
- Condition Assessment:
 - Luminaires, light poles and electrical pits – completed by Sproutt September 2025
 - Bud and catenary lighting – Condition was assessed on an aged based approach due to the short life of the asset
 - Underground Components (cabling and conduits) – Condition was assessed on an age based approach using assumptions from the surrounding assets. No comprehensive condition audit has been undertaken in recent years.

Roads

- Date of Valuation: 30 June 2024
- Valuation: Completed by Council officers
- Unit Rates: Determined using CoA's asphalt contracts to replace the associated road components. Chris Sale Consulting supplied unit rates for non-asphalt treatments and to benchmark asphalt contract calculations.
- Condition assessment: Performed by Infrastructure Management Group completed March 2024.

Stormwater and Drainage

- Date of Valuation: 30 June 2024
- Valuation: Completed by Council officers
- Unit Rates: Supplied by Rider Levitt Bucknell
- Condition audit:
 - Weirs – Completed by GHD for June 2024
 - GPT – completed by Urban Asset Solutions for June 2024
 - Stormwater Network - Due to the long life nature of the asset, aged based assumption has been used for condition.

Ticket Machines

- Date of Valuation: 30 June 2026
- Valuation: Completed by Council officers
- Unit Rates: Based on the most recent contracted rate to replace the ticket machines.
- Condition assessment: As the network was replaced in FY2024/25 the aged based approach has been used for this years' valuation.

Traffic Signals

- Date of Valuation: 30 June 2025
- Valuation: Completed by Council officers
- Unit Rates: Provided by Gridlock Electrical
- Condition assessment: Performed by Gridlock Electrical completed July 2025.

Urban Elements

- Date of Valuation: 30 June 2026
- Valuation: Completed by Council officers
- Unit Rates: Supplied by Rider Levitt Bucknell for simple urban element assets and Sproutt with CSC Consulting for complex urban element assets.
- Condition assessment: Completed by Sproutt for complex and simple assets June 2026.

Plant & Equipment

Plant and equipment is valued at historical cost less depreciation.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 9. Infrastructure, property, plant & equipment and investment property (continued)

Equipment, Furniture & Fittings

Equipment, furniture and fittings is valued at historical cost less depreciation.

Civic Collection

The civic collection is recognised at historical cost.

Investment Property

Investment properties were valued externally by a certified practising valuer. The basis of valuation is fair value being the amounts for which the properties could be exchanged between willing but not anxious parties in an arms length transaction, based on current prices in an active market for similar properties in the same location and subject to similar leases.

All investment properties are leased to tenants under long term operating leases with rentals payable monthly. Contractual obligations relating to the properties are disclosed in Note 15.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 10. Liabilities

\$ '000	Notes	2026 Current	2026 Non Current	2025 Current	2025 Non Current
(a) Trade and other payables					
Goods and services		6,944	—	9,477	—
Payments received in advance		12,699	15,895	12,592	16,063
Accrued expenses - employee entitlements		5,574	—	3,545	—
Accrued expenses - other		11,206	—	6,415	—
Deposits, retentions and bonds		742	—	388	—
Other		476	—	499	—
<u>Total trade and other payables</u>		<u>37,641</u>	<u>15,895</u>	<u>32,916</u>	<u>16,063</u>

(b) Borrowings

Loans	—	9,600	—	23,820
<u>Total Borrowings</u>	<u>—</u>	<u>9,600</u>	<u>—</u>	<u>23,820</u>

All interest bearing liabilities are secured over the future revenues of the Council

Borrowings as at 30 June 2026 are offset by the Future Fund Reserve of \$31,948,988 as disclosed under Note 11b.

(c) Provisions

Annual Leave Employee Entitlements	7,367	—	6,766	—
Long Service Leave Employee Entitlements	6,833	2,749	6,728	2,076
Other	353	—	383	—
<u>Total provisions</u>	<u>14,553</u>	<u>2,749</u>	<u>13,877</u>	<u>2,076</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 11. Reserves

	as at 30/06/25				as at 30/06/26
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset revaluation reserve					
Land - other	170,564	91,554	—	—	262,118
Buildings	198,671	42,171	—	(131)	240,711
Infrastructure					
- Stormwater and Drainage	134,297	13,563	826	—	148,686
- Public Art	3,382	3,237	—	—	6,619
- Bridges	80,035	2,066	—	—	82,101
- Footpaths	261,117	8,266	—	3,065	272,448
- Kerb & Water Table	75,615	1,741	—	45	77,401
- Public Lighting	75,928	3,148	—	7	79,083
- Roads	224,628	7,503	—	—	232,131
- Ticket Machines	1,629	57	—	—	1,686
- Traffic Signals	27,784	2,179	—	(219)	29,744
- Urban Elements	29,151	39,241	—	(33)	68,359
Park Land Improvements	826	—	(826)	—	—
Other assets	1,003	—	—	—	1,003
JV's / associates - other comprehensive income	46	128	—	—	174
Total asset revaluation reserve	1,284,676	214,854	—	2,734	1,502,264
Comparatives	1,171,994	124,105	—	(11,424)	1,284,675

	as at 30/06/25				as at 30/06/26
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other reserves					
Other reserves ⁽ⁱ⁾	14,360	18,500	(911)	—	31,949
Total other reserves	14,360	18,500	(911)	—	31,949
Comparatives	36,630	—	(22,270)	—	14,360

(i) Future Fund Reserve

Purposes of reserves

Asset revaluation reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets (less any subsequent impairment losses, where applicable).

Future Fund Reserve

A Future Fund Reserve was established to enable Council to fund the purchase of future income generating assets from the sale proceeds of assets identified through the City of Adelaide Property Strategy.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 12. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2026	2025
---------	-------	------	------

(a) Reconciliation of cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Total cash and equivalent assets	7a	1,276	2,288
Balances per Statement of Cash Flows		1,276	2,288

(b) Reconciliation of Operating Result

Net surplus/(deficit)		(44,848)	3,893
Non-cash items in income statements			
Depreciation, amortisation and impairment		61,464	60,332
Fair value adjustments		(90)	(1,357)
Equity Movements in Equity Accounted Investments (Increase) / Decrease		8	(13)
Non-cash asset acquisitions		(651)	(1,262)
Grants for capital acquisitions treated as investing activity		(4,920)	(4,722)
Net (gain)/loss on disposals		58,513	12,904
Interest on Financing Activity		2,481	1,075
		71,957	70,850
Add (less): changes in net current assets			
Net (Increase) / Decrease in Receivables		3,420	7,378
Change in allowances for under-recovery of receivables		942	66
Net (Increase) / Decrease in Inventories		107	55
Net (Increase) / Decrease in Other Assets		(31)	(924)
Net Increase / (Decrease) in Trade & Other Payables		4,203	2,256
Net Increase / (Decrease) in Unpaid Employee Benefits		601	(46)
Net Increase / (Decrease) in Other Provisions		748	(4,857)
Net cash provided by (or used in) operations		81,947	74,778

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 12. Reconciliation to Statement of Cash Flows (continued)

\$ '000	2026	2025
(c) Reconciliation of Liabilities Arising from Financing Activities		
Borrowings and Lease Liabilities		
Opening Balance	74,386	44,395
Net Proceeds from/(Repayments of) Borrowings	(14,220)	23,820
Non-Cash Lease Additions	1,543	22,466
Non-Cash Lease Terminations	–	(10,883)
Non-Cash Accretion of interest	2,481	1,075
Lease Payments	(6,247)	(6,487)
Closing Balance	57,943	74,386
Non-cash financing (other)		
Bonds & Deposits		
Opening Balance	388	240
Bond / Deposit Proceeds Received/(Repayments Made) During the Year	162	148
Total Liabilities from Financing Activities	58,493	74,774

(d) Financing arrangements

Unrestricted access was available at reporting date to the following lines of credit:

Bank overdrafts	1,000	1,000
Corporate credit cards	600	600
LGFA cash advance debenture facility	60,400	46,180

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Council has the following cash advance debenture facilities with the LGFA:
\$70,000,000 expiring 15/06/2033

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 13. Financial instruments

Recognised financial instruments

Receivables - rates and associated charges (including legals and penalties for late payment)

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 8.50% (2025: 9.15%). Council is not materially exposed to any individual debtor. Credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - fees and other charges

Accounting Policy:

Carried at nominal values less any allowance for expected credit losses. Allowance for expected credit losses are assessed annually using simplified model permissible in accordance with AASB 9.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor. Credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - other levels of government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Receivables - Other Financial Assets

Accounting Policy:

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

Terms & Conditions:

Secured over the subject land. Council is not materially exposed to any individual debtor. Credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

At amortised cost.

Liabilities - creditors

Accounting policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms and conditions:

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 13. Financial instruments (continued)

Liabilities are normally settled on 30 day terms.

Carrying amount:

Approximates fair value.

Liabilities - interest bearing borrowings

Accounting Policy:

Carried at amortised cost. Interest is charged as an expense as it accrues.

Terms & Conditions:

Secured over future revenues, current loans are on a floating facility where surplus funds are used to pay down loan balances.

Carrying Amount:

Approximates fair value.

Liabilities - leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 1.

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 13. Financial instruments (continued)

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2026					
Financial assets					
Cash and cash equivalents	1,276	—	—	1,276	1,276
Receivables	22,235	81	525	22,841	22,675
Other financial assets	100	301	—	401	401
Total financial assets	23,611	382	525	24,518	24,352
Financial liabilities					
Payables	24,200	—	—	24,200	24,200
Non-current borrowings	—	—	9,600	9,600	9,600
Lease liabilities	5,076	14,951	98,443	118,470	48,343
Total financial liabilities	29,276	14,951	108,043	152,270	82,143
Total financial assets and liabilities	52,887	15,333	108,568	176,788	106,495
2025					
Financial assets					
Cash and cash equivalents	2,288	—	—	2,288	2,288
Receivables	26,163	79	536	26,778	26,620
Other financial assets	18,500	360	—	18,860	18,860
Total financial assets	46,951	439	536	47,926	47,768
Financial liabilities					
Payables	19,936	—	—	19,936	19,936
Non-current borrowings	—	—	23,820	23,820	23,820
Lease liabilities	6,279	17,551	97,904	121,734	50,566
Total financial liabilities	26,215	17,551	121,724	165,490	94,322
Total financial assets and liabilities	73,166	17,990	122,260	213,416	142,090

The following interest rates were applicable to Council's borrowings at balance date:

\$ '000	2026		2025	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other variable rates	5.07%	9,600	5.26%	23,820
		9,600		23,820

Net fair value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 13. Financial instruments (continued)

Risk exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 7 and 8 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 14. Capital expenditure and investment property commitments

\$ '000	2026	2025
Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	9,218	6,237
Drainage & Waterways	1,334	3,195
IT Corporate System	18	80
Lighting & Electrical	1,321	941
Park Lands & Squares	401	712
Plant & Equipment	689	473
Streetscapes	2,935	4,971
Transportation	4,036	5,919
Urban Elements	2,206	454
	22,158	22,982
These expenditures are payable:		
Not later than one year	22,158	22,982
	22,158	22,982

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 15. Leases

(i) Council as a lessee

Terms and conditions of leases

Buildings

Lease obligations for buildings are related to the provision of services by Council including car parks, libraries and community centres. Leases are of varying duration, terms and conditions. No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

(a) Right of use assets

\$ '000	Buildings	Total
2026		
Opening balance	49,208	49,208
Additions to right-of-use assets	561	561
Adjustments to right-of-use assets due to re-measurement of lease liability	981	981
Depreciation charge	(4,267)	(4,267)
Adjustment to right-of-use asset due to early termination of lease	—	—
Balance at 30 June	46,483	46,483
2025		
Opening balance	41,649	41,649
Additions to right-of-use assets	75	75
Adjustments to right-of-use assets due to re-measurement of lease liability	22,374	22,374
Depreciation charge	(5,521)	(5,521)
Adjustment to right-of-use asset due to early termination of lease	(9,369)	(9,369)
Balance at 30 June	49,208	49,208

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2026	2025
Balance at 1 July	50,566	44,395
Additions	561	75
Adjustment to lease liabilities due to lease modifications	981	22,374
Adjustment to lease liabilities due to early termination	—	(10,866)
Accretion of interest	2,481	1,075
Payments	(6,247)	(6,487)
Balance at 30 June	48,342	50,566
Classified as:		
Current	2,700	3,314
Non-current	45,643	47,252

The maturity analysis of lease liabilities is included in Note 13.

The Council had total cash outflows for leases of \$6.247m.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 15. Leases (continued)

\$ '000	2026	2025
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	4,267	5,521
Interest expense on lease liabilities	2,481	1,075
Expense relating to short term leases	789	333
Expense relating to leases of low-value assets	68	62
Variable lease payments	842	777
Total amount recognised in profit or loss	8,447	7,768

(ii) Council as a lessor

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as property lease income in Note 4.

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 4. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Council has one leasing arrangement it deems to be a finance lease as disclosed under Notes 7 and 8.

\$ '000	2026	2025
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	8,437	7,782
Later than one year and not later than 5 years	32,847	18,522
Later than 5 years	32,818	27,021
	74,102	53,325

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 16. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (12.00% in 2025/26; 11.50% in 2024/25). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2024/25) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2023. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to other superannuation schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 17(a). Interests in other entities

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2026	2025	2026	2025
Council's share of net income				
Joint ventures	(8)	13	5,392	5,065
Total Council's share of net income	(8)	13	5,392	5,065

(i) Joint ventures, associates and joint operations

(a) Carrying amounts

\$ '000	Principal Activity	2026	2025
The Brown Hill and Keswick Creeks Stormwater Board	Implementation & oversight of stormwater infrastructure	5,392	5,065
Total carrying amounts - joint ventures and associates		5,392	5,065

The Brown Hill and Keswick Creeks Stormwater Board

The Brown Hill and Keswick Creeks Stormwater Board was established by five constituent councils on the 27 February 2018. It comprises the Cities of Adelaide, Burnside, Unley, Mitcham and West Torrens. The purpose of the Board is to oversee the construction of stormwater infrastructure and to implement the Brown Hill and Keswick Creeks Stormwater Board Stormwater Management Plan.

(b) Relevant interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2026	2025	2026	2025	2026	2025
The Brown Hill and Keswick Creeks Stormwater Board	8.00%	8.00%	8.00%	8.00%	20.00%	20.00%

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 17(a). Interests in other entities (continued)

(c) Movement in investment in joint venture or associate

\$ '000	The Brown Hill and Keswick Creeks Stormwater Board	
	2026	2025
Opening Balance	5,065	4,066
Share in Operating Result	(8)	13
Share in the Capital Funding/Grants for New/Upgraded Assets & Asset Disposals	(113)	666
New Capital Contributions	320	320
Share in other comprehensive income	128	—
Council's equity share in the joint venture or associate	5,392	5,065

Note 17(b). Controlled entities

Subsidiaries

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 and the accounting policy described in Note 1(2).

Name of Operation/Entity	Principal Activity and Place of Business
Adelaide Central Market Authority (ACMA)	Adelaide Central Market Authority was enacted on 3 May 2012 as a subsidiary of Council with its primary role being to oversee the management and operation of Adelaide Central Market in accordance with the Adelaide Central Market Authority Charter, the Market Charter and Council's Strategic Plan.

Interests in Subsidiary	Ownership 2026	Ownership 2025	Voting Rights 2026	Voting Rights 2025
Council's Interest in Subsidiary	100%	100%	100%	100%

The nature of risks associated with Council's interests in the Subsidiary

As per the ACMA Charter, City of Adelaide provides financial support by way of a loan until there are sufficient reserves for the Market to be self-sustainable.

Other disclosures

Council has a lease agreement with ACMA for the Central Market Complex from 8 July 2021 for a period of 20 years. The lease contains payment terms of \$1 per annum and is deemed a "Peppercorn" lease.

ACMA contracts staff from Council with the on-charge totalling \$1,729,831 (2025: \$1,443,661) for the year.

Council, as the parent entity, has provided an equity contribution of \$1,351,958 (2025: \$167,929) to continue to support ACMA on a going concern basis. A distribution will be made from ACMA to City of Adelaide once sufficient reserves are generated.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 17(b). Controlled entities (continued)

Name of Operation/Entity	Principal Activity and Place of Business
Adelaide Park Lands Authority (APLA)	Adelaide Park Lands Authority was enacted on 14 December 2006 as a subsidiary of Council with its primary role being the provision of policy and advice to Council and the State Government in regard to the management of the Park Lands.

Interests in Subsidiary	Ownership 2026	Ownership 2025	Voting Rights 2026	Voting Rights 2025
Council's Interest in Subsidiary	100%	100%	100%	100%

The nature and extent of significant restrictions relating to the Subsidiary
Council funds the operations of APLA through the provision of an annual grant which for 2025-26 totalled \$241,280 (2024-25: \$306,399).

Other disclosures
APLA contracts staff from Council with the cost totalling \$154,326 for the year (2025 \$153,855)

Name of Operation/Entity	Principal Activity and Place of Business
Adelaide Economic Development Agency (AEDA)	The Adelaide Economic Development Agency was enacted on 14 January 2021 as a subsidiary of Council with its primary role being to accelerate economic growth in the city, growing the visitor economy, supporting residential growth, and marketing the city as a whole including Rundle Mall.

Interests in Subsidiary	Ownership 2026	Ownership 2025	Voting Rights 2026	Voting Rights 2025
Council's Interest in Subsidiary	100%	100%	100%	100%

Other disclosures
The Adelaide Economic Development Agency contracts staff from the City of Adelaide. The cost of these services was \$4,518,881 (2025: \$4,182,801).

In the period an amount of \$8,716,615 (2025: \$8,412,973) was received by the Agency as contribution from the City of Adelaide.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 18. Non-current assets held for sale and discontinued operations

Details of assets and disposal groups

As at 30 June 2026, Council are intending to contribute land located at 218-232 Flinders Street to the City East Housing Development. As this is expected to settle in the next 12 months, the land has been classified as held for sale in the financial statements.

\$ '000	2026	2025
(i). Carrying Amounts of Assets and Liabilities		
Assets		
Infrastructure, property, plant and equipment	9,464	—
Total assets	9,464	—
Net assets	9,464	—

Note 19. Contingencies & Assets / Liabilities Not Recognised in the Statement of Financial Position

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. Land under roads

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 190 km of road reserves of an average width of 9.55 metres.

2. Potential insurance losses

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. Legal expenses

Council is the planning consent authority for its area under the *Planning, Development and Infrastructure Act 2016*. Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs.

All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Council has an ongoing matter in the Supreme Court of SA. The nature of the matter is such that it is unlikely that Council will be liable for any damages, but it may be liable to perform works in dispute. Council could also be subject to costs ordered against it.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 19. Contingencies & Assets / Liabilities Not Recognised in the Statement of
Financial Position (continued)

Council is a party to an ongoing matter in the Supreme Court of SA for which a likely estimate of financial settlement is unable to be provided for at this stage. As a result, the financial statements have not recognised a provision for any future settlement costs.

4. Other contingent liabilities

Council has committed to expenditure of \$1,254,849 as at 30 June 2026 through the Heritage Incentive Scheme (HIS). The payment of the scheme is contingent on the satisfaction that all the HIS grant requirements have been met. As a result, the financial statements have not recognised this liability.

Note 20. Events after the Reporting Date

Events that occur after the reporting date of 30 June 2026, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date on which the final financial report was certified under regulation 15 of the *Local Government (Financial Management) Regulations 2026* as the date these General Purpose Financial Statements were "authorised for issue".

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Note 21. Related party transactions

Key management personnel

Transactions with key management personnel

The Key Management Personnel of the Council include the Lord Mayor, Councillors, Chief Executive Officer, Chief Operating Officer and Directors.
In all, 20 persons were paid the following total compensation:

\$ '000	2026	2025
The compensation paid to key management personnel comprises:		
Short-term employee benefits	2,231	2,025
Post-employment benefits	198	168
Long-term benefits	–	1
Total	2,429	2,194

Compensation paid excludes reimbursement of expenses incurred on behalf of Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 21. Related party transactions (continued)

Receipts from key management personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), during the year the following transactions occurred with related parties of the City of Adelaide. These transactions were on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

- Local Government Finance Authority (LGFA) for whom M. Sedgman, CEO, is Board Chair - Interest paid to LGFA of \$21,311
- LGFA for whom M. Sedgman, CEO, is Board Chair - Interest and special distributions received from LGFA of \$193,822
- Mary Couros, Councillor, received a grant payment to the value of \$4,500 under the Sustainability Incentives Scheme.
- Australia Day Council for whom Carmel Noon, Deputy Lord Mayor, is a member of the management committee / board – received \$110,000 from CoA
- Adelaide Festival Board, for whom Carmel Noon, Deputy Lord Mayor, is a member of the management committee / board - received \$159,500 from CoA
- Business Event Adelaide for whom Carmel Noon, Deputy Lord Mayor, is a member of the management committee / board – received \$457,000 from CoA

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 22. Capital City Development and Economic Development (Unaudited)

Expenditure incurred in accordance with the Capital City Committee Capital City Development Program per Section 34(1)(a) of the *City of Adelaide Act 1998* totalled \$40.8m for 2025-26 (2024-25: \$62.8). This represents 14.69% (2024-25: 23.53%) of total expenditure for the year ended 30 June 2026.

In accordance with the requirements of the *City of Adelaide Act 1998* per Section 34(1)(b), expenditure of \$20.0m (2024-25: \$19.1m) was incurred for works, services and activities that directly related to Council's economic development program. This represents 7.21% (2024-25: 6.94%) of the total expenditure for the year ended 30 June 2026.

General Purpose Financial Statements
for the year ended 30 June 2026

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide City Council for the year ended 30 June 2026, the Council's Auditor, Galpins has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

George Anthony Spartalis
Acting Chief Executive Officer

Mark Davies
Presiding Member, Audit and Risk Committee

Date: dd MMMM yyyy

General Purpose Financial Statements
for the year ended 30 June 2026

Statement by Auditor

I confirm that, for the audit of the financial statements of Adelaide City Council for the year ended 30 June 2026, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

Auditor's Name
Audit Firm Name

Date: dd MMMM yyyy

23 September 2026

Mr Tim Muhlhausler
Partner
Galpins Accountants Auditors and Business Consultants
PO Box 4067
NORWOOD SA 5067

Kaurna Country
25 Pirie Street, Adelaide
GPO Box 2252 Adelaide
South Australia 5001

T +61 (08) 8203 7203
F +61 (08) 8203 7575
W cityofadelaide.com.au

ABN 20 903 762 572

Dear Tim,

This representation letter is provided in connection with your audit of the financial report of City of Adelaide (the Company) and its subsidiaries (the Council) for the year ended 30 June 2026, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

We confirm that *(to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves)*:

A. FINANCIAL REPORT

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial report in accordance with Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*; in particular the financial report presents fairly in accordance therewith.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control for the preparation of the financial report in accordance with Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.
3. Significant accounting policies adopted in the preparation of the financial report are fully and fairly described in the financial report.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards. Such transactions with related party may include:
 - sales, purchases, loans, transfers of assets / liabilities/ services, leasing arrangements, guarantees etc.
 - all balances due to or from related party at year end.
6. All events subsequent of the date of the financial report for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
7. There are no identifiable misstatements, both individually and in the aggregate, within the financial report.

B. OWNERSHIP

1. The Council has good title (or lease interest) in all assets recorded in the accounts.

The City of Adelaide acknowledges the Kaurna people as the Traditional Owners of the Country where the city of Adelaide is situated, and pays its respect to Elders past, present and emerging.

C. VALUATION

1. We have no plans and intentions that may affect materially the carrying value, or classification, of Council's assets and liabilities.
2. The fair value of land and buildings as determined by the external valuer is reasonable.
3. Adequate provisions have been recorded in the accounts for all anticipated losses.
4. Depreciation rates for capital and other assets have been reviewed having regard to such factors as asset usage and obsolescence. Any adjustment to reflect the most recent assessment of the useful lives of all capital and other assets has been recognised and disclosed in the financial report.
5. The carrying amount of capital and other assets does not materially differ from its fair value at the reporting date.

D. INFORMATION PROVIDED

1. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.
2. All transactions have been recorded in accounting records and are reflected in the financial report.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
5. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial report.
6. We have disclosed to you all information in relation to allegations of fraud, suspected fraud, affecting the Council's financial report communicated by employees, former employees, analysts, regulators or others.
7. We have disclosed to you all known instances of non-compliance or suspected non-compliances with laws and regulations including all covenants, conditions or other requirements of outstanding debts, whose effects should be considered when preparing the financial report.
8. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial report; and accounted for and disclosed in accordance with the applicable financial reporting framework.
9. We have disclosed to you all known unusual commitments or contractual obligations that were not in the ordinary course of business whose effects should be considered when preparing the financial report.

10. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.

E. COMPLETENESS

1. All assets owned or controlled by the Council have been recorded in the accounts.
2. All services rendered prior to the year-end have been recorded in the correct financial year.
3. Inventory does not include items not paid for and for which no liability has been recorded in the accounts at year-end.
4. All charges to capital assets (and additions under capital leases) during the year represent actual additions and no expenditure of a capital nature have been charged to expenses during the year.
5. All capital assets sold or dismantled during the year have been properly accounted for in the accounts.
6. Capital and other assets with a limited life are being depreciated, amortised, or otherwise written off as a charge to income over their estimated useful lives in a systematic and rational manner.
7. All liabilities of the Council at year-end have been recorded in the accounts (including provisions for such items as salaries and wages, employee benefits, professional services and long term debts).

F. ELECTRONIC PUBLICATION OF FINANCIAL REPORT

1. We acknowledge our responsibility for the electronic presentation of the audited financial report and independent auditor's report on the internet is identical to the signed hard copy version.
2. We acknowledge our responsibility to clearly differentiate between audited and unaudited information in the construction of the Council's website as we understand the risk of potential misrepresentation.
3. We acknowledge our responsibility for the design, implementation and internal control to ensure the security and integrity of the data published on the internet.
4. We acknowledge our responsibility to only publish the independent auditor's report on the website when it is presented together with the full financial report.

G. OTHER

1. Minute book provided to you contains complete and authentic minutes of all meetings and committees held throughout the year to the most recent meetings.
2. We believe that the Council will be able to meet its financial commitments when they fall due.

Yours sincerely

Anthony Spartalis
Acting Chief Executive Officer



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

CITY OF ADELAIDE

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2026

Statement by Auditor

I confirm that, for the audit of the financial statements of City of Adelaide (the Company) and its subsidiaries (the Council) for the year ended 30 June 2026, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (Including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulation 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor

Partner

15 September 2026

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
E: norwood@galpins.com.au

W: www.galpins.com.au

Galpins Trading Pty Ltd
ABN: 89 656 702 886

Liability limited by a scheme approved
under Professional Standards Legislation



Adelaide Central Market Authority

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2026

Adelaide Central Market Authority

General Purpose Financial Statements for the year ended 30 June 2026

Table of Contents	Page
1. Authority Certificate	2
2. Primary Financial Statements:	
- Statement of Comprehensive Income	3
- Statement of Financial Position	4
- Statement of Changes in Equity	5
- Statement of Cash Flows	6
3. Notes to the Financial Statements	8
4. Independent Auditor's Report - Financial Statements	27
5. Certificates of Audit Independence	
- Adelaide Central Market Authority Certificate of Audit Independence	29
- Audit Certificate of Audit Independence	30

Adelaide Central Market Authority

General Purpose Financial Statements for the year ended 30 June 2026

Certification of Financial Statements

We have been authorised by the Adelaide Central Market Authority (the Authority) to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2026 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Authority's accounting and other records.

George Anthony Spartalis
CITY OF ADELAIDE
ACTING CHIEF EXECUTIVE OFFICER

Theo Maras AM
ADELAIDE CENTRAL MARKET AUTHORITY
CHAIR

Date:

Adelaide Central Market Authority

Statement of Comprehensive Income for the year ended 30 June 2026

\$ '000	Notes	2026	2025
Income			
User Charges	4a	5,553	5,468
Grants, Subsidies and Contributions	4b	12	50
Reimbursements	4c	-	8
Other Income	4d	109	144
Total Income		5,674	5,670
Expenses			
Materials, Contracts & Other Expenses	5a	6,981	5,969
Depreciation, Amortisation & Impairment	5b	42	39
Finance Costs	5c	3	1
Total Expenses		7,026	6,009
Operating Surplus / (Deficit)		(1,352)	(339)
Net Surplus / (Deficit)		(1,352)	(339)
Total Comprehensive Income		(1,352)	(339)

Adelaide Central Market Authority

Statement of Financial Position

as at 30 June 2026

\$ '000	Notes	2026	2025
ASSETS			
Current Assets			
Cash and Cash Equivalents	6a	-	-
Trade & Other Receivables	6b	482	319
Inventories	6c	64	50
Other Current Assets	6d	53	15
Subtotal		599	384
Total Current Assets		599	384
Non-Current Assets			
Right-of-use Assets	12	39	81
Other Non-Current Assets	7	121	87
Total Non-Current Assets		160	168
TOTAL ASSETS		759	552
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	723	475
Lease Liabilities	12	36	37
Subtotal		759	512
Total Current Liabilities		759	512
Non-Current Liabilities			
Lease Liabilities	12	-	40
Total Non-Current Liabilities		-	40
TOTAL LIABILITIES		759	552
Net Assets		-	-
EQUITY			
Accumulated Surplus		(2,315)	(963)
Other Reserves	9	2,315	963
Total Equity		-	-

Adelaide Central Market Authority

Statement of Changes in Equity for the year ended 30 June 2026

\$ '000	Notes	Accumulated Surplus	Other Reserves	Total Equity
2026				
Balance at the end of previous reporting period		(963)	963	-
Restated Opening Balance		(963)	963	-
Net Surplus / (Deficit) for Year		(1,352)		(1,352)
Other Comprehensive Income				
- Parent Contribution		-	1,352	1,352
Other Comprehensive Income	9a	-	1,352	1,352
Total Comprehensive Income		(1,352)	1,352	-
Transfers between Reserves		-		-
Balance at the end of period		(2,315)	2,315	-
2025				
Balance at the end of previous reporting period		(624)	795	171
Restated Opening Balance		(624)	795	171
Net Surplus / (Deficit) for Year		(339)		(339)
Other Comprehensive Income				
- Parent Contribution		-	168	168
Other Comprehensive Income	9a	-	168	168
Total Comprehensive Income		(339)	168	(171)
Balance at the end of period		(963)	963	-

Adelaide Central Market Authority

Statement of Cash Flows

for the year ended 30 June 2026

\$ '000	Notes	2026	2025
Cash Flows from Operating Activities			
<u>Receipts</u>			
User Charges		5,553	5,468
Grants, Subsidies and Contributions (operating purpose)		12	50
Reimbursements		-	8
Other Receipts		(63)	331
<u>Payments</u>			
Materials, contracts & other expenses		(6,810)	(5,983)
Net Cash provided by (or used in) Operating Activities	10	(1,308)	(126)
Cash Flows from Investing Activities			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Nil			
Net Cash provided by (or used in) Investing Activities		-	-
Cash Flows from Financing Activities			
<u>Receipts</u>			
City of Adelaide Contribution		1,352	168
<u>Payments</u>			
Repayment of principal portion of lease liabilities		(44)	(42)
Net Cash provided by (or used in) Financing Activities		1,308	126
Net Increase (Decrease) in Cash Held		-	-
plus: Cash & Cash Equivalents at beginning of period		-	-
Cash & Cash Equivalents at end of period	10	-	-

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Material Accounting Policies Information	8
2	Financial Indicators	12
3	Uniform Presentation of Finances	13
4	Income	14
5	Expenses	15
	Current Assets	
6a	Cash & Cash Equivalent Assets	17
6b	Trade & Other Receivables	17
6c	Inventories	17
6d	Other Current Assets	17
	Non-Current Assets	
7	Other Non-Current Assets	18
	Fixed Assets	
	Liabilities	
8a	Trade & Other Payables	19
	Reserves	
9	Other Reserves	19
10	Reconciliation to Statement of Cashflows	20
11	Financial Instruments	21
12	Leases	23
13	Events After the Statement of Financial Position Date	25
14	Related Party Transactions	26

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the period ended 30 June 2026

Note 1. Summary of Material Accounting Policies

The principal accounting policies adopted by the Adelaide Central Market Authority (the Authority) in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention (except as stated below) in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 25 September 2026.

1.2 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

1.4 Estimates and assumptions

There are no material estimate or assumptions made in these financial statement that would impact the users understanding of the financial position of the Authority.

1.5 Going Concern

Under the *Local Government Act 1999*, all liabilities incurred or assumed by the Authority are guaranteed by the City of Adelaide (the Council).

2 The Local Government Reporting Entity

The Adelaide Central Market Authority is incorporated under the South Australian *Local Government Act 1999* (SA) and has its principal place of business at 44-60 Gouger Street, Adelaide.

The Authority was enacted on 3 May 2012 as a subsidiary of the Corporation of the City of Adelaide with its primary role being to oversee the management and operation of the Adelaide Central Market.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the period ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

3 Income Recognition

The Authority recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when the Authority enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the Authority to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

4 Cash, Cash Equivalents and other Financial Instruments

The Authority does not hold cash. All cash transactions are through the parent entity, the City of Adelaide.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful. Most receivables relate to stall holder leases and are secured in part by bank or director's guarantees.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 11.

5 Inventories

Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

6.2 Payments Received in Advance & Deposits

Amounts (other than grants) received from external parties in advance of service delivery are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the period ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

7 Employee Benefits

The Authority does not have any employees. All employees are engaged through the parent entity, the City of Adelaide.

8 Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

8.1 The Authority as a lessee

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i.) Right-of-Use-Assets

The Authority recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	3 years
-----------	---------

The right-of-use assets are also subject to impairment.

ii.) Lease Liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

iii.) Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (ie, those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv.) Leases with significantly below-market terms and conditions

The Authority commenced a new lease on 8 July 2021 for the Central Market Complex from the Corporation of the City of Adelaide for a period of 20 years. The Authority has elected to apply the exemption available under AASB16 as the lease contains payment terms of \$1 per annum and is treated as a “peppercorn” lease. The lease payments are recognised as an expense on a straight-line basis over the lease term.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the period ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

8.2 The Authority as a lessor

Leases in which the Authority does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

9 GST Implications

In accordance with Interpretation Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

10 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

11 New and amended accounting standards and interpretations

In the current year, the Authority adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Authority's accounting policies.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2026. These standards have not been adopted by the Authority and will be included in the financial statements on their effective date.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these statements that could be applicable to the Authority.

Effective for NFP annual reporting periods beginning on or after 1 January 2028

- AASB 18 Presentation and Disclosure in Financial Statements

The Authority has assessed all the standards / interpretations issued which are not yet effective and have determined that there is no expected material impact on the reported financial position or performance.

12 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 2. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2026	2026	2025	2024

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	(1,352)	(24%)	(6%)	2%
Total Operating Income	5,674			

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	277	5%	4%	(1%)
Total Operating Income	5,674			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 3. Uniform Presentation of Finances

\$ '000	2026	2025
The following is a high-level summary of both operating and capital investment activities of the Council prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income		
User Charges	5,553	5,468
Grants, Subsidies and Contributions	12	50
Reimbursements	-	8
Other Income	109	144
Expenses		
Materials, Contracts & Other Expenses	(6,981)	(5,969)
Depreciation, Amortisation & Impairment	(42)	(39)
Finance Costs	(3)	(1)
Adjusted Operating Surplus (Deficit) before Capital amounts	(1,352)	(339)
Net Outlays on Existing Assets		
Finance Lease Payments for Right of Use Assets on Existing Assets (Principal)	(44)	(42)
<i>add back</i> Depreciation, Amortisation and Impairment	42	39
	(2)	(3)
Net Outlays on New and Upgraded Assets		
Nil		
Adjusted Annual Net Impact to Financing Activities (surplus/(deficit))	(1,354)	(342)

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 4. Income

\$ '000	Notes	2026	2025
(a). User Charges			
Property Lease		4,384	4,393
Property Recovery		1,169	1,075
Total User Charges		5,553	5,468
(b). Grants, Subsidies, Contributions			
Other Grants, Subsidies and Contributions		12	50
Total Other Grants, Subsidies and Contributions		12	50
Total Grants, Subsidies, Contributions		12	50
(i) Sources of grants			
State Government		12	50
Total		12	50
(c). Reimbursements			
Other		-	8
Total Reimbursements		-	8
(d). Other Income			
Merchandise Sales		71	72
Commission		38	72
Total Other Income		109	144

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 5. Expenses

\$ '000	Notes	2026	2025
(a). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration		10	10
Bad and Doubtful Debts		(7)	18
Board Fees		138	142
Subtotal - Prescribed Expenses		141	170
(ii) Other Materials, Contracts and Expenses			
Contractors		2,007	1,508
Energy		673	731
Maintenance		617	527
Legal Expenses		139	52
Levies Paid to Government - including Landscape levy		34	29
Parts, Accessories & Consumables		66	69
Professional Services		707	457
Advertising and Promotion		234	192
Bank Charges and Cash Collection		8	16
Catering		4	4
Cleaning		903	870
Water		116	117
External Plant Hire		12	1
Insurance		109	96
Minor Plant and Equipment		1	9
Printing, Freight and Postage		62	75
Rates and Taxes		68	57
Security		587	559
Subscriptions		7	3
Training and Development		5	3
Waste Services		467	412
Other		14	12
Subtotal - Other Material, Contracts & Expenses		6,840	5,799
Total Materials, Contracts and Other Expenses		6,981	5,969

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 5. Expenses (continued)

\$ '000	Notes	2026	2025
(b). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Right-of-Use Assets		42	39
Subtotal		42	39
Total Depreciation, Amortisation and Impairment		42	39
(c). Finance Costs			
Interest on Leases		3	1
Total Finance Costs		3	1

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 6. Current Assets

\$ '000	Notes	2026	2025
(a). Cash & Cash Equivalent Assets			
Cash on Hand and at Bank		-	-
Total Cash & Cash Equivalent Assets		-	-
(b). Trade & Other Receivables			
Accrued Revenues		188	199
Debtors - General		24	53
GST Recoupment		42	18
Prepayments		7	10
Inter-Entity Debtor		242	66
Subtotal		503	346
Less: Allowance for Doubtful Debts		(21)	(27)
Total Trade & Other Receivables		482	319
(c). Inventories			
Trading Stock		64	50
Total Inventories		64	50
(d). Other Current Assets			
Lease Incentives		53	15
Total Other Current Assets		53	15

Lease incentives are offered at either the inception of a new lease, or through a continuation of a lease in lieu of a fit out contribution. The incentives are given by way of a rent-free period or rent discount and are amortised over the life of the lease.

The non-current portion of the lease incentives are shown in Note 7. Non-Current Assets

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 7. Non-Current Assets

\$ '000	Notes	2026	2025
(a). Other Non-Current Assets			
(i) Other			
Lease Incentives		121	87
Total Other		121	87
Total Other Non-Current Assets		121	87

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 8. Liabilities

		2026	2026	2025	2025
\$ '000	Notes	Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Payments Received in Advance		185	-	191	-
Accrued Expenses - Other		323	-	68	-
Trade Payables		215	-	216	-
Total Trade and Other Payables		723	-	475	-

Note 9. Reserves

(a). Other Reserves

	30/06/2025	Parent Contribution	Transfer from Reserve	Other Movement	30/06/2026
City of Adelaide Contribution	963	1,352	-	-	2,315
Total Other Reserves	<u>963</u>	<u>1,352</u>	<u>-</u>	<u>-</u>	<u>2,315</u>
Comparatives	<u>795</u>	<u>168</u>	<u>-</u>	<u>-</u>	<u>963</u>

OTHER RESERVES

City of Adelaide Contribution

The contribution from the City of Adelaide supports the ongoing operations of the Authority to continue as a going concern.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 10. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2026	2025
(a). Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Total Cash & Equivalent Assets		-	-
Balances per Statement of Cash Flows		-	-
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		(1,352)	(339)
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		42	39
		(1,310)	(300)
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		1,195	320
Change in Allowances for Under-Recovery of Receivables		(6)	17
Net (Increase)/Decrease in Inventories		(14)	(26)
Net (Increase)/Decrease in Other Current Assets		(71)	(23)
Net Increase/(Decrease) in Trade & Other Payables		250	54
Net Cash provided by (or used in) operations		44	42
(c). Non-Cash Financing and Investing Activities			
Borrowings			
Nil			
Opening Balance	2i	77	34
Non-Cash Lease Additions		-	84
Non-Cash Accretion of Interest		3	1
Lease Payments		(44)	(42)
Total Liabilities from Financing Activities		36	77

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 11. Financial Instruments

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2026					
<u>Financial Assets</u>					
Receivables	433	-	-	433	433
Total Financial Assets	433	-	-	433	433
<u>Financial Liabilities</u>					
Payables	538	-	-	538	538
Lease Liabilities	41	-	-	41	36
Total Financial Liabilities	579	-	-	579	574

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2025					
<u>Financial Assets</u>					
Receivables	291	-	-	291	291
Total Financial Assets	291	-	-	291	291
<u>Financial Liabilities</u>					
Payables	284	-	-	284	284
Lease Liabilities	40	41	-	81	77
Total Financial Liabilities	324	41	-	365	361

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 11. Financial Instruments (continued)

\$ '000

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any impairment. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 6 & 7 in relation to individual classes of receivables, exposure is concentrated within the Authority's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed through the City of Adelaide.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 12. Leases

\$ '000	2026	2025
---------	------	------

The Authority as a Lessee

Terms and conditions of leases

Land & Buildings

The Authority leased the Central Market Complex from the Corporation of the City of Adelaide under a lease which commenced on 8 July 2021 for a period of 20 years. The lease contains payment terms of \$1 per annum and is deemed a "Peppercorn" lease. The lease payments are recognised as an expense in Note 5.

Right of use Asset

ACMA has entered into an agreement with Willsmere Pty Ltd in order to occupy a cool room and online shopping retail space until 31 May 2027. The financial implications of this arrangement are disclosed in Right-of-use assets below.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

	Buildings \$'000	Total \$'000
2026		
Opening Balance	81	81
Adjustments to right-of-use assets due to re-measurement of lease liability	-	-
Depreciation charge	(42)	(42)
Balance at 30 June 2026	39	39
2025		
Opening Balance	36	36
Adjustments to right-of-use assets due to	84	84
Depreciation charge	(39)	(39)
Balance at 30 June 2025	81	81

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2026	2025
Balance at 1 July	77	34
Additions	-	84
Accretion of interest	3	1
Payments	(44)	(42)
Balance at 30 June	36	77

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 12. Leases (continued)

The Authority as a Lessee (continued)

\$ '000	2026	2025
Classified as:		
Current	36	37
Non Current	-	40

The maturity analysis of lease liabilities is included in Note 10.

The Authority had total cash outflows for leases of \$43 534 in 2025-26 (2025: \$41,999).

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	42	39
Interest expense on lease liabilities	3	1
Total amount recognised in profit or loss	45	40

The Authority as a Lessor

Leases Providing Revenue to the Authority

\$ '000	2026	2025
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	4,297	4,014
Later than one year and not later than 5 years	21,787	8,285
Later than 5 years	5,137	103
	31,221	12,402

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 13. Events After the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2026, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

The Authority has adopted the date of receipt of the Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 25/09/26.

The Authority is not aware of any "non adjusting events" that merit disclosure.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 14. Related Party Transactions

\$ '000	2026	2025
Key Management Personnel		
Transactions with Key Management Personnel		
The Key Management Personnel of the Adelaide Central Market Authority include Board members and the General Manager. In all, 8 persons were paid the following total cumulative compensation which have been included within Board Fees and Contractors in note 5:		
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	360	316
Post-Employment Benefits	40	68
Total	400	384

Amounts paid as direct reimbursement of expenses incurred on behalf of the Adelaide Central Market Authority have not been included above.

Other Related Party Transactions

ACMA contracts staff from Council with the on-charge totalling \$1,729,831 (2025: \$1,443,661) for the year.

Council, as the parent entity, has provided an equity contribution of \$1,351,958 (2025: \$167,929) to continue to support ACMA on a going concern basis. A distribution will be made to the City of Adelaide once sufficient reserves are generated.

Adelaide Central Market Authority

General Purpose Financial Statements
for the year ended 30 June 2026

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Central Market Authority for the year ended 30 June 2026, the Council's Auditor, Galpins has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

George Anthony Spartalis
Acting Chief Executive Officer
CITY OF ADELAIDE

Theo Maras AM
Chair
ADELAIDE CENTRAL MARKET AUTHORITY

Mark Davies
Presiding Member
CITY OF ADELAIDE AUDIT COMMITTEE

Date:



Mr Tim Muhlhausler
 Partner
 Galpins Accountants Auditors and Business Consultants
 PO Box 4067
 Norwood city SA 5067

Dear Tim,

This representation letter is provided in connection with your audit of the financial report of the **Adelaide Central Market Authority** (the Authority) for the year ended 30 June 2026 for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

We confirm that *(to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves)*:

A. FINANCIAL REPORT

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial report in accordance with Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*; in particular the financial report presents fairly in accordance therewith.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control for the preparation of the financial report in accordance with Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.
3. Significant accounting policies adopted in the preparation of the financial report are fully and fairly described in the financial report.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards. Such transactions with related party may include:
 - sales, purchases, loans, transfers of assets / liabilities/ services, leasing arrangements, guarantees etc.
 - all balances due to or from related party at year end.
6. All events subsequent of the date of the financial report for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.

7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of uncorrected misstatements is included in the audit completion report.



B. OWNERSHIP

1. The Authority has good title (or lease interest) in all assets recorded in the accounts.

C. VALUATION

1. We have no plans and intentions that may affect materially the carrying value, or classification, of Authority's assets and liabilities.
2. The fair value of land and buildings as determined by the external valuer is reasonable.
3. Adequate provisions have been recorded in the accounts for all anticipated losses.
4. Depreciation rates for capital and other assets have been reviewed having regard to such factors as asset usage and obsolescence. Any adjustment to reflect the most recent assessment of the useful lives of all capital and other assets has been recognised and disclosed in the financial report.
5. The carrying amount of capital and other assets does not materially differ from its fair value at the reporting date.

D. Information Provided

1. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
2. All transactions have been recorded in accounting records and are reflected in the financial report.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.



5. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Authority and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial report.
6. We have disclosed to you all information in relation to allegations of fraud, suspected fraud, affecting the Authority's financial report communicated by employees, former employees, analysts, regulators or others.
7. We have disclosed to you all known instances of non-compliance or suspected non-compliances with laws and regulations including all covenants, conditions or other requirements of outstanding debts, whose effects should be considered when preparing the financial report.
8. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial report; and accounted for and disclosed in accordance with the applicable financial reporting framework.
9. We have disclosed to you all known unusual commitments or contractual obligations that were not in the ordinary course of business whose effects should be considered when preparing the financial report.
10. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

E. COMPLETENESS

1. All assets owned or controlled by the Authority have been recorded in the accounts.
2. All services rendered prior to the year-end have been recorded in the correct financial year.
3. Inventory does not include items not paid for and for which no liability has been recorded in the accounts at year-end.
4. All charges to capital assets (and additions under capital leases) during the year represent actual additions and no expenditure of a capital nature have been charged to expenses during the year.
5. All capital assets sold or dismantled during the year have been properly accounted for in the accounts.
6. Capital and other assets with a limited life are being depreciated, amortised, or otherwise written off as a charge to income over their estimated useful lives in a systematic and rational manner.

7. All liabilities of the Authority at year-end have been recorded in the accounts (including provisions for such items as salaries and wages, employee benefits, professional services and long term debts).



F. ELECTRONIC PUBLICATION OF FINANCIAL REPORT

1. We acknowledge our responsibility for the electronic presentation of the audited financial report and independent auditor's report on the internet is identical to the signed hard copy version.
2. We acknowledge our responsibility to clearly differentiate between audited and unaudited information in the construction of the Authority's website as we understand the risk of potential misrepresentation.
3. We acknowledge our responsibility for the design, implementation and internal control to ensure the security and integrity of the data published on the internet.
4. We acknowledge our responsibility to only publish the independent auditor's report when the full financial report is presented on the website.

G. OTHER

1. Minute book provided to you contains complete and authentic minutes of all meetings and committees held throughout the year to the most recent meetings.
2. We believe that the Authority will be able to meet its financial commitments when they fall due.

Yours faithfully,

Anthony Spotalis
Acting Chief Executive Officer (City of Adelaide)
/ / 2026

Theo Maras
Board Chair
Adelaide Central Market Authority
/ / 2026

Fabienne Reilly
General Manager
Adelaide Central Market Authority
/ / 2026

Adelaide Economic Development Agency

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2026

Adelaide Economic Development Agency

General Purpose Financial Statements

for the year ended 30 June 2026

	Page
Table of Contents	
1. Agency Certificate	2
2. Primary Financial Statements:	
- Statement of Comprehensive Income	3
- Statement of Financial Position	4
- Statement of Changes in Equity	5
- Statement of Cash Flows	6
3. Notes to the Financial Statements	7
4. Independent Auditor's Report - Financial Statements	22
5. Certificates of Audit Independence	
- Adelaide Economic Development Agency Certificate of Audit Independence	24
- Audit Certificate of Audit Independence	25

Adelaide Economic Development Agency

General Purpose Financial Statements

for the year ended 30 June 2026

Certification of Financial Statements

We have been authorised by Adelaide Economic Development Agency (the Agency) to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Agency's financial position at 30 June 2026 and the results of its operations and cash flows for the reporting period,
- internal controls implemented by the Agency provide a reasonable assurance that the Agency's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Agency's accounting and other records.

Steve Maras

CHAIR

ADELAIDE ECONOMIC DEVELOPMENT AGENCY

George Anthony Spartalis

ACTING CHIEF EXECUTIVE OFFICER

CITY OF ADELAIDE

Date:

Adelaide Economic Development Agency

Statement of Comprehensive Income for the year ended 30 June 2026

\$ '000	Notes	2026	2025
Income			
Rates	4a	4,166	4,049
User Charges	4b	554	656
Reimbursements	4c	41	-
Other Income	4d	7	7
Grants, Subsidies and Contributions	4e	8,723	8,428
Total Income		13,491	13,140
Expenses			
Materials, Contracts & Other Expenses	5a	13,113	12,666
Depreciation, Amortisation & Impairment	5b	126	96
Finance Costs	5c	7	7
Total Expenses		13,246	12,769
Operating Surplus / (Deficit)		245	371
Net Surplus / (Deficit) ¹		245	371
Total Comprehensive Income		245	371

¹ Transferred to Statement of Changes in Equity

Adelaide Economic Development Agency

Statement of Financial Position

as at 30 June 2026

\$ '000	Notes	2026	2025
ASSETS			
Current Assets			
Trade & Other Receivables	6a	1,171	1,240
Inventories	6b	26	4
Subtotal		1,197	1,244
Total Current Assets		1,197	1,244
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	7	137	14
Right-of-use Assets	11a	76	149
Total Non-Current Assets		213	163
TOTAL ASSETS		1,410	1,407
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	443	610
Lease Liabilities	11b	60	73
Total Current Liabilities		503	683
Non-Current Liabilities			
Trade & Other Payables	8a	-	-
Lease Liabilities	11b	23	85
Total Non-Current Liabilities		23	85
TOTAL LIABILITIES		526	768
Net Assets		884	639
EQUITY			
Accumulated Surplus		884	639
Total Equity		884	639

Adelaide Economic Development Agency

Statement of Changes in Equity for the year ended 30 June 2026

\$ '000	Notes	Accumulated Surplus	Other Reserves	Total Equity
2026				
Opening Balance		639	-	639
Net Surplus / (Deficit) for Year		245	-	245
Total Comprehensive Income		245	-	245
Balance at the end of period		884	-	884
2025				
Balance at the end of previous reporting period		268		268
Net Surplus / (Deficit) for Year		371	-	371
Total Comprehensive Income		371	-	371
Balance at the end of period		639	-	639

Adelaide Economic Development Agency

Statement of Cash Flows

for the year ended 30 June 2026

\$ '000	Notes	2026	2025
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates		4,166	4,049
User Charges		586	645
Grants, Subsidies and Contributions (operating purpose)		8,973	8,428
Reimbursements		41	-
Other Receipts		7	7
<u>Payments</u>			
Materials, Contracts & Other Expenses		(13,515)	(13,075)
Net Cash provided by (or used in) Operating Activities	9a	258	54
Cash Flows from Investing Activities			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Expenditure on New/Upgraded Assets		(176)	-
Net Cash provided by (or used in) Investing Activities		(176)	-
Cash Flows from Financing Activities			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Repayment of Lease Liabilities (Principal)		(82)	(54)
Net Cash provided by (or used in) Financing Activities		(82)	(54)
Net Increase (Decrease) in Cash Held		-	-
plus: Cash & Cash Equivalents at beginning of period		-	-
Cash & Cash Equivalents at end of period		-	-

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Material Accounting Policies	8
2	Financial Indicators	13
3	Uniform Presentation of Finances	13
4	Income	14
5	Expenses	15
	Current Assets	
6a	Trade & Other Receivables	16
6b	Inventories	16
	Fixed Assets	
7	Infrastructure, Property, Plant & Equipment	17
	Liabilities	
8a	Trade & Other Payables	18
9	Reconciliation to Statement of Cash Flows	18
10	Financial Instruments	19
11	Leases	20
12	Related Party Transactions	21
13	Events After the Reporting Date	21

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies

The principal accounting policies adopted by Adelaide Economic Development Agency (the Agency) in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention (except as stated below) in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 23 September 2026.

1.2 Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Agency's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

1.4 Estimates and assumptions

There are no material estimates or assumptions made in these financial statements that would impact the users' understanding of the financial position of the Agency.

1.5 Economic dependence

Under the *Local Government Act 1999*, all liabilities incurred or assumed by the Agency are guaranteed by the City of Adelaide (the Council). The Agency is reliant on contributions from the City of Adelaide to remain viable. See Note 4 for details of contributions received.

2 The local government reporting entity

The Agency is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 25 Pirie Street, Adelaide.

The Agency was established on 14 January 2021 as a subsidiary of the Council with its primary role being to accelerate economic growth in the city, growing the visitor economy, supporting residential growth, and marketing the city as a whole including Rundle Mall.

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

3 Income Recognition

The Agency recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

3.1 Rates Revenue

Rates are recognised as revenue when the Agency obtains control over these receipts which is the beginning of the rating period to which they relate. Rebates are recognised in the same period as the rates to which they relate.

3.2 Fee & statutory charges

Revenue arising from fees and charges are recognised at a point in time when the performance obligation is completed, and the customer receives the benefits of the goods/ services being provided.

Licences and permits granted by the Agency are either short-term or low value. Revenue is recognised at the time the licence or permit is granted.

3.3 Grant income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, revenue is recognised when control of each performance obligation is satisfied. Performance obligations vary in each agreement and payment terms vary depending on terms of the grant. Cash is received upfront for some grants and on the achievement of certain payment milestones for others.

4 Cash, Cash Equivalents and other Financial Instruments

The Agency does not hold any cash assets. All cash assets are held by the parent entity, the City of Adelaide.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 10.

5 Inventories

Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Agency includes the cost of all materials used in

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

construction, direct labour on the project and other overhead costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Agency for each type of asset. Items of property, plant and equipment with a total value less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

6.3 Depreciation of Non-Current Assets

Property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Agency, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below.

Equipment, Furniture & Fittings	3 years
---------------------------------	---------

6.4 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Agency were deprived thereof, are not subject to impairment testing.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts (other than grants) received from external parties in advance of service delivery are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Employee Benefits

The Agency does not have any employees. All employees are engaged through the parent entity, the City of Adelaide.

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

9 Leases

The Agency assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

9.1 The Agency as a lessee

The Agency recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-Use-Assets

The Agency recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	3 years
-----------	---------

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 6.4 Impairment.

Lease Liabilities

At the commencement date of the lease, the Agency recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Agency uses its incremental borrowing rate or the interest rate implicit in the lease.

Short-term leases and leases of low-value assets

The Agency applies the short-term lease recognition exemption to its short-term leases of plant and equipment (ie those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of plant and equipment that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

10 GST Implications

In accordance with Interpretation Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

11 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

12 New and amended accounting standards and interpretations

In the current year, the Agency adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Agency's accounting policies.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2026. These standards have not been adopted by the Agency and will be included in the financial statements on their effective date.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretations, that were issued but not yet effective at the time of compiling these statements that could be applicable to the Agency.

Effective for NFP annual reporting periods beginning on or after 1 January 2028

- AASB 18 Presentation and Disclosure in Financial Statements

The Agency has assessed all the standards / interpretations issued which are not yet effective and has determined that there is no expected material impact on the reported financial position or performance.

13 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 2. Financial Indicators

\$ '000	Amounts 2026	Indicator 2026	Prior Periods 2025	2024
---------	-----------------	-------------------	-----------------------	------

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	245	2%	3%	(0%)
Total Operating Income	13,491			

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	(645)	(5%)	(4%)	(1%)
Total Operating Income	13,491			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Note 3. Uniform Presentation of Finances

\$ '000	2026	2025
---------	------	------

The following is a high-level summary of both operating and capital investment activities of the Agency prepared on a modified Uniform Presentation Framework basis.

All Councils and Council subsidiaries in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils and their subsidiaries provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

Income	13,491	13,140
less Expenses	(13,246)	(12,769)
Operating Surplus / (Deficit)	245	371
Net Outlays on Existing Assets		
add back Depreciation, Amortisation and Impairment	126	96
Lease liability payments (Principal)	(82)	(54)
Subtotal	44	42
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(176)	-
Subtotal	(176)	-
Net Lending / (Borrowing) for Financial Year	113	413

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 4. Income

\$ '000	Notes	2026	2025
(a). Rates Revenues			
Other Rates (Including Service Charges)			
Rundle Mall Separate Rate		4,194	4,076
Less: mandatory rebates		(28)	(27)
Total Other Rates		4,166	4,049
Total Rates Revenues		4,166	4,049
(b). User Charges			
Event Fees		26	71
Rundle Mall		528	585
Total User Charges		554	656
(c). Reimbursements			
Other		41	-
Total Reimbursements		41	-
(d). Other Income			
Merchandise Sales		7	7
Total Other Income		7	7
(e). Grants, Subsidies, Contributions			
Other Grants, Subsidies and Contributions		8,723	8,428
Total Other Grants, Subsidies and Contributions		8,723	8,428
Total Grants, Subsidies, Contributions		8,723	8,428
In the period, an amount of \$8,716,615 (2025: \$8,412,973) was received by the Agency as contribution from the City of Adelaide.			
(i) Sources of grants			
Other		5	15
City of Adelaide Contribution		8,718	8,413
Total		8,723	8,428

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 5. Expenses

\$ '000	Notes	2026	2025
(a). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration		3	1
Bad and Doubtful Debts		1	5
Board Fees		101	130
Lease Expense - Low Value Assets / Short Term Leases		14	48
Subtotal - Prescribed Expenses		119	184
(ii) Other Materials, Contracts and Expenses			
Contractors		4,979	4,481
Energy		3	7
Maintenance		10	-
Legal Expenses		27	2
Parts, Accessories & Consumables		10	20
Professional Services		375	239
Sundry		17	21
Advertising and Promotion		2,601	2,720
Catering		17	24
Cleaning		1	6
Communications		-	1
Contractual Expenses		-	7
Water		6	5
External Plant Hire		684	596
Insurance		18	17
Minor Plant and Equipment		27	31
Printing, Freight and Postage		34	23
Rates and Taxes		8	12
Security		510	413
Sponsorships, Contributions and Donations		3,329	3,605
Subscriptions		279	148
Training and Development		29	13
Venue Hire		11	82
Other		18	9
Subtotal - Other Material, Contracts & Expenses		12,994	12,482
Total Materials, Contracts and Other Expenses		13,113	12,666

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 5. Expenses (continued)

\$ '000	Notes	2026	2025
(b). Depreciation, Amortisation and Impairment			
Right-of-use Assets		73	54
Equipment, Furniture & Fittings	7	53	42
Total Depreciation, Amortisation and Impairment		126	96
(c). Finance Costs			
Interest on Leases		7	7
Total Finance Costs		7	7

Note 6. Current Assets

\$ '000	Notes	2026	2025
(a). Trade & Other Receivables			
Debtors - General		31	32
GST Recoupment		60	122
Prepayments		42	20
Inter-Entity Debtor		1,044	1,071
Subtotal		1,177	1,245
Less: Allowance for Doubtful Debts		(6)	(5)
Total Trade & Other Receivables		1,171	1,240
(b). Inventories			
Trading Stock		7	4
Gift Cards		19	-
Total Inventories		26	4

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 7 Infrastructure, Property, Plant & Equipment

	as at 30 June 2025			Asset Movements during the Reporting Period			as at 30 June 2026		
	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions	Depreciation Expense (Note 5b)	Disposal	At Cost	Accumulated Dep'n	Carrying Value
\$ '000									
Plant and Equipment									
Equipment, Furniture & Fittings	125	(111)	14	176	(53)	-	301	(164)	137
Total Infrastructure, Property, Plant & Equipment	125	(111)	14	176	(53)	-	301	(164)	137
Comparatives	125	(69)	56	-	(42)	-	125	(111)	14

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 8. Liabilities

		2026	2026	2025	2025
\$ '000	Notes	Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Payments Received in Advance		249	-	31	-
Accrued Expenses - Other		130	-	179	-
Trade Payables		64	-	400	-
Total Trade and Other Payables		443	-	610	-

Note 9. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2026	2025
---------	-------	------	------

Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of change of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

(a). Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus/(Deficit)	245	371
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	126	96
Interest on lease liabilities	7	7
	378	474
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	69	(749)
Net (Increase)/Decrease in Inventories	(22)	2
Net Increase/(Decrease) in Trade & Other Payables	(167)	327
Net Cash provided by (or used in) operations	258	54

(b). Non-Cash Financing and Investing Activities

Borrowings and Lease Liabilities		
Opening Balance	158	130
Amounts recognised in Income Statement	-	-
Non-Cash Lease Additions	-	75
Non-Cash Accretion of Interest	7	7
Lease Payments	(82)	(54)
Total Liabilities from Financing Activities	83	158

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 10. Financial Instruments

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2026					
<u>Financial Assets</u>					
Receivables	1,069	-	-	1,069	1,069
Total Financial Assets	1,069	-	-	1,069	1,069
<u>Financial Liabilities</u>					
Payables	194	-	-	194	194
Lease Liabilities	65	24	-	89	83
Total Financial Liabilities	259	24	-	283	277
2025					
<u>Financial Assets</u>					
Receivables	1,098	-	-	1,098	1,098
Total Financial Assets	1,098	-	-	1,098	1,098
<u>Financial Liabilities</u>					
Payables	579	-	-	579	579
Lease Liabilities	80	88	-	168	158
Total Financial Liabilities	659	88	-	747	737

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Agency.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Agency is the carrying amount, net of any impairment. All Agency investments are made with the SA Local Government Finance Authority via the City of Adelaide and are guaranteed by the SA Government. Except as detailed in Note 6(a) in relation to individual classes of receivables, exposure is concentrated within the City of Adelaide's council boundary, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Agency's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that the Agency will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Agency has available a range of bank overdraft and standby borrowing facilities that it can access through the City of Adelaide.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed through the City of Adelaide.

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 11. Leases

\$ '000

The Agency as a Lessee

a) Right of use assets

	Buildings \$'000	Total \$'000
2026		
Balance at 1 July	149	149
Additions to right-of-use assets	-	-
Adjustments to right-of-use assets due to remeasurement of lease liability	-	-
Depreciation charge	(73)	(73)
Balance at 30 June 2026	76	76

2025		
Opening Balance	128	128
Additions to right-of-use assets	75	75
Adjustments to right-of-use assets due to remeasurement of lease liability	-	-
Depreciation charge	(54)	(54)
Balance at 30 June 2025	149	149

\$ '000	2026	2025
Balance at 1 July	158	130
Additions	-	75
Accretion of interest	7	7
Payments	(82)	(54)
Balance at 30 June	83	158

Classified as:

Current	60	73
Non Current	23	85

The maturity analysis of lease liabilities is included in Note 10. The Agency had total cash outflows for leases of \$82,486 (2025: \$53,668). The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	73	54
Interest expense on lease liabilities	7	7
Expense relating to short term leases	14	48
Total amount recognised in profit or loss	94	109

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 12. Related Party Transactions

\$ '000	2026	2025
---------	------	------

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Agency include Board Members and General Manager AEDA.

In all, 10 persons were paid the following total compensation which has been included within Board Fees and Contractors in Note 5(a):

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	340	323
Post-Employment Benefits	42	69
Long-Term Benefits	26	
Total	408	392

Amounts paid as direct reimbursement of expenses incurred on behalf of the Agency have not been included above.

Other Related Party Transactions

The Adelaide Economic Development Agency contracts staff from the City of Adelaide. The cost of these services was \$4,518,881 (2025: \$4,182,801).

In the period an amount of \$8,716,615 (2025: \$8,412,973) was received by the Agency as contribution from the City of Adelaide.

Note 13. Events After the Reporting Date

Events that occur after the reporting date of 30 June 2026, up to and including the date when the financial statements are "authorised for issue" as detailed in Note 1.1 have been taken into account in preparing these financial statements.

The Agency has adopted the date of receipt of the Auditor's Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

The Agency is unaware of any material or significant "non-adjusting events" that should be disclosed.

Adelaide Economic Development Agency

General Purpose Financial Statements for the year ended 30 June 2026

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Economic Development Agency for the year ended 30 June 2026, the Council's Auditor, Galpins Trading Pty Ltd has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

Steve Maras
CHAIR
ADELAIDE ECONOMIC DEVELOPMENT AGENCY

Mark Davies
PRESIDING MEMBER, AUDIT & RISK COMMITTEE

George Anthony Spartalis
ACTING CHIEF EXECUTIVE OFFICER
CITY OF ADELAIDE

Date:

Mr Tim Muhlhausler
Partner
Galpins Accountants Auditors and Business Consultants
PO Box 4067
Norwood SA 5067

Dear Tim,

This representation letter is provided in connection with your audit of the financial report of the **Adelaide Economic Development Agency** (the Agency) for the year ended 30 June 2026 for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

We confirm that *(to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves)*:

A. FINANCIAL REPORT

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial report in accordance with Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*; in particular the financial report presents fairly in accordance therewith.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control for the preparation of the financial report in accordance with Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.
3. Significant accounting policies adopted in the preparation of the financial report are fully and fairly described in the financial report.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards. Such transactions with related party may include:
 - sales, purchases, loans, transfers of assets / liabilities/ services, leasing arrangements, guarantees etc.
 - all balances due to or from related party at year end.
6. All events subsequent of the date of the financial report for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of uncorrected misstatements is included in the audit completion report.

B. OWNERSHIP

1. The Agency has good title (or lease interest) in all assets recorded in the accounts.

C. VALUATION

1. We have no plans and intentions that may affect materially the carrying value, or classification, of Agency's assets and liabilities.
2. The fair value of land and buildings as determined by the external valuer is reasonable.
3. Adequate provisions have been recorded in the accounts for all anticipated losses.
4. Depreciation rates for capital and other assets have been reviewed having regard to such factors as asset usage and obsolescence. Any adjustment to reflect the most recent assessment of the useful lives of all capital and other assets has been recognised and disclosed in the financial report.
5. The carrying amount of capital and other assets does not materially differ from its fair value at the reporting date.

D. Information Provided

1. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence.
2. All transactions have been recorded in accounting records and are reflected in the financial report.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.

5. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Agency and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial report.
6. We have disclosed to you all information in relation to allegations of fraud, suspected fraud, affecting the Agency's financial report communicated by employees, former employees, analysts, regulators or others.
7. We have disclosed to you all known instances of non-compliance or suspected non-compliances with laws and regulations including all covenants, conditions or other requirements of outstanding debts, whose effects should be considered when preparing the financial report.
8. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial report; and accounted for and disclosed in accordance with the applicable financial reporting framework.
9. We have disclosed to you all known unusual commitments or contractual obligations that were not in the ordinary course of business whose effects should be considered when preparing the financial report.
10. We have disclosed to you the identity of the Agency's related parties and all the related party relationships and transactions of which we are aware.

E. COMPLETENESS

1. All assets owned or controlled by the Agency have been recorded in the accounts.
2. All services rendered prior to the year-end have been recorded in the correct financial year.
3. Inventory does not include items not paid for and for which no liability has been recorded in the accounts at year-end.
4. All charges to capital assets (and additions under capital leases) during the year represent actual additions and no expenditure of a capital nature have been charged to expenses during the year.
5. All capital assets sold or dismantled during the year have been properly accounted for in the accounts.
6. Capital and other assets with a limited life are being depreciated, amortised, or otherwise written off as a charge to income over their estimated useful lives in a systematic and rational manner.
7. All liabilities of the Agency at year-end have been recorded in the accounts (including provisions for such items as salaries and wages, employee benefits, professional services and long term debts).

F. ELECTRONIC PUBLICATION OF FINANCIAL REPORT

1. We acknowledge our responsibility for the electronic presentation of the audited financial report and independent auditor's report on the internet is identical to the signed hard copy version.
2. We acknowledge our responsibility to clearly differentiate between audited and unaudited information in the construction of the Agency's website as we understand the risk of potential misrepresentation.
3. We acknowledge our responsibility for the design, implementation and internal control to ensure the security and integrity of the data published on the internet.
4. We acknowledge our responsibility to only publish the independent auditor's report on the website when it is presented together with the full financial report.

G. OTHER

1. Minute book provided to you contains complete and authentic minutes of all meetings and committees held throughout the year to the most recent meetings.
2. We believe that the Agency will be able to meet its financial commitments when they fall due.

Yours faithfully,

George Anthony Spartalis
Acting Chief Executive Officer (City of Adelaide)
/ / 2026

Greg Ratsch
General Manager (Adelaide Economic Development Agency)
/ / 2026

Rebecca Hayes
Acting Chief Operating Officer (City of Adelaide)
/ / 2026

Steve Maras
Chair (Adelaide Economic Development Agency)
/ / 2026

Adelaide Park Lands Authority

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Adelaide Park Lands Authority

General Purpose Financial Statements for the year ended 30 June 2026

Table of Contents	Page
1. Certification of Financial Statements	2
2. Primary Financial Statements:	
- Statement of Comprehensive Income	3
- Statement of Financial Position	4
- Statement of Changes in Equity	5
- Statement of Cash Flows	6
3. Notes to the Financial Statements	7
4. Independent Auditor's Report - Financial Statements	14
5. Certificates of Audit Independence	
- Certificate of Audit Independence	16
- Audit Certificate of Audit Independence	17

Adelaide Park Lands Authority

General Purpose Financial Statements for the year ended 30 June 2026

Certification of Financial Statements

We have been authorised by the Authority to certify the financial statements in their final form.
In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999 (SA)*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2026 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Authority's accounting and other records.

George Anthony Spartalis
CITY OF ADELAIDE
ACTING CHIEF EXECUTIVE OFFICER

Date:

Dr Jane Lomax-Smith AM
LORD MAYOR

Date:

Adelaide Park Lands Authority

Statement of Comprehensive Income for the year ended 30 June 2026

\$ '000	Notes	2026	2025
Income			
Grants, Subsidies and Contributions	3	241	306
Total Income		241	306
Expenses			
Materials, Contracts & Other Expenses	4	241	306
Total Expenses		241	306
Operating Surplus / (Deficit)		-	-
Net Surplus / (Deficit)		-	-
Total Comprehensive Income		-	-

Adelaide Park Lands Authority

Statement of Financial Position as at 30 June 2026

\$ '000	2026	2025
ASSETS		
Current Assets		
Cash and Cash Equivalents	-	-
Trade & Other Receivables	-	-
Total Current Assets	-	-
Non-Current Assets		
Nil		
Total Non-Current Assets	-	-
TOTAL ASSETS	-	-
LIABILITIES		
Current Liabilities		
Trade & Other Payables	-	-
Total Current Liabilities	-	-
Non-Current Liabilities		
Nil		
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	-	-
Net Assets	-	-
EQUITY		
Accumulated Surplus	-	-
Asset Revaluation Reserves	-	-
Other Reserves	-	-
Total Equity	-	-

Adelaide Park Lands Authority

Statement of Changes in Equity for the year ended 30 June 2026

\$ '000	Accumulated Surplus	Total Equity
2026		
Balance at the end of previous reporting period	-	-
Net Surplus / (Deficit) for Year	-	-
Total Comprehensive Income	-	-
Balance at the end of period	-	-
2025		
Balance at the end of previous reporting period	-	-
Net Surplus / (Deficit) for Year	-	-
Total Comprehensive Income	-	-
Balance at the end of period	-	-

Adelaide Park Lands Authority

Statement of Cash Flows for the year ended 30 June 2026

\$ '000	2026	2025
Cash Flows from Operating Activities		
<u>Receipts</u>		
Grants utilised for operating purposes	241	306
<u>Payments</u>		
Materials, contracts & other expenses	(241)	(306)
Net Cash provided by (or used in) Operating Activities	-	-
Net Increase (Decrease) in Cash Held	-	-
plus: Cash & Cash Equivalents at beginning of period	-	-
Cash & Cash Equivalents at end of period	-	-

Adelaide Park Lands Authority

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Material Accounting Policies Information	8
2	Uniform Presentation of Finances	11
3	Income	12
4	Expenses	12
5	Related Party Transactions	13

Adelaide Park Lands Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies

The principal accounting policies adopted by the Adelaide Park Lands Authority (the Authority) in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention (except as stated below) in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 23 September 2026.

1.2 Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

1.4 Estimates and assumptions

There are no material estimates or assumptions made in these financial statements that would impact users' understanding of the financial position of the Authority.

1.5 Economic dependence

Under the *Local Government Act 1999*, liabilities incurred or assumed by the Authority are guaranteed by the City of Adelaide.

The Authority is reliant on contributions from the City of Adelaide to remain viable. See note 3 for details of contributions received.

2 The local government reporting entity

The Authority is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 25 Pirie Street, Adelaide.

The Authority was enacted on 14 December 2006 as a subsidiary of the City of Adelaide (the Council) with its primary role being the provision of policy and advice to Council and the State Government in regard to the management of the Park Lands.

Adelaide Park Lands Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

3 Income Recognition

The Authority recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when the Authority enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the Authority to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

4 Cash, Cash Equivalents and other Financial Instruments

Cash assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition.

5 Infrastructure, Property, Plant & Equipment

The Authority did not procure any non-current assets during the reporting period and does not hold any non-current assets as at the reporting date.

6 Employee Benefits

The Authority does not have any employees. All employees are engaged through the parent entity, the City of Adelaide.

7 Payables

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

Adelaide Park Lands Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

8 GST Implications

In accordance with Interpretation 1031 "Accounting for the Goods & Services Tax"

- Receivables and creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

9 New and amended accounting standards and interpretations

In the current year, the Authority adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Authority's accounting policies.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2026. These standards have not been adopted by the Authority and will be included in the financial statements on their effective date.

The following list identifies Standards and Interpretations that were issued but not yet effective at the time of compiling these statements that could be applicable to the Authority.

Effective for NFP annual reporting periods beginning on or after 1 January 2028

- AASB 18 Presentation and Disclosure in Financial Statements

The Authority has assessed all the standards / interpretations issued which are not yet effective and has determined that there is no expected material impact on the reported financial position or performance.

10 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

11 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Adelaide Park Lands Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 2. Uniform Presentation of Finances

\$ '000	2026	2025
The following is a high level summary of both operating and capital investment activities of the Authority prepared on a modified Uniform Presentation Framework basis. All Councils and their subsidiaries in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income		
Grants, Subsidies and Contributions	241	306
Expenses		
Materials, Contracts & Other Expenses	(241)	(306)
Operating Surplus / (Deficit)	-	-
Net Lending / (Borrowing) for Financial Year	-	-

Adelaide Park Lands Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 3. Income

\$ '000	2026	2025
(a). Grants, Subsidies, Contributions		
Other Grants, Subsidies and Contributions	241	306
Total Other Grants, Subsidies and Contributions	241	306
Total Grants, Subsidies, Contributions	241	306
(i) Sources of grants		
City of Adelaide	241	306
Total	241	306

Note 4. Expenses

\$ '000	Notes	2026	2025
(a). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration		2	1
Subtotal - Prescribed Expenses		2	1
(ii) Other Materials, Contracts and Expenses			
Contractors		154	155
Professional Services		-	26
Advertising and Promotion		32	34
Catering		1	4
External Plant Hire		-	1
Insurance		18	13
Sponsorships, Contributions and Donations		-	15
Sitting Fees		31	42
Superannuation		3	15
Subtotal - Other Material, Contracts & Expenses		239	305
Total Materials, Contracts and Other Expenses		241	306

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 5. Related Party Transactions

\$ '000	2026	2025
Key Management Personnel		
Transactions with Key Management Personnel		
The Key Management Personnel of the Adelaide Park Lands Authority include the Board Members. In all, 10 persons were paid the following total cumulative compensation:		
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	31	42
Post-Employment Benefits	3	15
Total	34	57

Other Related party Transactions

The Adelaide Park Lands Authority contracts staff from the City of Adelaide. The cost of these services was \$154,326 for the year (2025 \$153,855) and has been included within contractors in note 4.

The City of Adelaide provides an annual contribution to the Authority matching the total expenditure incurred during the financial year.

Adelaide Park Lands Authority

General Purpose Financial Statements for the year ended 30 June 2026

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Park Lands Authority for the year ended 30 June 2026, the Council's Auditor, Galpins has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

George Anthony Spartalis
CITY OF ADELAIDE
ACTING CHIEF EXECUTIVE OFFICER

Mark Davies
PRESIDING MEMBER
CITY OF ADELAIDE
AUDIT & RISK COMMITTEE

Date:

Enquiries: Alison Ackland
 Reference: ACC2026/109935

23 September 2026

Mr Tim Muhlhausler
 Partner
 Galpins Accountants Auditors and Business Consultants
 PO Box 4067
 Norwood city SA 5067

GPO Box 2252, Adelaide
 South Australia 5001

T +61 (08) 8203 7203

F +61 (08) 8203 7575

E kadaltilla@cityofadelaide.com.au

W cityofadelaide.com.au/kadaltilla

Dear Tim,

This representation letter is provided in connection with your audit of the financial report of the **Adelaide Park Lands Authority** (the Authority) for the year ended 30 June 2026 for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

We confirm that (to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves):

A. FINANCIAL REPORT

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial report in accordance with Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011; in particular the financial report presents fairly in accordance therewith.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control for the preparation of the financial report in accordance with Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.
3. Significant accounting policies adopted in the preparation of the financial report are fully and fairly described in the financial report.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards. Such transactions with related party may include:
 - sales, purchases, loans, transfers of assets / liabilities/ services, leasing arrangements, guarantees etc.
 - all balances due to or from related party at year end.
6. All events subsequent of the date of the financial report for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of uncorrected misstatements is included in the audit completion report.



Kadaltilla acknowledges the Kurna people as the Traditional Owners of the Country where the Adelaide Park Lands are situated, and pays respect to Elders past, present and emerging. Kadaltilla is a traditional Kurna word meaning green place/green lands/parklands.

B. OWNERSHIP

1. The Authority has good title (or lease interest) in all assets recorded in the accounts.

C. VALUATION

1. We have no plans and intentions that may affect materially the carrying value, or classification, of Authority's assets and liabilities.
2. The fair value of land and buildings as determined by the external valuer is reasonable.
3. Adequate provisions have been recorded in the accounts for all anticipated losses.
4. Depreciation rates for capital and other assets have been reviewed having regard to such factors as asset usage and obsolescence. Any adjustment to reflect the most recent assessment of the useful lives of all capital and other assets has been recognised and disclosed in the financial report.
5. The carrying amount of capital and other assets does not materially differ from its fair value at the reporting date.

D. Information Provided

1. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
2. All transactions have been recorded in accounting records and are reflected in the financial report.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
5. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Authority and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial report.

6. We have disclosed to you all information in relation to allegations of fraud, suspected fraud, affecting the Authority's financial report communicated by employees, former employees, analysts, regulators or others.
7. We have disclosed to you all known instances of non-compliance or suspected non-compliances with laws and regulations including all covenants, conditions or other requirements of outstanding debts, whose effects should be considered when preparing the financial report.
8. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial report; and accounted for and disclosed in accordance with the applicable financial reporting framework.
9. We have disclosed to you all known unusual commitments or contractual obligations that were not in the ordinary course of business whose effects should be considered when preparing the financial report.
10. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

E. COMPLETENESS

1. All assets owned or controlled by the Authority have been recorded in the accounts.
2. All services rendered prior to the year-end have been recorded in the correct financial year.
3. Inventory does not include items not paid for and for which no liability has been recorded in the accounts at year-end.
4. All charges to capital assets (and additions under capital leases) during the year represent actual additions and no expenditure of a capital nature have been charged to expenses during the year.
5. All capital assets sold or dismantled during the year have been properly accounted for in the accounts.
6. Capital and other assets with a limited life are being depreciated, amortised, or otherwise written off as a charge to income over their estimated useful lives in a systematic and rational manner.
7. All liabilities of the Authority at year-end have been recorded in the accounts (including provisions for such items as salaries and wages, employee benefits, professional services and long term debts).

F. ELECTRONIC PUBLICATION OF FINANCIAL REPORT

1. We acknowledge our responsibility for the electronic presentation of the audited financial report and independent auditor's report on the internet is identical to the signed hard copy version.
2. We acknowledge our responsibility to clearly differentiate between audited and unaudited information in the construction of the Authority's website as we understand the risk of potential misrepresentation.
3. We acknowledge our responsibility for the design, implementation and internal control to ensure the security and integrity of the data published on the internet.

4. We acknowledge our responsibility to only publish the independent auditor's report on the website when it is presented together with the full financial report.

G. OTHER

1. Minute book provided to you contains complete and authentic minutes of all meetings and committees held throughout the year to the most recent meetings.
2. We believe that the Authority will be able to meet its financial commitments when they fall due.

Yours faithfully,

Anthony Spartalis
Acting Chief Executive Officer (City of Adelaide)
/ / 2026

Brown Hill & Keswick Creeks Stormwater Board

Financial Statements for the year ended - 30 June 2026

Brown Hill & Keswick Creeks Stormwater Board

Contents

As at 30 June 2026

Certification of financial statements	2
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7
Note 1. Material accounting policy information	7
Note 2. Critical accounting judgements, estimates and assumptions	12
Note 3. Restatement of comparatives	13
Note 4. Operating contributions	13
Note 5. Investment income and other income	14
Note 6. Employee costs	14
Note 7. Materials, contracts & other expenses	14
Note 8. Finance costs	14
Note 9. Depreciation	15
Note 10. Capital Funding (excludes constituent councils)	15
Note 11. Asset disposal	16
Note 12. Cash and cash equivalents	16
Note 13. Trade and other receivables	16
Note 14. Infrastructure, property, plant and equipment	17
Note 15. Intangibles	18
Note 16. Trade and other payables	19
Note 17. Provisions	19
Note 18. Capital contributions of constituent councils	20
Note 19. Asset revaluation reserve	21
Note 20. Capital funding and grants	21
Note 21. Financial instruments	21
Note 22. Fair value measurement	23
Note 23. Key management personnel disclosures	24
Note 24. Remuneration of auditors	24
Note 25. Contingent liabilities	24
Note 26. Commitments	25
Note 27. Related parties	25
Note 28. Statutory Information	25
Note 29. Events after the reporting period	25
Note 30. Reconciliation of net surplus/(deficit) to net cash from/(used in) operating activities	26
Certification of auditor independence	27
Statement by the auditor	28

Brown Hill & Keswick Creeks Stormwater Board
Certification of financial statements
As at 30 June 2026

We have been authorised by the Board to certify the financial statements in their final form. In our opinion:

- The accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards;
- the financial statements present a true and fair view of Brown Hill & Keswick Creeks Stormwater Board's financial position at 30 June 2026 and the results of its operations and cash flows for the financial year;
- internal controls implemented by the Board provide a reasonable assurance that the Board's financial records are complete, accurate and reliable and were effective throughout the financial year; and
- the financial statements accurately reflect the Board's accounting and other records.

On behalf of the Board

Judith Choate
Judith Choate (Sep 16, 2026 13:02:05 GMT+9.5)

Board Member

16/09/2026

Geoff Vogt
Geoff Vogt (Sep 16, 2026 13:44:13 GMT+9.5)

Board Member

16/09/2026

Brown Hill & Keswick Creeks Stormwater Board
Statement of comprehensive income
For the year ended 30 June 2026

	Note	2026 \$	2025 Restated \$
Income			
Operating contributions	4	860,000	810,000
Investment income and other income	5	476,991	564,438
		<u>1,336,991</u>	<u>1,374,438</u>
Total income		<u>1,336,991</u>	<u>1,374,438</u>
Expenses			
Employee costs	6	(425,168)	(413,353)
Materials, contracts & other expenses	7	(586,048)	(517,108)
Depreciation	9	(419,361)	(275,515)
Finance costs	8	(303)	(211)
Total expenses		<u>(1,430,880)</u>	<u>(1,206,187)</u>
Operating surplus/(deficit)		(93,889)	168,251
Capital Funding (excludes constituent councils)	10	6,109,985	11,439,760
Asset disposal	11	<u>(9,175,547)</u>	<u>(1,471,777)</u>
Net surplus/(deficit) for the year		(3,159,451)	10,136,234
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of infrastructure and land improvements	19	<u>1,599,052</u>	<u>-</u>
Other comprehensive income for the year		<u>1,599,052</u>	<u>-</u>
Total comprehensive income for the year		<u><u>(1,560,399)</u></u>	<u><u>10,136,234</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Brown Hill & Keswick Creeks Stormwater Board
Statement of financial position
As at 30 June 2026

	Note	2026 \$	2025 Restated \$
Assets			
Current assets			
Cash and cash equivalents	12	15,504,593	9,778,606
Trade and other receivables	13	146,892	1,873,846
Total current assets		<u>15,651,485</u>	<u>11,652,452</u>
Non-current assets			
Infrastructure, property, plant and equipment	14	60,365,684	59,485,490
Intangibles	15	266,183	-
Total non-current assets		<u>60,631,867</u>	<u>59,485,490</u>
Total assets		<u>76,283,352</u>	<u>71,137,942</u>
Liabilities			
Current liabilities			
Trade and other payables	16	8,825,825	6,125,363
Provisions	17	60,316	39,424
Total current liabilities		<u>8,886,141</u>	<u>6,164,787</u>
Non-current liabilities			
Provisions	17	200	15,745
Total non-current liabilities		<u>200</u>	<u>15,745</u>
Total liabilities		<u>8,886,341</u>	<u>6,180,532</u>
Net assets		<u>67,397,011</u>	<u>64,957,410</u>
Equity			
Capital contributions of constituent councils	18	32,319,907	28,319,907
Asset revaluation reserve	19	2,169,442	570,390
Capital funding and grants	20	44,478,126	38,368,141
Accumulated surplus/(deficit)		<u>(11,570,464)</u>	<u>(2,301,028)</u>
Total equity		<u>67,397,011</u>	<u>64,957,410</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Brown Hill & Keswick Creeks Stormwater Board
Statement of changes in equity
For the year ended 30 June 2026

	Capital Contributions of Council \$	Capital Funding and Grants \$	Asset Revaluation Reserve \$	Accumulated Surplus / (Deficit) \$	Total equity \$
Balance at 1 July 2024	24,319,907	26,928,381	570,390	(997,502)	50,821,176
Net surplus for the year	-	-	-	10,136,234	10,136,234
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	10,136,234	10,136,234
Capital contribution of Councils	4,000,000	-	-	-	4,000,000
Transfer to capital funding / grants	-	11,439,760	-	(11,439,760)	-
Balance at 30 June 2025	<u>28,319,907</u>	<u>38,368,141</u>	<u>570,390</u>	<u>(2,301,028)</u>	<u>64,957,410</u>

	Capital Contributions of Council \$	Capital Funding and Grants \$	Asset Revaluation Reserve \$	Accumulated Surplus / (Deficit) \$	Total equity \$
Balance at 1 July 2025	28,319,907	38,368,141	570,390	(2,301,028)	64,957,410
Net deficit for the year	-	-	-	(3,159,451)	(3,159,451)
Other comprehensive income for the year	-	-	1,599,052	-	1,599,052
Total comprehensive income for the year	-	-	1,599,052	(3,159,451)	(1,560,399)
Capital contribution of Councils	4,000,000	-	-	-	4,000,000
Transfer to capital funding / grants	-	6,109,985	-	(6,109,985)	-
Balance at 30 June 2026	<u>32,319,907</u>	<u>44,478,126</u>	<u>2,169,442</u>	<u>(11,570,464)</u>	<u>67,397,011</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Brown Hill & Keswick Creeks Stormwater Board
Statement of cash flows
For the year ended 30 June 2026

	Note	2026 \$	2025 Restated \$
Cash flows from operating activities			
Operating receipts from constituent councils		2,845,884	891,000
Payments to employees		(419,821)	(401,770)
Payments to suppliers		(1,200,470)	(2,577,727)
Interest received		476,991	585,188
Bank fees paid		(303)	(211)
Net cash from/(used in) operating activities	30	<u>1,702,281</u>	<u>(1,503,520)</u>
Cash flows from investing activities			
Payments for New / Upgraded assets		(8,987,698)	(14,403,471)
Payments for intangibles	15	(154,535)	-
Capital funding (excludes constituent councils)	10	<u>9,165,939</u>	<u>8,358,766</u>
Net cash from/(used in) investing activities		<u>23,706</u>	<u>(6,044,705)</u>
Cash flows from financing activities			
Contributions from Constituent Councils	18	<u>4,000,000</u>	<u>4,000,000</u>
Net cash from financing activities		<u>4,000,000</u>	<u>4,000,000</u>
Net increase/(decrease) in cash and cash equivalents		5,725,987	(3,548,225)
Cash and cash equivalents at the beginning of the financial year		<u>9,778,606</u>	<u>13,326,831</u>
Cash and cash equivalents at the end of the financial year	12	<u><u>15,504,593</u></u>	<u><u>9,778,606</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 1. Material accounting policy information

The accounting policies that are material to the Board are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Board has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and relevant South Australian Legislation. These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Brown Hill and Keswick Creeks Stormwater Board (the Board) is a Local Government Regional Subsidiary established under Section 43 of and Schedule 2 to the Local Government Act 1999. The Regional Subsidiary is under the control of City of Adelaide, City of Burnside, City of Mitcham, City of Unley and City of West Torrens.

The Board was established by Gazette notice on 27 February 2018 to implement the Stormwater Management Plan (the Plan) prepared by the Constituent Councils and approved by the Stormwater Management Authority.

The Board is responsible for construction, operation and maintenance of stormwater infrastructure delivered under the Plan, along with the implementation of other measures identified in the Plan.

Responsibility for the maintenance and upkeep of existing assets, non-stormwater assets and enhancement assets rests with the relevant property owner, whether a Constituent Council or a private landowner, regardless of who funded the delivery of those assets. Examples of these assets may include footbridges and boardwalks, landscaping, stone cladding, safety fencing, road bridges, service utility infrastructure, and reinstatement works, along with any other 'value-add' assets that are delivered by the Board as part of the project.

In some instances, private property owners may also assume responsibility for stormwater infrastructure delivered by the Board where the infrastructure has been constructed under licence without the registration of an Easement or Land Management Agreement. In circumstances where ongoing care, control and management of assets delivered by the Board will rest with the property owner, those assets are transferred to the property owner following completion of construction or upon expiry of the defects liability period.

The Board's Infrastructure Asset and Depreciation Register records the responsibility for ongoing care and control of completed assets.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been applied consistently unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 15 September 2026 by the members of the Board.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Note 1. Material accounting policy information (continued)

(a) Revenue recognition

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Board expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams have any significant financing terms.

All revenue is stated net of the amount of goods and services tax (GST).

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Board are:

Operating revenue from constituent councils

Operating revenue from constituent councils is recognised as income as and when the Board becomes entitled to receive the funds. This is outlined within the Boards Annual Budget which is approved by the Board and constituent councils.

Grant revenue

Government grants relating to expenditure are recognised as income over the periods necessary to match the grants with the related costs they are intended to compensate.

Where a grant arrangement contains enforceable and sufficiently specific performance obligations in accordance with AASB 15 and AASB 1058, grant revenue is initially recognised as a contract liability under 'Trade and Other Payables' in the statement of financial position. Revenue is recognised in the statement of comprehensive income as the Board satisfies its performance obligations.

Where these criteria are not met, grant income is recognised in the statement of comprehensive income when the Board obtains control of the grant, it is probable that the associated economic benefits will flow to the Board, and the amount of the grant can be measured reliably.

Interest revenue

Interest revenue is recognised using the effective interest method, which for all floating rate financial assets is inherent in the instrument.

Other income

Other income is recognised on an accruals basis when the Board is entitled to it.

(b) Equity

Capital contributions

Capital contributions from constituent councils are recorded directly against equity as and when the Board becomes entitled to receive the funds. Entitlement arises upon the issue of a tax invoice by the Board in accordance with the payment schedule adopted in the Annual Budget.

(c) Income tax

The activities of the Board are exempt from taxation under the Income Tax Assessment Act.

Note 1. Material accounting policy information (continued)

(d) Trade and other receivables

The Board has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

(e) Financial instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Board has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial instruments are recognised initially on the date that the Board becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Board classifies its financial assets into one of the following measurement categories:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Board changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

The Board's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in the statement of profit or loss. Gain or loss on derecognition is recognised in the statement of profit or loss.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 1. Material accounting policy information (continued)

Impairment of financial assets

Impairment of financial assets has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Board has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectible then the gross carrying amount is written off against the associated allowance.

Financial liabilities

The Board measures all financial liabilities initially at fair value less transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Board comprise trade payables.

(f) Property, plant and equipment

Initial Recognition

Assets are initially recognised at cost. Assets acquired at no cost or for nominal consideration are initially recognised at their fair value at the date of acquisition.

The cost of an asset includes all costs directly attributable to its acquisition or construction. This includes design, engineering, approvals, materials, project management and other directly attributable costs, together with appropriate allocations of variable and fixed overheads incurred during construction.

Expenditure on the acquisition or construction of non-current assets is capitalised as incurred. Depreciation commences when an asset is complete and available for its intended use.

The Board recognises stormwater infrastructure assets over which it has control in accordance with its Charter and the applicable contractual and tenure arrangements. These assets may be located on land owned by Constituent Councils or private property owners. Where infrastructure is constructed on private land, the applicable tenure arrangements determine the ownership and ongoing care and control of the assets following construction. The location of an asset does not, of itself, determine control. The Board assesses control having regard to its statutory functions, contractual rights and obligations, and the applicable tenure arrangements.

Assets with an estimated useful life exceeding one year are capitalised only where the acquisition or construction cost exceeds the capitalisation thresholds established by the Board's Capitalisation Policy. In determining, and periodically reviewing, these thresholds, consideration is given to the nature of the asset, its estimated useful life and materiality.

The current capitalisation thresholds are:

Drains and culverts - \$2,000
Paving and footpaths, kerbs and gutter - \$2,000
Office furniture and equipment - \$1,000
IT hardware and computer equipment - \$ 1,000
Other assets - \$1,000

Subsequent Measurement

Stormwater infrastructure is subsequently measured at fair value, less accumulated depreciation and impairment losses. Fair value is determined following periodic valuations undertaken at intervals not exceeding five years by appropriately qualified personnel and is measured using the current replacement cost approach.

In determining fair value, regard is given to the asset's highest and best use, having regard to any legal, physical or other relevant restrictions affecting its use.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 1. Material accounting policy information (continued)

The most recent valuation of stormwater infrastructure assets was undertaken as at 30 June 2026 by Peta Mantzarapis, the Board's Project Director and a Certified Practising Valuer, together with Brett Shuttleworth of Integrated PM, an experienced civil engineer specialising in stormwater infrastructure.

Further information on the determination of fair value is provided in Note 22.

Computer and office equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Board, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Land improvements	1.67% - 10%
Stormwater structures	1% - 1.25%
Stormwater quality devices	1% - 10%
Footpaths	2% - 20%
Kerbs and gutters	1% - 2.5%
Office furniture and fittings	10%
Other plant and equipment	3.3% - 50%
IT hardware and computer equipment	14.3% - 50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed by the Project Director. The Project Director also reviews the asset register to ensure inclusion of all completed projects and correct delineation of maintenance responsibility between the board and the property owner. In addition, the Board's Asset Capitalisation Policy is reviewed every 2 years, with the last review undertaken in September 2025. Any revisions are accounted for prospectively as a change in estimate.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Preliminary expenses

Costs in relation to preliminary expenses are capitalised as an asset and amortised on a straight-line basis over the period of their expected benefit.

(g) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 1. Material accounting policy information (continued)

(h) Employee benefits

Short-term employee benefits

Provision is made for the Board's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

No accrual is made for sick leave. The Board does not make payment for unused sick leave.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Cashflows are discounted using market yields on high quality corporate bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in the statement of profit or loss.

(i) Economic dependence

The Brown Hill and Keswick Creeks Stormwater Board is dependent on its constituent councils and other funding bodies for the majority of its revenue used to achieve its objectives. At the date of this report, the Board believes that the member councils and other bodies will continue to support the Board.

Note 2. Critical accounting judgements, estimates and assumptions

The Board makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. Level 3 inputs are unobservable inputs. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. For further information relating to fair value measurement, refer to Note 22.

Impairment of property, plant and equipment

The Board assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Board and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Key estimates for fair valuation of stormwater infrastructure and land improvements

Stormwater infrastructure assets are carried at fair value. As there is no market for the Board to use to determine fair value, all assets have been valued as Level 3 inputs using a cost approach. Level 3 inputs are unobservable inputs. For further information relating to fair value measurement refer to Note 22.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 3. Restatement of comparatives

Correction of error

During the reporting period, the Board identified that certain reimbursements relating to stormwater assets being constructed that will remain under the Board's care, control and responsibility had been incorrectly presented in the prior year. The misstatement was identified in the financial analysis undertaken upon completion of the projects known as Lower Brown Hill Creek packages 1, 2 and 3. Accordingly, the comparative information has been restated to reclassify these amounts to their appropriate line item in the financial statements. This restatement affects the Board's net result, total assets and equity.

Statement of comprehensive income

When there is a restatement of comparatives, it is mandatory to provide a statement of comprehensive income for the affected period, being the year ended 30 June 2025.

	Reported 2025	Restatement	Restated 2025
Capital Funding (excludes constituent councils)	9,792,269	1,647,491	11,439,760
Net surplus for the year	8,488,743	1,647,491	10,136,234

Statement of financial position at the beginning of the earliest comparative period

Where comparative information has been restated, a statement of financial position is presented as at the end of the current reporting period and the end of the preceding comparative period. An additional statement of financial position as at the beginning of the preceding comparative period is required only where the restatement has a material effect on the information presented in that opening statement of financial position. In the current year, the restatement does not have a material effect on the opening statement of financial position as at 1 July 2024. Accordingly, a third statement of financial position has not been presented.

	Reported 30 June 2025	Restatement	Restated 30 June 2025
Infrastructure, property, plant and equipment	57,837,999	1,647,491	59,485,490
Capital funding and grants	36,720,650	1,647,491	38,368,141
Net assets	63,309,919	1,647,491	64,957,410

Note 4. Operating contributions

	2026 \$	2025 \$
City of Mitcham	172,000	162,000
City of Burnside	172,000	162,000
City of West Torrens	172,000	162,000
The Corporation of the City of Adelaide	172,000	162,000
The Corporation of the City of Unley	172,000	162,000
	<u>860,000</u>	<u>810,000</u>

In accordance with the Charter of the Brown Hill and Keswick Creeks Stormwater Board Schedule 1, operating contributions are received equally from each of the constituent councils at an agreed rate. The total value of operating contributions to be received is agreed in the annual budget prepared by the Board.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 5. Investment income and other income

	2026	2025
	\$	\$
Bank Interest	466,991	564,438
Other Income	10,000	-
	<u>476,991</u>	<u>564,438</u>

Other income includes \$10,000 in prize money received under the LGA Mutual Awards.

Note 6. Employee costs

	2026	2025
	\$	\$
Salaries and wages - board	97,049	91,000
Salaries and wages - employee	275,027	265,726
Superannuation contributions	44,649	41,024
Workers compensation	3,096	4,020
Employee entitlement costs	5,347	11,583
Total Employee costs	<u>425,168</u>	<u>413,353</u>

Note 7. Materials, contracts & other expenses

	2026	2025
	\$	\$
Contractor & consultant services	123,084	94,245
Meeting room hire and teleconference	2,351	1,529
Financial services	44,843	45,580
Insurance - mutual liability scheme	56,702	54,002
IT services	7,265	6,039
Legal services	11,685	10,278
Office expenses, printing and postage	2,304	2,613
PR, website and graphic design	17,486	18,716
Professional development	6,867	6,000
Asset operating costs & maintenance	303,229	270,809
Prescribed expenses - audit remuneration	6,000	5,900
Sundry	4,232	1,397
Total Materials, contracts & other expenses	<u>586,048</u>	<u>517,108</u>

Note 8. Finance costs

	2026	2025
	\$	\$
Bank fees	252	211
Interest expenses	51	-
Total finance costs	<u>303</u>	<u>211</u>

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 9. Depreciation

	2026	2025
	\$	\$
Infrastructure	418,773	275,320
Office equipment	588	195
	<u>419,361</u>	<u>275,515</u>

Note 10. Capital Funding (excludes constituent councils)

Capital contributions of constituent councils are set out in Note 18. Other capital funding has been provided by the Stormwater Management Authority, various Federal grant programs and in the form of Board controlled capital works funded by the City of West Torrens.

	2026	2025
	\$	\$
Stormwater Management Authority	2,302,182	5,332,497
Federal Funding	3,807,803	4,459,772
Gifted Infrastructure - City of West Torrens	-	1,647,491
	<u>6,109,985</u>	<u>11,439,760</u>

The table below shows the reconciliation of capital funding received, recognised as revenue and resulting income in advance.

	Stormwater Management Authority	Federal Funding	Total
Income in advance 1 July 2024	2,857,975	3,068,005	5,925,980
Capital funding received	4,000,000	4,358,766	8,358,766
Revenue recognised	<u>(5,332,497)</u>	<u>(4,459,772)</u>	<u>(9,792,269)</u>
Income in advance 30 June 2025	1,525,478	2,966,999	4,492,477
Capital funding received	4,000,000	5,165,939	9,165,939
Revenue recognised	<u>(2,302,182)</u>	<u>(3,807,803)</u>	<u>(6,109,985)</u>
Income in advance 30 June 2026 (note 16)	<u>3,223,296</u>	<u>4,325,135</u>	<u>7,548,431</u>

Although the capital funding received from the Stormwater Management Authority in FY26 remained consistent with previous years (\$4m received in FY24, FY25 and FY26), the amount recognised as revenue in FY26 decreased. This decrease was the result of 1) decreased capital expenditure (due to LBHC Packages 1-3 being completed) and 2) increased Federal funding supplementing the council contributions and Stormwater Management Authority funding.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 10. Capital Funding (excludes constituent councils) (continued)

The Authority has been awarded the following Commonwealth Government grants, recorded as Federal funding:

Grant	Value	Year Awarded	To be paid	Projects
Preparing Australian Communities Program	\$10m	FY22	FY23 - FY26	LBHC Packages 1-3
Disaster Ready Fund R1	\$3.7m	FY24	FY25 - FY27	UBHC 1b Wilberforce
Disaster Ready Fund R1	\$2.387m	FY24	FY25 - FY27	UBHC 5 Cross to Hampton
Urban Rivers & Catchments	\$4.93m	FY24	FY24 - FY27	Forestville Reserve, Orphanage Park and Betty Long Gardens
Disaster Ready Fund R2	\$150k	FY25	FY25 - FY27	Flood Model
Disaster Ready Fund R2	\$424k	FY25	FY25 - FY28	UBHC 2 Victoria to Mitchell

The Preparing Australian Communities Program grant agreement was fully paid in FY26 and has now been acquitted.

Note 11. Asset disposal

	2026 \$	2025 \$
Carrying amount of assets transferred to councils and private property owners	9,175,547	1,468,874
Carrying amount of capital works written off	-	2,903
	<u>9,175,547</u>	<u>1,471,777</u>

Note 12. Cash and cash equivalents

	2026 \$	2025 \$
<i>Current assets</i>		
Cash at bank and in hand	<u>15,504,593</u>	<u>9,778,606</u>

As at 30 June 2026, cash held includes an amount of \$4,760,585 (2025: \$5,850,283) which is restricted for the purpose of approved capital development projects (refer to Note 26 'Commitments').

Note 13. Trade and other receivables

	2026 \$	2025 \$
<i>Current assets</i>		
Trade receivables	61,548	1,212,220
GST receivable	27,115	609,399
Accrued interest receivable	41,294	35,506
Prepayments	<u>16,935</u>	<u>16,721</u>
	<u>146,892</u>	<u>1,873,846</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 14. Infrastructure, property, plant and equipment

	2026	2025
	\$	Restated
		\$
<i>Non-current assets</i>		
Infrastructure - at independent valuation and at cost	56,418,032	39,377,153
Infrastructure - accumulated depreciation	<u>(1,180,662)</u>	<u>(761,889)</u>
	<u>55,237,370</u>	<u>38,615,264</u>
Computer equipment - at cost	4,213	4,213
Less: Accumulated depreciation	<u>(3,237)</u>	<u>(2,649)</u>
	<u>976</u>	<u>1,564</u>
Capital works-in-progress	<u>5,127,338</u>	<u>20,868,662</u>
	<u><u>60,365,684</u></u>	<u><u>59,485,490</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Capital Works in Progress \$	Infrastructure \$	Office Equipment \$	Total \$
Balance at 1 July 2024	18,939,821	26,241,997	-	45,181,818
Additions	14,401,714	-	1,759	14,403,473
Transfers in/(out)	(13,062,780)	13,062,780	-	-
Adjustment	886,600	760,891	-	1,647,491
Write off of assets	(2,903)	-	-	(2,903)
Disposals	(293,790)	(1,175,083)	-	(1,468,873)
Depreciation expense	<u>-</u>	<u>(275,321)</u>	<u>(195)</u>	<u>(275,516)</u>
Balance at 30 June 2025	20,868,662	38,615,264	1,564	59,485,490
Additions	8,987,200	499	-	8,987,699
Transfers in/(out)	(24,728,524)	24,616,876	-	(111,648)
Revaluation increments	-	1,599,052	-	1,599,052
Disposals	-	(9,175,548)	-	(9,175,548)
Depreciation expense	<u>-</u>	<u>(418,773)</u>	<u>(588)</u>	<u>(419,361)</u>
Balance at 30 June 2026	<u><u>5,127,338</u></u>	<u><u>55,237,370</u></u>	<u><u>976</u></u>	<u><u>60,365,684</u></u>

The adjustment relates to reimbursement income received from City of West Torrens for upgrade of assets that will remain under the Board's care, control and responsibility. The \$886,600 reimbursement for Capital Works in Progress relates to channel stiffening and covered culvert upgrades for LBHC Package 3 and the \$760,891 reimbursement for Infrastructure relates to channel stiffening for LBHC Package 1.

Asset valuations

A valuation assessment and review of the Infrastructure Asset and Depreciation Register has been undertaken as at 30 June 2026 by:

- Peta Mantzarapis, the Board's Project Director. Peta is a qualified Certified Practising Valuer with 20+ years of experience in the valuation of assets and the preparation of asset valuations and depreciation registers for financial reporting purposes; and
- Brett Shuttleworth of Integrated PM, who also acts as the Board's technical advisor. Brett is an engineer with 20+ years of experience in the planning, design, construction and lifecycle management of stormwater infrastructure assets.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 14. Infrastructure, property, plant and equipment (continued)

This combined expertise provides both valuation and engineering input to ensure that the asset descriptions, componentisation, useful lives, replacement costs and depreciation assumptions appropriately reflect the nature and condition of the Board's infrastructure assets.

The 30 June 2026 revaluation has been undertaken having regard to:

- the replacement cost of the infrastructure assets;
- the condition and remaining useful life of each asset;
- current construction methodologies and unit rates where applicable;
- the functional characteristics of each asset; and
- the Board's adopted useful lives contained within the Asset Capitalisation Policy.

Useful lives and depreciation have been applied using the straight-line depreciation method prescribed by the Policy, with infrastructure assets allocated to the relevant asset classes and useful life ranges.

The Infrastructure Asset and Depreciation Register has been prepared in accordance with the Board's Asset Capitalisation Policy and AASB 116 and provides an appropriate basis for recognition, measurement and depreciation of the Board's infrastructure assets for the purposes of the 2025/26 financial statements.

	2026	2025
	\$	\$
Capital works-in-progress		
Lower Brown Hill Creek - Package 1	-	4,291,934
Lower Brown Hill Creek - Package 2	-	4,486,011
Lower Brown Hill Creek - Package 3	-	6,390,122
Lower Brown Hill Creek - Package 4	85,944	-
Lower Brown Hill Creek - Package 5	74,387	-
Upper Brown Hill Creek Area 1b Wilberforce	244,065	61,194
Upper Brown Hill Creek Area 1d Forestville Reserve	115,888	46,693
Upper Brown Hill Creek Area 2 Victoria to Mitchell	31,401	-
Upper Brown Hill Creek Area 2 Orphanage Park	168,733	67,560
Upper Brown Hill Creek Area 3 Percy to Regent	37,991	-
Upper Brown Hill Creek Area 3a Millswood	-	4,223,464
Upper Brown Hill Creek Area 5 Cross to Hampton	1,850,695	116,417
Upper Brown Hill Creek Area 6 Betty Long Gardens	1,466,458	110,648
Flow Diversions	139,738	50,933
Flood Model	-	111,648
Reference Design	912,038	912,038
	<u>5,127,338</u>	<u>20,868,662</u>

Note 15. Intangibles

	2026	2025
	\$	\$
<i>Non-current assets</i>		
Intangible assets in progress - Flood Model	<u>266,183</u>	<u>-</u>

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 15. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Intangible assets in progress	Total
	\$	\$
Balance at 1 July 2024	-	-
Balance at 30 June 2025	-	-
Transfers in	111,648	111,648
Additions	154,535	154,535
Balance at 30 June 2026	<u>266,183</u>	<u>266,183</u>

Note 16. Trade and other payables

	2026	2025
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,262,368	1,604,896
Accrued expenses	6,000	5,900
Credit card	(329)	(595)
PAYG payable	6,605	12,515
Superannuation payable	2,750	10,170
Payments received in advance (capital grants)	7,548,431	4,492,477
	<u>8,825,825</u>	<u>6,125,363</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Note 17. Provisions

	2026	2025
	\$	\$
<i>Current liabilities</i>		
Provision for annual leave	21,314	39,424
Long service leave	39,002	-
	<u>60,316</u>	<u>39,424</u>
<i>Non-current liabilities</i>		
Provision for long service leave	200	15,745
	<u>60,516</u>	<u>55,169</u>

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 18. Capital contributions of constituent councils

	2026	2025
	\$	\$
City of Mitcham	3,231,991	2,831,991
City of Burnside	3,878,389	3,398,389
City of West Torrens	15,836,754	13,876,754
Corporation of the City of Adelaide	2,585,593	2,265,593
Corporation of the City of Unley	6,787,180	5,947,180
Total Contributions by Owners	32,319,907	28,319,907
	2026	2025
	\$	\$
City of Mitcham Movement Table		
Opening balance	2,831,991	2,431,991
Contributions	400,000	400,000
	<u>3,231,991</u>	<u>2,831,991</u>
	2026	2025
	\$	\$
City of Burnside Movement Table		
Opening balance	3,398,389	2,918,389
Contributions	480,000	480,000
	<u>3,878,389</u>	<u>3,398,389</u>
	2026	2025
	\$	\$
City of West Torrens Movement Table		
Opening balance	13,876,754	11,916,754
Contributions	1,960,000	1,960,000
	<u>15,836,754</u>	<u>13,876,754</u>
	2026	2025
	\$	\$
Corporation of the City of Adelaide Movement Table		
Opening balance	2,265,593	1,945,593
Contributions	320,000	320,000
	<u>2,585,593</u>	<u>2,265,593</u>
	2026	2025
	\$	\$
Corporation of City of Unley Movement Table		
Opening balance	5,947,180	5,107,180
Contributions	840,000	840,000
	<u>6,787,180</u>	<u>5,947,180</u>

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 18. Capital contributions of constituent councils (continued)

Capital contributions of constituent councils are payments received for investing in infrastructure. The proportionate funding contributions of the constituent councils are presented in the Board's Charter. The annual contributions are determined through the Long Term Financial Plan and Annual Budget, which are approved by both the Board and constituent councils.

Summary of capital contributions of constituent councils during the year:

	2026	2025
	\$	\$
City of Mitcham	400,000	400,000
City of Burnside	480,000	480,000
City of West Torrens	1,960,000	1,960,000
City of Adelaide	320,000	320,000
City of Unley	840,000	840,000
	<u>4,000,000</u>	<u>4,000,000</u>

Note 19. Asset revaluation reserve

	2026	2025
	\$	\$
Infrastructure and land improvement		
Opening balance 1 July	570,390	570,390
Net increment/(decrement)	<u>1,599,052</u>	<u>-</u>
Closing balance 30 June	<u>2,169,442</u>	<u>570,390</u>

Note 20. Capital funding and grants

	2026	2025
	\$	\$
Opening balance	38,368,141	26,928,381
Transfer from accumulated surplus	<u>6,109,985</u>	<u>11,439,760</u>
	<u>44,478,126</u>	<u>38,368,141</u>

Capital funding and grants reserve records the total revenue recognised from the funding providers for capital works to date, including funding from the Stormwater Management Authority and other government grant funding.

Note 21. Financial instruments

Financial risk management objectives

The Board is exposed to a variety of financial risks through its use of financial instruments. The most significant financial risks to which the Board is exposed to are described below:

Specific risks
- Liquidity risk
- Credit risk

The principal categories of financial instrument used by the Board are:

- Trade receivables
- Cash at bank
- Trade and other payables

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 21. Financial instruments (continued)

Objectives, policies and processes

The Board Members have overall responsibility for the establishment of the Board's financial risk management framework. This includes the development of policies covering financial governance and the identification and management of financial risk in accordance with the Board's risk management policy.

Details of significant accounting policies and methods adopted including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instruments are disclosed in note 1 Material Accounting Policy Information.

Mitigation strategies for specific risks faced are described below:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Board.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings and the Local Government Finance Authority, which was established under the Local Government Finance Authority Act 1983 as a Body Corporate and is administered by a Board of Trustees.

Credit risk is managed through maintaining procedures to regularly monitor the financial stability of customers and counterparties. There is no collateral held by the Board securing trade and other receivables.

Liquidity risk

Liquidity risk arises from the management of working capital. It is the risk that the Board will encounter difficulty in meeting its financial obligations as they fall due.

The Board manages this risk by preparing and monitoring budgets, only investing surplus cash with major financial institutions and proactively monitoring the recovery of unpaid debts.

At the reporting date, the Board has sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The following table depicts the categorisation of financial instruments held by the Board, noting that due to the nature of the balances held, carrying value is equal to fair value:

	2026 \$	2025 \$
Financial assets		
Held at amortised cost		
Cash and cash equivalents (due less than 1 year) (refer Note 12)	15,545,887	9,814,112
Trade and other receivables (due less than 1 year) (refer Note 13)	105,598	1,838,340
Total financial assets	<u>15,651,485</u>	<u>11,652,452</u>
	2026 \$	2025 \$
Financial liabilities		
Held at amortised cost		
Trade payables (refer Note 16)	<u>1,262,368</u>	<u>1,632,886</u>

Remaining contractual maturities

The table below reflects the undiscounted contractual maturity analysis for financial liabilities:

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 21. Financial instruments (continued)

2026	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,262,368	-	-	-	1,262,368
Total non-derivatives		1,262,368	-	-	-	1,262,368

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Note 22. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined on the assumption that the transaction occurs in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market.

In measuring fair value, the Board uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For non-financial assets, fair value reflects the asset's highest and best use, having regard to its physical characteristics and any legal or other restrictions on its use.

Assets and liabilities measured at fair value are classified according to the following hierarchy, based on the lowest level input that is significant to the measurement:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - unobservable inputs for the asset or liability.

The classification of assets and liabilities within the fair value hierarchy is reviewed at each reporting date.

Fair value measurements are undertaken by suitably qualified internal personnel or independent external specialists with relevant expertise, depending on the nature and significance of the valuation. Valuation methodologies, significant assumptions and key inputs are reviewed at each reporting date to ensure that fair values remain appropriate.

Fair value hierarchy

The Board's stormwater infrastructure assets are measured at fair value and are classified as Level 3 assets within the fair value hierarchy.

There is no active market for these specialised infrastructure assets. Accordingly, fair value is determined using the current replacement cost approach, which reflects the cost of replacing the existing asset with a modern equivalent asset that provides equivalent service potential.

The current replacement cost methodology comprises:

- estimating the current cost of constructing a modern equivalent asset using current construction rates, material costs, labour costs and other directly attributable costs; and
- deducting accumulated depreciation based on the asset's current replacement cost, estimated residual value and remaining useful life.

The principal assumptions adopted in determining current replacement cost include:

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 22. Fair value measurement (continued)

- current construction costs for comparable infrastructure;
- estimated quantities of materials and labour;
- engineering design standards applicable to a modern equivalent asset;
- residual values; and
- estimated remaining useful lives.

As the valuation relies on significant unobservable inputs and professional judgement, changes in these assumptions may have a material effect on the reported fair values. Accordingly, all stormwater infrastructure assets are classified as Level 3 assets.

Note 23. Key management personnel disclosures

Compensation

Key management personnel of the Board include the Project Director and members of the Board appointed under section 112 of the *Local Government Act 1999*. The aggregate compensation made to key management personnel of the Board is set out below:

	2026	2025
	\$	\$
Short-term employee benefits	325,500	311,726
Post-employment benefits	39,060	35,849
	<u>364,560</u>	<u>347,575</u>

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Board:

	2026	2025
	\$	\$
Audit remuneration	<u>6,000</u>	<u>5,900</u>

Note 25. Contingent liabilities

In the opinion of the Board Members, the Board is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report at 30 June 2026 (30 June 2025 : None).

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 26. Commitments

	2026	2025
	\$	\$
Contracted commitments		
Lower Brown Hill Creek Packages 1-3	-	5,483,127
Lower Brown Hill Creek Packages 4-5	268,749	-
Upper Brown Hill Creek Commonwealth Funded (marked with * below)	-	178,048
Upper Brown Hill Creek Area 1b Wilberforce*	96,562	-
Upper Brown Hill Creek Area 1d Forestville Reserve*	28,386	-
Upper Brown Hill Creek Area 2 Victoria to Mitchell*	401,273	-
Upper Brown Hill Creek Area 2 Orphanage Park*	64,427	-
Upper Brown Hill Creek Area 3 Percy to Regent	71,972	-
Upper Brown Hill Creek Area 3 Millswood	-	38,798
Upper Brown Hill Creek Area 5 Cross to Hampton*	3,056,035	-
Upper Brown Hill Creek Area 6 Betty Long Gardens*	642,129	-
Flood Model	56,052	137,810
Operating	75,000	12,500
Total contracted commitments	<u>4,760,585</u>	<u>5,850,283</u>

All contracted commitments noted above are expected to be paid within the next twelve months.

Note 27. Related parties

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

There were no transactions with related parties during the current or previous financial year.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members. There were no transactions with other related parties for the year ending 30 June 2026 (2025: Nil).

Note 28. Statutory Information

The registered office and principal place of business of the Board is:
Brown Hill & Keswick Creeks Stormwater Board
PO Box 124 Unley SA 5061

Note 29. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Board's operations, the results of those operations, or the Board's state of affairs in future financial years.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2026

Note 30. Reconciliation of net surplus/(deficit) to net cash from/(used in) operating activities

	2026	2025
	\$	Restated \$
Net surplus/(deficit) for the year	(3,159,451)	10,136,234
Adjustments for:		
Depreciation and amortisation	419,361	275,515
Capital funding / grants	(6,109,985)	(11,439,760)
Net loss on disposal of non-current assets	9,175,547	1,471,777
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,727,167	(1,102,109)
Decrease in accrued revenue	-	20,750
Increase in prepayments	(213)	(2,229)
Increase in employee benefits	5,347	11,583
(Decrease)/ increase in trade and other payables (excluding income in advance relating to capital grants)	<u>(355,492)</u>	<u>(875,281)</u>
Net cash from/(used in) operating activities	<u><u>1,702,281</u></u>	<u><u>(1,503,520)</u></u>

Brown Hill & Keswick Creeks Stormwater Board
Certification of auditor independence
As at 30 June 2026

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Brown Hill and Keswick Creeks Stormwater Board for the year ended 30 June 2026, the Board's Auditor, Dean Newbery has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2026 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2026.

Judith Choate
Judith Choate (Sep 16, 2026 13:02:05 GMT+9.5)

Judith Choate
Board Member

16/09/2026

Geoff Vogt
Geoff Vogt (Sep 16, 2026 13:44:13 GMT+9.5)

Geoff Vogt
Board Member

16/09/2026

Brown Hill and Keswick Creeks Stormwater Board

Certification of Auditor Independence

for the year ended 30 June 2026

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Brown Hill and Keswick Creeks Stormwater Board for the year ended 30 June 2026, the Board's Auditor, Dean Newbery, has maintained its independence in accordance with requirements of the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.

Angelo Catinari
CEO, City of West Torrens


.....

Date

21 / 08 / 2026

Brown Hill and Keswick Creeks Stormwater Board

Certification of Auditor Independence

for the year ended 30 June 2026

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Brown Hill and Keswick Creeks Stormwater Board for the year ended 30 June 2026, the Board's Auditor, Dean Newbery, has maintained its independence in accordance with requirements of the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.

Peter Tsokas
CEO, City of Unley


.....

Date 21 / 8 /2026

Brown Hill and Keswick Creeks Stormwater Board

Certification of Auditor Independence

for the year ended 30 June 2026

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Brown Hill and Keswick Creeks Stormwater Board for the year ended 30 June 2026, the Board's Auditor, Dean Newbery, has maintained its independence in accordance with requirements of the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.

Matt Pears
CEO, City of Mitcham

A handwritten signature in black ink, appearing to read 'M Pears', is positioned below the printed name and title.

Date 21/8/2026

Brown Hill and Keswick Creeks Stormwater Board

Certification of Auditor Independence

for the year ended 30 June 2026

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Brown Hill and Keswick Creeks Stormwater Board for the year ended 30 June 2026, the Board's Auditor, Dean Newbery, has maintained its independence in accordance with requirements of the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.

Michael Sedgman
CEO, City of Adelaide



Date

01/09/2026

Brown Hill and Keswick Creeks Stormwater Board

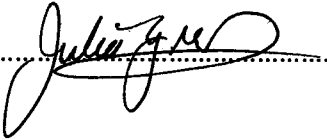
Certification of Auditor Independence

for the year ended 30 June 2026

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Brown Hill and Keswick Creeks Stormwater Board for the year ended 30 June 2026, the Board's Auditor, Dean Newbery, has maintained its independence in accordance with requirements of the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.

Julia Grant

CEO, City of Burnside 

Date 21 / 08 /2026

HEAD OFFICE

214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
www.deannewbery.com.au

Dean Newbery
ABN: 48 007 865 081

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Brown Hill and Keswick Creeks Stormwater Board for the year ended 30 June 2026, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2026* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2026*.



Samantha Creten

Director

DEAN NEWBERY

31 August 2026

HEAD OFFICE

214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
www.deannewbery.com.au

Dean Newbery
ABN: 48 007 865 081

Independent Auditor's Report

To the members of the Brown Hill Keswick Creek Stormwater Board

Opinion

We have audited the accompanying financial report of the Brown Hill Keswick Creek Stormwater Board (the Authority), which comprises the statement of financial position as at 30 June 2026, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the auditor independence requirements of 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 other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authority's Responsibility for the Financial Report

The Authority 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 the Authority determines is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities 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 the audit conducted in accordance with the 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 financial report.

As part of an audit in accordance with the 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 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Authority.
- Conclude on the appropriateness of the Authority'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 Authority'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 Authority 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.

DEAN NEWBERY



SAMANTHA CRETEN
Director

17 September 2026

Report on Financial Results for City of Adelaide Statement of Comprehensive Income for the year ended 30 June 2026									
\$ '000	2025-26 Actual	2025-26 Adopted Budget	Variance	Commentary	2024-25 Actual	2023-24 Actual	2022-23 Actual	2021-22 Actual	
Income									
Rates Revenues	154,817	154,908	(91)	0%	Largely driven by an increase in objections	144,084	135,538	124,957	121,350
					Due to higher level of expiations (combining expiations, late payment fees and FERU) \$0.850m and Temporary Parking Controls \$0.240m offset by City Works Permits (\$0.402m), Commercial Income 10 gig (\$0.300m) and Sundry permits (\$0.084m)	17,193	15,598	12,160	10,208
Statutory Charges	18,083	17,809	274	2%	On street parking machine income favourable to original budget, quarterly forecasts recognised ongoing change throughout year	13,370	12,913	11,393	10,302
Parking Fees	14,208	13,431	777	6%	Increase is a result of additional income due to Advertising Income, and lower vacancies across the city				
Property Lease	12,100	11,821	279	2%	N/A	11,824	11,002	8,933	9,727
Adelaide Aquatic Centre Charges	-	-	-	-	Reduced activity as a result of the transfer of ownership to State Government from 27 April 2026, and operating a reduced Course.	169	6,701	6,545	5,526
North Adelaide Golf Course	3,838	5,405	(1,567)	-29%	Primarily driven by stronger venue hire and event activity. The completion of the Town Hall preservation works increased venue availability and supported higher levels of event activity (catering) during the year. Income also increased significantly from \$2.330m in 24/25, reflecting the improved trading capacity following completion of the works.	4,940	4,679	3,624	3,554
Adelaide Town Hall	3,601	2,608	993	38%	Major event fees favourable \$0.112m, reimbursements for Sheffield Shield celebration, East End Unleashed and Adelaide fashion week (all offset by expenses) \$0.123m. Other variances include Community Centre Hire, minor events in the Park Lands and Flags and Banner Income	2,330	2,367	2,194	1,434
Event Fees	1,096	732	364	50%	Higher than anticipated income Car Parks \$3.157m and Event Parking \$0.197m, along with favourable variances in Management fees	1,011	1,013	223	138
Off-Street Parking	36,256	32,818	3,438	10%	Electricity recovery favourable \$0.461m, other recovery CoA \$0.316m, ACMA \$0.239m, and Property Leasing \$0.063m favourable	33,639	31,784	30,804	27,911
Property Recovery	2,648	1,577	1,071	68%	Higher than anticipated income from green waste and mulch sales	2,149	2,259	1,737	3,087
Nursery	999	906	93	10%	Individually immaterial items including Park Lands Event Fees and Rundle Mall Concession Income	982	881		
Other User Charges	1,220	1,011	209	21%		971	836	1,463	1,453
Total User Charges	75,966	70,309	5,657	8%	Due to additional grants received for Jeffcott Street through the Special Local Roads Program of \$1.0m, increase to the Park Lands Related Activity Grant of \$0.209k and timing of the receipt of the Financial Assistance Grant funding \$408k.	71,385	74,435	66,916	63,132
Grants, Subsidies and Contributions	6,740	4,896	1,844	38%	Due to investment Property Income \$0.153m, Fair Value increase of Investment Properties \$0.113m as well as interest on cash positive balances	6,820	8,638	7,696	9,375
Investment Income	504	171	333	195%	Private works rein \$0.761m, NAGC \$0.588m and Community Corp fees \$0.217m	1,048	1,265	1,146	341
Reimbursements	1,747	181	1,566	865%	Due to an increase in insurance & other recoupments \$0.409m, the recognition of the tree development fund for contributions made to align to planting outcomes \$0.235m, and an increase Commission and merchandise sales \$0.062m	1,659	1,639	1,164	934
Other Income	1,469	695	774	111%		988	1,292	1,436	366
Net Gain - Equity Accounted Council Businesses	-	-	-	0%		13	3	10	-
Total Income	259,326	248,969	10,357	4%		243,190	238,408	215,485	205,706
Expenses									
Employee Costs	86,357	90,792	4,435	5%	Due to vacancies across the organisation offset by an increase in temporary labour.	80,062	77,786	72,478	69,092
Contractors	24,553	13,003	(11,550)	-89%	Due to an increase in temporary labour \$6.594m (including apprentices), WIP Provision \$1.437m as well as external contractors for Events mainly remediation \$0.789m, Horticulture \$0.475m, Business Systems Roadmap \$0.708m, NVE \$0.586m, SAPN Park 21W \$0.450m, City Library \$0.403m. Many of these budgets sit in Professional Services	22,409	24,701	15,947	14,558
Maintenance	7,053	7,527	474	6%	Significant savings for Computer Software maintenance due to reallocation of budget for IM Road Map from computer software maintenance to contractors and subscription	10,687	9,267	9,044	8,144
Legal Expenses	1,744	1,332	(412)	-31%	Additional spend in relation to court costs to recover expiations and other late payments \$0.170m, People Services \$0.109m and other legal matters \$0.133m.	1,479	1,716	1,587	1,428
Levies Paid to Government - including NRM levy	2,693	2,337	(356)	-15%	Includes Land Tax and Emergency Services Levy of (\$0.292m) for property recovery on leased land	3,117	2,317	2,546	2,346
Parts, Accessories & Consumables	3,889	4,309	420	10%	Under spend across the organisation for consumables \$0.236m mostly across City Operations, cost of goods \$0.169m as a result of changes at the North Adelaide Golf course. Other Supplies and Services \$0.181m offset by Decorations for AEDA (\$0.188m)	4,376	5,354	5,416	5,892
Professional Services	6,998	7,645	647	8%	Major variances relate to reduced spend across Property Asset Management \$0.328m, reallocation of spend for New Year's Eve \$0.581m and City Activations \$0.082m to align to the nature of the expenditure. Offset by an increase in professional services to deliver Strategic Projects \$0.353m in line with the increase in Strategic Project funds provided during the year.	6,009	6,348	6,710	3,932
Advertising and Promotion	3,665	4,735	1,070	23%	Largely driven by reduced spend within AEDA \$0.759m and Consolidated Marketing funding of \$0.316m	3,684	3,786	3,644	4,068
Bank Charges and Cash Collection	936	914	(22)	-2%	In line with budget	865	971	1,103	1,034
Catering	1,761	1,440	(321)	-22%	Primarily driven by higher-than-budgeted catering expenditure at Adelaide Town Hall. The higher expenditure reflects increased catering activity following completion of the Town Hall preservation works and increased venue availability. This was accompanied by stronger catering income, with ATH catering revenue \$0.390m favourable to budget, partially offsetting the higher expenditure.	941	1,334	1,226	880
Cleaning	2,493	2,470	(23)	-1%	In line with budget	2,457	2,848	2,671	2,962
Energy and Water	8,877	9,033	156	2%	In line with budget	9,300	9,315	9,149	7,857
Insurance	3,168	2,800	(368)	-13%	Asset Mutual Fund insurance expense increased by approximately \$0.300m (22%) in FY25-26 compared to FY24-25 and was approximately \$0.250m unfavourable to budget.	2,681	2,897	2,528	2,237
Security	2,596	2,328	(268)	-12%	Increase in services, partially due to additional events run in FY25-26 and additional patrol services (24/7) for council properties as well as new contract signed in 25/26 financial year	2,273	2,452	2,255	2,025
Sponsorships, Contributions and Donations	6,639	6,332	(307)	-5%	Primarily driven by Heritage incentive scheme grants (\$0.540m) and Australia Day Sponsorship (\$0.100m) offset by Adaptive Re-use grant \$0.223m.	7,324	8,238	11,348	10,829
Subscriptions	7,185	6,371	(794)	-12%	Largely driven by the reallocation of Information Management software licenses and subscriptions reallocated from Maintenance.	2,371	1,897	1,779	1,884
Waste Services	4,123	4,056	(67)	-2%	In line with budget	3,692	3,742	3,593	1,673
Other expenses	3,893	7,781	3,888	50%	Individually immaterial items	6,681	9,264	8,756	6,216
Total Materials, Contracts & Other Expenses	99,809	84,413	(15,396)	-18%	Reduced depreciation through the impact of the transfer of ownership of the North Adelaide Golf Course to State Government, remeasurement of right of use assets, and the delivery of the 2025-26 capital program.	92,246	96,247	88,076	77,765
Depreciation, Amortisation & Impairment	61,464	64,506	3,042	5%	Increase in finance costs associated with leases following remeasurement of right of use assets	60,332	55,008	52,287	56,568
Finance Costs	2,483	717	(1,766)	-246%		1,075	891	952	1,277
Net loss - Equity Accounted Council Businesses	8	-	8	-		-	-	-	27
Total Expenses	250,121	240,428	9,693	4%		233,715	229,932	213,793	204,729
Operating Surplus / (Deficit)	9,205	8,541	664	8%		9,475	8,476	1,692	977
Physical Resources Receive Free of Charge	651	-	651		Gifted Assets	1,262	464	2,280	373
Asset Disposal & Fair Value Adjustments	(58,423)	-	(58,423)	-100%	Includes the carrying amount (remaining useful lives) of assets renewed or directly replaced in the period, as well as the disposal of assets surplus to requirements and/or legislative changes	(11,547)	(6,160)	(14,747)	(658)
Amounts Received Specifically for New or Upgraded Assets	3,719	8,018	(4,299)	-54%	Due to reduced grant funding recognised on Assets still under construction including Minru Wirra (Park 21 West) \$2.3m, Belair-City Bikeway/Adelaide Park Lands Trail \$1.2m and Park 27B \$1.1m	4,703	5,521	6,655	3,411
Net Surplus / (Deficit)	(44,848)	16,559	(61,407)	-371%		3,893	8,301	(4,120)	4,103
Other Comprehensive Income									
Changes in Revaluation Surplus - LPP&E	214,726	-	214,726		The movement represents an accounting adjustment for the comprehensive revaluation of Land & Buildings and Urban Elements Asset Classes, as well as desktop indexation for the remainder of the Infrastructure asset classes.	124,105	158,673	(6,328)	84,305
Share of other comprehensive income - equity accounted council businesses	15	-	15		Share of Brown Hill Brown Hill and Keswick Creeks Stormwater Board other Comprehensive Income from external grant funding received	666	2,125		
Impairment (expense) / Recoupments offset to Asset Revaluation Reserve	2,734	2,734			Due to the recoupment of previously impaired assets	(11,424)	-	(41,967)	
Rehabilitation Provision recognised directly in the asset revaluation reserve	-	-	-			-	(4,950)		
Net actuarial gains/(losses) on CCASP sub-fund	-	-	-			-	-	-	(206)
Total Other Comprehensive Income	217,475	-	217,475			113,347	155,848	(48,295)	84,099
Total Comprehensive Income	172,627	16,559	156,068	942%		117,240	164,149	(52,415)	88,202

Statement of Financial Position as at 30 June 2026									
\$ '000	2025-26 Actual	2025-26 Adopted Budget	Variance		Commentary	2024-25 Actual	2023-24 Actual	2022-23 Actual	2021-22 Actual
ASSETS									
Current Assets									
Cash and Cash Equivalents	1,276	800	476	60%	Cash on hand as at 30 June	2,288	2,077	871	2,984
Trade & Other Receivables	26,047	20,847	5,200	25%	Timing, overdue debtors are pursued and put on a payment plan where necessary. Aged debt is provided for in doubtful debts.	29,860	38,314	22,049	15,774
Other Financial Assets	100	-	100	100%	Current component of shared equity loans	60	-	10,633	-
Inventories	642	741	(99)	-13%	Lower level of stock on hand	749	804	741	541
Non-Current Assets Held for Sale	9,464	-	9,464	-	Land associated with City East	-	-	26,000	5,965
Other Current Assets	-	-	-	-		45,500	18,500	-	-
Total Current Assets	37,529	22,388	15,141			78,457	59,695	60,294	25,264
Non-Current Assets									
Financial Assets	750	755	(5)	-1%	In line with budget	752	932	838	466
Equity Accounted Investments in Council Businesses	5,392	4,706	686	15%	Equity Share Brown Hill and Keswick Creeks Stormwater Board. Increase is a result of the recognition of CoA's share of the external funding received	5,065	4,066	1,618	1,412
Other Non-Current Assets	121	-	121	100%	Deferred Rent as a result of lease incentives provided	87	26,153	44,452	42,473
Infrastructure, Property, Plant & Equipment	2,317,331	2,134,740	182,591	9%	Movements in the capital program, including revaluations offset against asset sales.	2,110,497	2,009,872	1,823,299	1,906,716
Right of Use Assets	46,483	-	46,483	-	Right of Use Assets now reported separately for Leased Properties	49,208	-	-	-
Investment Property	3,255	3,197	58	2%	Investment Properties.	4,705	3,065	2,910	2,870
Total Non-Current Assets	2,373,332	2,143,398	229,934			2,170,314	2,044,088	1,873,117	1,953,937
TOTAL ASSETS	2,410,861	2,165,786	245,075			2,248,771	2,103,783	1,933,411	1,979,201
LIABILITIES									
Current Liabilities									
Trade & Other Payables	37,641	24,281	13,360	55%	Timing of grants received in advance for projects to be delivered in future years of \$7.3m (see above). As well as an increase in creditors and accrued expenses due to the timing of receipt of invoices	32,916	30,087	33,165	24,286
Borrowings (Finance Leases)	2,700	5,264	(2,564)	-49%	Due to movement in remeasurement and number of property leases	3,314	5,077	4,844	4,842
Provisions	14,553	17,381	(2,828)	-16%	Largely employee provisions	13,877	18,858	13,636	13,605
Total Current Liabilities	54,894	46,926	7,968			50,107	54,022	51,645	42,733
Non-Current Liabilities									
Trade & Other Payables	15,895	15,731	164	1%	Includes the liability for the long term lease extension, which will be amortised over the life of the lease	16,063	16,232	293	293
Borrowings	9,600	50,074	(40,474)	-81%	Borrowings were significantly lower than anticipated due to the improved operating result, as well as the timing of spend on Capital Works.	23,820	-	7,519	8,000
Borrowings (Finance Leases)	45,643	22,658	22,985	101%	In line with FY24-25	47,252	39,318	43,913	46,041
Provisions	2,749	2,109	640	30%	Largely employee provisions	2,076	1,998	1,977	1,655
Total Non-Current Liabilities	73,887	90,573	(16,686)			89,211	57,548	53,702	55,989
TOTAL LIABILITIES	128,781	137,499	(8,718)			139,318	111,570	105,347	98,722
Net Assets	2,282,080	2,028,287	253,793			2,109,453	1,992,213	1,828,064	1,880,479
EQUITY									
Accumulated Surplus	747,867	824,521	(76,654)		A result of the Net Surplus position. Refer to Statement of Comprehensive Income	819,753	783,588	781,667	792,262
Asset Revaluation Reserves	1,502,264	1,171,995	330,269		Movement as a result of revaluations in the period	1,292,626	1,171,995	1,018,226	1,066,618
Future Fund Reserve	31,949	31,771	178			14,360	36,630	28,171	21,599
Total Other Reserves	31,949	31,771	178			14,360	36,630	28,171	21,599
Total Council Equity	2,282,080	2,028,287	253,793			2,126,639	1,992,213	1,828,064	1,880,479

Financial Indicators for the year ended 30 June 2026								
\$ '000	2025-26 Actual	2025-26 Adopted Budget	Variance	Commentary	2024-25 Actual	2023-24 Actual	2022-23 Actual	2021-22 Actual
These Financial Indicators have been calculated in accordance with information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.								
1. Operating Surplus Ratio								
Operating Surplus	9,205				9,475	8,476	1,692	977
Total Operating Revenue	259,326			Favourable position to budget as a result of an increase in operating revenue outweighing the increase in operating expenditure.	243,190	238,408	215,485	205,706
This ratio expresses the operating surplus as a percentage of total operating revenue.	3.5%	3.4%			3.9%	4%	0.8%	0.5%
2. Net Financial Liabilities Ratio								
Net Financial Liabilities	100,609			Result of the increase in Trade and Other Payables as at 30 June 2026 when compared to the budget.	106,358	70,247	70,956	79,498
Total Operating Revenue Less NRM Levy	259,312				243,190	238,408	215,485	205,706
Net financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue (excluding NRM levy). A negative figure denotes a Net Financial Asset Position.	39%	35.0%			44%	29%	33%	39%
3. Asset Sustainability Ratio								
Net Asset Renewals	68,356				51,655	52,667	36,913	29,987
Infrastructure & Asset Management Plan required expenditure	72,660			In line with the budget on a cash basis	60,564	56,018	50,501	65,854
Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.	94%	93.5%			85%	94%	73%	46%

Report on Financial Results for Adelaide Central Market Authority

Statement of Comprehensive Income
for the year ended 30 June 2026

\$ '000	Actual	Budget	Variance	Commentary	2024/25 Actual	2023/24 Actual	2022/23 Actual
Income							
Property Lease	4,384	4,401	(17)	0%	4,393	4,260	3,804
Property Recovery	1,169	1,027	142	14%	1,075	1,099	843
Hall & Equipment Hire	-	-	-	0%	0	2	-
Reimbursements	-	-	-	100%	8	-	-
Grants, Subsidies and Contributions	12	-	12	100%	50	-	-
Other Income	109	217	(108)	-50%	144	125	128
Total Income	5,674	5,645	29		5,670	5,486	4,775
Expenses							
Auditors Remuneration	10	12	2	17%	10	10	9
Bad and Doubtful Debts	(7)	-	7		18	10	-
Board Fees	138	124	(14)	-11%	142	122	113
Contractors	2,007	1,981	(26)	-1%	1,508	1,235	1,130
Energy	673	882	209	24%	731	608	598
Maintenance	617	487	(130)	-27%	527	425	339
Legal Expenses	139	302	163	54%	52	17	16
Levies Paid to Government - including Landscape levy	34	30	(4)	-13%	29	28	27
Parts, Accessories & Consumables	66	131	65	50%	69	57	43
Professional Services	707	718	11	2%	457	289	114
Advertising and Promotion	234	198	(36)	-18%	192	200	125
Bank Charges and Cash Collection	8	2	(6)	-	16	11	12
Cleaning	903	842	(61)	-7%	870	1,011	967
Water	116	138	22	16%	117	118	111
Insurance	109	105	(4)	-4%	96	112	52
Printing, Freight and Postage	62	69	7	10%	75	66	73
Rates and Taxes	68	69	1	1%	57	52	38
Security	587	600	13	2%	559	553	519
Waste services	467	399	(68)	-17%	412	377	328
Other	43	87	44	51%	32	57	37
Depreciation, Amortisation & Impairment	42	42	-	-	39	39	39
Finance Costs	3	3	-	-	1	1	2
Total Expenses	7,026	7,221	195		6,009	5,398	4,692
Operating Surplus / (Deficit)	(1,352)	(1,576)	224		(339)	88	83
Total Comprehensive Income	(1,352)	(1,576)	224		(339)	88	83

Report on Financial Results for Adelaide Central Market Authority

Statement of Financial Position
as at 30 June 2026

\$ '000	Actual	Budget	Variance	Commentary	Actual	Actual	Actual
ASSETS							
Current Assets							
Trade & Other Receivables	482	358	124	35%	319	464	276
Inventories	64	31	33	106%	50	24	31
Other Current Assets	53	15	38	100%	15	36	72
Total Current Assets	599	404			384	524	379
Non-Current Assets							
Right of Use Assets	39	39	-	-	81	36	75
Other Non-Current Assets	121	72	49	68%	87	43	29
Total Non-Current Assets	160	111			168	79	104
Total Assets	759	515			552	603	483
LIABILITIES							
Current Liabilities							
Trade & Other Payables	723	475	248	52%	475	398	323
Lease Liabilities	36	40	(4)	-	37	34	39
Total Current Liabilities	759	515			512	432	362
Non-Current Liabilities							
Lease Liabilities	-	-	-	-	40	-	38
Total Non-Current Liabilities	-	-			40	-	38
Total Liabilities	759	515			552	432	400
Net Assets	-	-			-	171	83
EQUITY							
Accumulated Surplus	(2,315)	(2,539)	224		(963)	(624)	(712)
Other Reserves	2,315	2,539	(224)		963	795	795
Total Equity	-	-			-	171	83

Report on Financial Results for Adelaide Economic Development Agency

Statement of Comprehensive Income

for the year ended 30 June 2026

\$ '000	Actual	Budget	Variance	Commentary		2024-25 Actual	2023-24 Actual	2022-23 Actual
Income								
Rundle Mall Levy	4,166	4,138	28	1%	Movement due to lower level of objections.	4,049	3,918	3,889
User Charges	554	390	164	42%	Concessions income on Rundle Mall of \$528k and Adelaide Fashion Festival \$26k	656	625	560
Reimbursements	41	-	41	100%	Recovery of Commercial Events and Festival Sponsorship payments related to events that did not eventuate \$38k and other minor items \$3k	-	2	7
Other Income	7	-	7	100%	Includes Merchandise sales	7	12	11
Grants, Subsidies and Contributions	5	-	5	100%	ASEAN Business Forum contribution \$5k and Rundle Mall 50th Anniversary grant \$1k	15	30	17
Grants, Subsidies and Contributions	8,718	9,131	(413)	-5%	A lesser contribution of \$8,718k was required from the City of Adelaide due to the underspend in employee costs and strategic projects	8,413	8,891	9,833
Total Income	13,491	13,660	(169)			13,140	13,478	14,317

Expenses

Auditor's Remuneration	3	3	-	0%	Includes External Audit of the Financial Statements	1	1	47
Bad and Doubtful Debts	1	-	(1)	-100%	Provision for doubtful debts raised in FY26	5	(5)	5
Board Fees	101	123	22	18%	Due to vacancies on the board during the year. Budget assumed 5% increase to board fees.	130	81	97
Lease Expense - Short Term Leases	14	55	41	-100%	Budget assumed month-to-month lease for Rundle Mall Storage however this is recognised as a Right of Use Asset. Actual spend relates to venue hire for events	48	42	36
Contractors	4,979	5,332	353	7%	All AEDA staff are employees of the City of Adelaide, seconded to AEDA. The movement includes employees vacancies as well as underspend in strategic projects.	4,449	4,172	4,813
Advertising and Promotion	2,777	3,407	630	18%	Lower level of advertising to budget offset by additional spend in staging hire, security and subscriptions. Spend includes Rundle Mall \$1,415k, Adelaide Fashion Week \$515k and Marketing and PR \$291k.	2,720	2,787	2,727
External Plant Hire	684	293	(391)	-133%	Staging hire for events held within Rundle Mall	596	741	708
Professional Services	375	379	4	1%	Spend in line with expectations	239	293	397
Security	510	318	(192)	-60%	Additional security expenditure arose from new security contract	413	549	380
Sponsorships, Contributions and Donations	3,329	3,346	17	1%	Spend in line with expectations	3,605	4,532	4,434
Subscriptions	279	215	(64)	-30%	Subscription spend offset by underspend in advertising against budget.	148	40	50
Other Expenses	61	137	76	55%	Individually immaterial items	312	189	361
Depreciation, Amortisation & Impairment	126	48	(78)	-163%	Depreciation for Christmas decorations held by AEDA as well as Right of Use Asset for the Rundle Mall storage.	96	58	33
Finance Costs	7	4	(3)	-75%	Interest expense associated with lease liability for Right of Use Asset under AASB16	7	3	-
Total Expenses	13,246	13,660	414			12,769	13,483	14,088

Operating Surplus / (Deficit)	245	-	245			371	(5)	229
--------------------------------------	------------	----------	------------	--	--	------------	------------	------------

Total Other Comprehensive Income	-	-	-			-	-	-
---	----------	----------	----------	--	--	----------	----------	----------

Total Comprehensive Income	245	-	245			371	(5)	229
-----------------------------------	------------	----------	------------	--	--	------------	------------	------------

Report on Financial Results for Adelaide Economic Development Agency

Statement of Financial Position

as at 30 June 2026

\$ '000	Actual	Budget	Variance	Commentary	2024-25 Actual	2023-24 Actual	2022-23 Actual	
ASSETS								
Current Assets								
Trade & Other Receivables	1,171	491	680	138%	An increase in debtors and prepayments compared to budget due to the timing of the payment and receipt of cash at 30 June	1,240	491	864
Inventories	26	4	22	550%	Merchandise stock on hand (now including Gift Cards)	4	6	4
Total Current Assets	1,197	495			1,244	497	868	
Non-Current Assets								
Infrastructure, Property, Plant & Equipment	137	-	137	-	Purchase of Rundle Mall Equipment (Christmas decorations)	14	184	98
Right-of-Use Assets	76	76			Right of use Asset	149		
Total Non-Current Assets	213	76			163	184	98	
Total Assets	1,410	571			1,407	681	966	
LIABILITIES								
Current Liabilities								
Trade & Other Payables	443	486	(43)	-9%	A decrease in creditors and accrued expenses compared to budget due to the timing of the receipt of invoices	610	283	693
Lease Liabilities	60	73	(13)	0%	Right of use Asset - Lease liability	73	43	-
Total Current Liabilities	503	559			683	326	693	
Non-Current Liabilities								
Lease Liabilities	23	12	11	-	Right of use Asset - Lease liability	85	87	-
Total Non-Current Liabilities	23	12			85	87	-	
Total Liabilities	526	571			768	413	693	
Net Assets	884	-			639	268	273	
EQUITY								
Accumulated Surplus	884	-	884		Surplus relates to Rundle Mall	639	268	273
Other Reserves	-	-	-			-	-	-
Total Equity	884	-			639	268	273	

Report on Financial Results for Adelaide Park Lands Authority								
Statement of Comprehensive Income								
for the year ended 30 June 2026								
\$ '000	Actual	Budget	Variance	Commentary		2024-25 Actual	2023-24 Actual	2022-23 Actual
Income								
Grants, Subsidies and Contributions	241	323	(82)	-25%	Grant income received to match expenditure.	306	234	181
Total Income	241	323	(82)			306	234	181
Expenses								
Auditors Remuneration	2	2	-	0%		1	1	1
Contractors	154	185	31	17%	Kadaitilla staff are employees of the City of Adelaide. The 25/26 Budget included 0.25 FTE Admin Support role which remained vacant for the year resulting in savings of \$28k.	155	139	96
Catering	1	4	3	75%	Favourable variance of \$3k due to catering services being under utilised. The 25/26 budget provided for catering across 12 board meetings; however, only 10 meetings were held and meeting durations were shorter than originally anticipated.	4	2	-
Professional Services	-	-	-			26	6	23
Advertising and Promotion	32	26	(6)	-23%	Launch of new Instagram social media platform resulted in increased advertising and promotion fees.	34	21	3
Sponsorships, Contributions & Donations	-	-	-		Biennial grant to be provided in FY27.	15	-	15
Insurance	18	18	-	0%	Insurance premium costs.	13	21	16
Minor Plant and Equipment	-	-	-			-	2	-
Legal Fees	-	3	3	100%		-	1	-
Sitting Fees	34	74	40	54%	The 25/26 budget provided for 10 meetings and 2 special meetings, with full board attendance and 6 hour duration assumed. Actual expenditure was lower than budget as only 10 meetings were held and sitting fees are payable only to attending board members based on the duration of the meetings.	57	40	26
Other	-	11	11	100%	The budget included a provision to accommodate potential unforeseen expenditure and contingencies during the year. As these anticipated costs did not eventuate, actual expenditure was lower than budget.	1	1	1
Total Expenses	241	323	82			306	234	181
Operating Surplus / (Deficit)						-	-	-
Net Surplus / (Deficit)						-	-	-
Total Comprehensive Income						-	-	-

Report on Financial Results for Adelaide Park Lands Authority								
Statement of Financial Position								
as at 30 June 2026								
\$ '000	Actual	Budget	Commentary			2024-25 Actual	2023-24 Actual	2022-23 Actual
ASSETS								
Total Assets	-	-				-	-	-
LIABILITIES								
Total Liabilities	-	-				-	-	-
Net Assets						-	-	-
EQUITY								
Total Equity	-	-				-	-	-

Internal Audit Report - Project Management Framework Review

Strategic Alignment - Our Corporation

Public

Wednesday, 23 September 2026

Audit and Risk Committee

Program Contact:

Rebecca Hayes, Associate
Director Governance & Strategy

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

The purpose of this report is to provide the Audit and Risk Committee with the Project Management Framework Review Internal Audit Report. The Internal Audit was performed by BDO, in accordance with the Internal Audit Plan 2025 – 2026.

The Terms of Reference of the Audit and Risk Committee includes responsibility for receiving full reports, monitoring and reviewing the Internal Audit Plan and Internal Audit Projects.

BDO assessed the maturity of CoA's project management framework using a Project Management Maturity Assessment Model tailored to reflect Council's project delivery environment, governance arrangements and PMO framework.

The maturity model comprised twelve dimensions covering the project lifecycle and supporting PMO capabilities. BDO found that Council has established the key structural elements of an effective project management framework and is operating at an average maturity rating of 3.0 - Established. The strongest dimensions assessed were Governance Structure & Oversight, Delegations & Approvals, Stage Gates & Project Lifecycle Controls, Change Control, and Framework Enablement – Templates, Guidance & Systems, where mature governance, approval and control practices were consistently evidenced. In addition, the review identified strong strategic alignment and project initiation practices, with project briefs consistently demonstrating alignment to Council priorities and project approvals supported through established governance and budget processes appropriate to the type and scale of project being delivered.

The greatest opportunities to improve overall maturity relate to strengthening the consistency with which project management requirements are applied and evidenced across the program. In particular, the report identified opportunities to improve project risk management, project performance reporting, benefits realisation and lessons learned practices.

BDO's recommendations within the review are practical and proportionate to CoA's operating context with the target state for this engagement has been assumed to be Level 4.0 (Advanced) across all dimensions.

The review identified 12 maturity dimensions with an average maturity rating of 3.0. Within the 12 dimensions of the maturity assessment, four recommendations are rated as long term, seven are rated as medium term recommendations and five are rated as short term. Three improvement opportunities were identified.

This report requests that the Audit and Risk Committee note the review and endorse the administration responses.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Project Management Framework Review Internal Audit report as contained in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026.
2. Endorses the responses of the Administration to the Project Management Framework Review Internal Audit Report as contained in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Outcome – Effective Leadership and Governance Internal Audit is an essential component of a good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently.
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	Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its function legally, and effectively, and to advise how it can improve performance.
Opportunities	Internal audit focuses on compliance, risk management and improvement opportunities. Audits suggest a range of improvement opportunities related to the area being received, enhancing functions and services and aligning Council processes to best practice standards.
26/27 Budget Allocation	Not as a result of this report
Proposed 27/28 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
26/27 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The Internal Audit Plan 2025 – 2026 (the Plan) for the City of Adelaide (CoA) was developed in response to Council's key strategic risks and priorities.
2. The Project Management Framework Review Internal Audit Report (Attachment A) was performed by BDO, in accordance with the Plan to consider the practices in place relating to project management practices and related activities.
3. The audit best aligns with the identified Strategic Risk:
 - 3.1. Governance: Our governance is ineffective, leading to operational inefficiencies, legal liabilities, and reputational damage.

Report

4. The objective of this project was to assess the design adequacy and operating effectiveness of Council's Project Management Office (PMO) framework and key controls across the project lifecycle, and its alignment to leading practice.
5. As part of the review, BDO assessed the maturity of CoA's project management framework using a Project Management Maturity Assessment Model tailored to reflect Council's project delivery environment, governance arrangements and PMO framework.
6. CoA has established the key structural elements of an effective project management framework and is operating at an Established (Level 3) level of maturity. The recommendations in this report are intended to support CoA in embedding more consistent application of project management practices across the portfolio, improving visibility of project risks, strengthening the quality and reliability of project reporting, and enhancing benefits realisation and organisational learning processes.
7. The findings of the internal audit include the following recommendations:

Assessment	Current State of Maturity (out of 5)	Term	Recommendation	Target Date
1. Strategic Alignment & Project Initiation	2.5	Short	1.1 Require completion of key sections, including benefits, risks, dependencies and delivery considerations, prior to project approval. Consider introducing a quality review process to support more consistent completion of project initiation documentation across the portfolio.	30 April 2027
2. Governance Structure & Oversight	3.5	Long	2.1 Establish a periodic governance assurance program to monitor the effectiveness and consistent applications of key governance controls across the project portfolio. This could include periodic reviews of governance forum effectiveness, approval timeliness, action closure rates, compliance with delegated authority requirements, and adherence to stage gate and lifecycle control requirements. Results should be consolidated and reported to Executive and governance forums to provide assurance over the effectiveness of governance arrangements, identify	Not applicable as opportunity for improvement and therefore does not require a Management Action Plan.

Assessment	Current State of Maturity (out of 5)	Term	Recommendation	Target Date
			exceptions or recurring issues, and support continuous improvement across project governance, approvals and lifecycle management practices.	
3. Roles, Responsibilities & Capability	3	Medium	3.1 Reinforce existing PMO requirements by requiring Project Managers to confirm completion of key project management activities, including maintenance of project risks, project reporting and core project documentation, at agreed lifecycle stages and governance review points.	31 March 2027
4. Delegation & Approvals	2.1	Long	Refer to 2.1.	Refer to 2.1
5. Stage Gates & Lifecycle Controls	3.5	Long	Refer to 2.1.	Refer to 2.1
6. Planning & Baseline Management	3	Medium	6.1 Review and rationalise change request reason categories to ensure they are clear, relevant and consistently applied across the project portfolio, and require a change reason to be recorded for all change requests. As more reliable data becomes available, undertake portfolio-level analysis of recurring change drivers, variance trends and forecasting assumptions, with results reported to Executive and governance forums and used to strengthen future planning, budgeting, forecasting accuracy and project delivery performance.	31 October 2027
7. Risk Issues & Escalation	1.5	Short	7.1 Require all projects meeting defined value, complexity or risk thresholds to establish and maintain a project risk register within the PMO system. Project risk registers should not be maintained in separate standalone documents or spreadsheets. This will establish the PMO system as the single source of truth for project risk management, improve visibility of project risk exposure across the portfolio and support more effective governance oversight.	30 April 2027
			7.2 Strengthen project initiation requirements to ensure project-specific risks are identified and documented during development of project brief. Project briefs should include meaningful assessment of delivery risks, mitigation	30 April 2027

Assessment	Current State of Maturity (out of 5)	Term	Recommendation	Target Date
			actions and accountable owners prior to project approval.	
8. Reporting & Performance Monitoring	2.5	Short	8.1 Define minimum reporting requirements for complex strategic projects, including reporting on scope, schedule, budget, key milestones, risks, issues, dependencies and forecast delivery outcomes. Reporting should be retained within the PMO system and regularly reported through governance forums.	30 April 2027
		Medium	8.2 Establish clear expectations regarding the frequency and timeliness of project status updates within the PMO system and periodically review compliance with these requirements. Consider introducing automated reminders, exception reporting or dashboard monitoring to identify projects with overdue status updates.	31 July 2027
9. Change Control	3.5	Medium	Refer to 6.1.	Refer 6.1
10. Commissioning, Handover & Benefits Realisation	3	Medium	10.1 Require significant projects to define measurable benefits, success measures, benefit owners and review timeframes during project initiation. As part of the project close-out process, Council should determine whether ongoing benefits monitoring is required and formally document how benefits will be measured, reported and reviewed following delivery. Benefits should be incorporated into existing PMO reporting processes to provide visibility over realised outcomes and support more informed future investment and prioritisation decisions.	30 June 2027
11. Close-Out & Lessons Learned	2.5	Short	11.1 Finalise and implement the proposed lessons learned process and require lessons learned reviews to be completed for significant projects (e.g. projects exceeding a nominated value).	30 November 2026
		Medium	11.2 Develop minimum close-out requirements that apply consistently across capital, renewal and strategic projects. This should include defined closure documentation, evidence of completion, close-out approval requirements and record retention	31 March 2027

Assessment	Current State of Maturity (out of 5)	Term	Recommendation	Target Date
			expectations. The close-out process should also include consideration of any ongoing benefits realisation activities, including confirmation of benefit owners, monitoring arrangements and review timeframes where post-delivery benefit measurement is required (refer to 10.1)	
		Medium	11.3 Following implementation of the lessons learned process, PMO to periodically review completed lessons learned outputs to identify recurring delivery issues, systemic challenges and opportunities to improve project management practices, templates and governance processes.	30 June 2027
12. Framework Enablement – Templates Guidance & Systems	3.25	Long	Develop a longer-term roadmap for enhancing PMO systems and tools to improve usability, reporting capability, data consistency and integration across the project lifecycle. This should focus on reducing reliance on standalone spreadsheets and manually maintained registers while preserving the strengths of the existing framework. Council is currently investigating options for a new Planning, Project Management and reporting (PRR) system, which may provide opportunities to improve system integration, enhance reporting capability and reduce manual administration. The roadmap should be aligned to the outcomes of this initiative to ensure future system investments support Council's broader PMO maturity objectives and reporting requirements.	Not applicable as opportunity for improvement and therefore does not require a Management Action Plan.

8. Administration has considered the following and provided actions and time frames to address these findings (outlined in the current state assessment and recommendations section of the BDO's Project Management Framework Review Internal Audit Report, **Attachment A**).

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – Project Management Framework Review Internal Audit

- END OF REPORT -

City of Adelaide

Project Management Framework Review

September 2026

Contents

01	Executive Summary	01
02	Current State Assessment and Recommendations	14
03	Appendices	38

Executive Summary

Executive Summary

Background

The City of Adelaide (CoA) delivers a significant portfolio of capital, renewal and strategic projects to support the delivery of infrastructure, community services, economic development initiatives and strategic priorities. Effective project management practices are critical to ensuring projects are delivered within approved scope, budget and timeframes, while achieving intended outcomes and benefits.

To support project delivery, CoA has established a Project Management Office (PMO) framework comprising governance forums, project lifecycle controls, change management processes, reporting requirements, templates, practice guides, record-keeping standards and supporting systems. The PMO framework is designed to provide a consistent approach to project delivery across the Initiate, Commit, Design, Deliver and Close phases of the project lifecycle and includes supporting guidance for project planning, scheduling, change management, reporting, handover and project closure activities.

Given the scale and complexity of Council's project portfolio, it is important that project governance, project management practices and PMO controls operate effectively and are consistently applied across the organisation. Weaknesses in project governance, planning, oversight, risk management or project delivery controls may impact Council's ability to deliver projects efficiently, realise intended project outcomes and provide effective stewardship of public funds.

Objective

The objective of this internal audit was to assess the design adequacy and operating effectiveness of Council's PMO framework and key controls across the project lifecycle, and its alignment to leading practice. This review was guided by a maturity assessment framework (refer Appendix 1), which was used to assess CoA's current state across key project management dimensions and identify opportunities for continuous improvement.

Scope and Approach

The scope of this review examined the effectiveness and maturity of Council's project management framework, including the governance, controls, processes, reporting arrangements and supporting systems used to manage capital, renewal and strategic projects. The review considered project management practices across the project lifecycle, including project initiation, planning, governance, risk management, change control, reporting, benefits realisation and project close-out, to identify opportunities to improve consistency, governance oversight and project delivery outcomes. This review was conducted in consultation with representatives from the PMO and Governance & Strategy teams. The engagement included testing of project management documentation, governance artefacts and a sample of projects comprising:

- 2 New and Upgrade projects
- 3 Renewal projects (including 1 ICT Renewal)
- 1 Strategic project

A summary of test results for the selected samples is outlined in Appendix 2. While project documentation and governance artefacts were reviewed for each sample, the engagement did not include direct consultation with Project Managers, Asset Managers or other project delivery personnel. As such, the review focused on the design and operation of the PMO framework, governance arrangements and supporting controls, rather than assessing the capability or performance of individual project stakeholders. Appendix 3 details the approach undertaken to perform this review.

Executive Summary (cont.)

Methodology and Maturity-Based Assessment Approach

As part of this review, BDO assessed the maturity of CoA's project management framework using a Project Management Maturity Assessment Model tailored to reflect Council's project delivery environment, governance arrangements and PMO framework. The maturity model comprised twelve dimensions covering the project lifecycle and supporting PMO capabilities:

- Strategic Alignment & Project Initiation
- Governance Structure & Oversight
- Roles, Responsibilities & Capability
- Delegations & Approvals
- Stage Gates & Project Lifecycle Controls
- Planning & Baseline Management
- Risk, Issues & Escalation
- Reporting & Performance Monitoring
- Change Control
- Commissioning, Handover & Benefits Realisation
- Close-Out & Lessons Learned
- Framework Enablement - Templates, Guidance & System

The maturity assessment model applied, including detailed criteria for each dimension and definitions of maturity levels, is provided in *Appendix 1*.

Executive Summary (cont.)

How to read this report

This internal audit has been conducted as a maturity-based assessment, consistent with guidance issued by the Institute of Internal Auditors (IIA). The IIA encourages the use of maturity models in assurance engagements to provide insight into capability, sustainability and pathways for improvement, rather than focusing solely on control failures or historical non-compliance.

For the purposes of this report:

- CoA's current state maturity has been assessed against the defined criteria for each dimension
- Observations have been documented where gaps exist between the current state and a higher, more mature operating state
- Recommendations are forward-looking and focus on practical actions to support progression in maturity, rather than remediation of isolated deficiencies.

To ensure recommendations are practical and proportionate to CoA's operating context, the target state for this engagement has been assumed to be **Level 4.0 (Advanced)** across all dimensions.

This reflects a level of maturity where project management practices are consistently applied across the project lifecycle, governance and oversight arrangements are embedded, project performance and risks are actively monitored, and project delivery is supported by well-established controls, processes and enabling systems. The target state also recognises the scale and complexity of CoA's capital, renewal and strategic project portfolio, while remaining achievable within a local government context.

The overall engagement rating presented in this report is aligned to the average weighted maturity assessment across all dimensions. This approach is consistent with IIA guidance and reflects the fact that project management effectiveness is best assessed holistically rather than on the basis of individual issues in isolation.

Accordingly, the report should be read as:

- An assessment of current capability and maturity
- A clear articulation of where maturity can be strengthened
- A practical roadmap to support continuous improvement over time.

Overall assessment

The rating, provided in the table, reflects our overall assessment of CoA's Project Management Framework maturity that was assessed by this review. Appendix 1 outlines the differing rating levels and their respective definitions.

Overall maturity and effectiveness

The overall effectiveness of CoA's Project Management Framework is supported by established governance structures, clearly defined project lifecycle controls, formal change management processes, comprehensive guidance materials and well-developed reporting arrangements. CoA has established a mature PMO framework comprising detailed practice guides, governance documentation, standardised workflows and supporting systems that provide a strong foundation for consistent project delivery across the capital portfolio. The review identified that key project management activities, including project governance, approvals, planning, baseline management, reporting, change control, commissioning and handover, are supported by documented processes, governance oversight and retained project records.

Based on the maturity assessment, CoA achieved an average maturity rating of 3.0 - Established across the twelve project management dimensions. This indicates that the fundamental elements of an effective project management framework are in place and are generally operating as intended across the capital, renewal and strategic project portfolio. The strongest dimensions assessed were Governance Structure & Oversight, Delegations & Approvals, Stage Gates & Project Lifecycle Controls, Change Control, and Framework Enablement - Templates, Guidance & Systems, where mature governance, approval and control practices were consistently evidenced. In addition, the review identified strong strategic alignment and project initiation practices, with project briefs consistently demonstrating alignment to Council priorities and project approvals supported through established governance and budget processes appropriate to the type and scale of project being delivered.

The greatest opportunities to improve overall maturity relate to strengthening the consistency with which project management requirements are applied and evidenced across the portfolio. In particular, the review identified opportunities to improve project risk management, project performance reporting, benefits realisation and lessons learned practices. Risk Management was the least mature dimension assessed, with limited evidence that project risks are being systematically documented, maintained and monitored in accordance with the PMO framework. Project risk registers were largely absent across the sampled projects, and risk information within project initiation documentation was frequently incomplete or not maintained within the PMO system. Similarly, while projects are generally commissioned, handed over and closed effectively, benefits are not consistently measured after project completion and lessons learned activities were not evidenced across the sampled projects.

The review also identified opportunities to strengthen consistency of project management practices across project types and improve the reliability of portfolio reporting information. While reporting arrangements appear to provide meaningful visibility of project performance across the capital portfolio, consultation with the PMO team identified that project status information is not always updated in a timely manner by Project Managers. In addition, detailed project-level performance reporting was not consistently evidenced for the strategic project sample reviewed. Collectively, these observations indicate that while reporting processes are well established, the accuracy and completeness of project information remains dependent on consistent maintenance of project records and reporting artefacts by project delivery teams. Council advised that it is currently investigating options for a new Planning, Project Management and Reporting (PPR) system, which may provide opportunities to improve system integration, enhance reporting capability and reduce reliance on manual administration activities over time.

Overall, CoA has established the key structural elements of an effective project management framework and is operating at an Established (Level 3) level of maturity. The recommendations in this report are intended to support CoA in embedding more consistent application of project management practices across the portfolio, improving visibility of project risks, strengthening the quality and reliability of project reporting, and enhancing benefits realisation and organisational learning processes. Collectively, these improvements will support progression towards Level 4 - Advanced, where project management practices are proactively monitored, consistently applied, data-informed and continuously improved across the organisation.

Maturity Rating (out of 5)	
Dimension	Rating
1. Strategic Alignment & Project Initiation	3.0
2. Governance Structure & Oversight	3.5
3. Roles, Responsibilities & Capability	3.0
4. Delegations & Approvals	3.5
5. Stage Gates & Lifecycle Controls	3.5
6. Planning & Baseline Management	3.0
7. Risk, Issues & Escalation	1.5
8. Reporting & Performance Monitoring	2.5
9. Change Control	3.5
10. Commissioning, Handover & Benefits Realisation	3.0
11. Close-Out & Lessons Learned	2.5
12. Framework Enablement - Templates, Guidance & Systems	3.5
Overall	3.2

Disclaimer

BDO limited the procedures performed during this internal audit project to inquiries of relevant personnel, inspection of evidence and observation of, and enquiry about, the operation of the control procedures for a small number of transactions or events. Our procedures are not designed to provide assurance as defined by the Australian Auditing Standards (AUASB Standards) and an audit opinion was not expressed in this report. An internal audit project does not provide all of the evidence that would be required in an audit.

The matters raised in this report are only those that come to our attention during the course of performing our procedures and may not necessarily be a comprehensive statement of all the weaknesses that may exist or improvements that might be made.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, comply with laws and regulations and avoid fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures reviewed, or potential instances of fraud that may exist.

Our report was prepared solely for the internal use of CoA. No responsibility to any third party shall be accepted, as our report has not been prepared, and is not intended, for any other purpose. The responsibility for determining the adequacy or otherwise of the procedures performed by BDO is that of CoA management and the procedures performed are solely to assist you in assessing the processes reviewed by BDO.

CoA should assess management actions for their full commercial impact before they are implemented.



Summary of Issues and Recommendations

The table below provides a high-level overview of each maturity assessment by dimension, and recommendations, the responsible officer and their position, and the date by which the recommendation will be implemented. A detailed summary of each recommendation and its respective findings is provided in this report under section Current State Assessment and Recommendations. The risk ratings are based on BDO Priority Ratings outlined in Appendix 4. The Maturity rating is based on the Maturity level criteria outlined in Appendix 1.

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendations and Opportunities for Improvement	Management Action Plan	Action Owner	Target Date
1. Strategic Alignment & Project Initiation	3.0 - Established	CoA has established a repeatable project initiation process supported by project briefs that are consistently used across project categories. The project briefs reviewed demonstrated strong alignment to Council strategies and organisational objectives, and project need was generally well articulated. Project approvals are supported through established governance and budget processes that are appropriate to the type and scale of project being delivered, including program-level approval of renewal works through the BP&B and capital planning processes. Opportunities for improvement primarily relate to the completeness and consistency of project initiation documentation, with risk, benefits, dependency and delivery planning information not always completed to a consistent standard. As a result, project initiation practices are well established and provide a strong foundation for project selection, approval and delivery.	1.1 (Short-term Recommendation) - Require completion of key sections within project briefs, including benefits, risks, dependencies and delivery considerations. Consider introducing a quality review process to support more consistent completion of project initiation documentation across the portfolio.	Implement formal quality review processes for project briefs	PMO MGR	Apr 2027
2. Governance Structure & Oversight	3.5 - Established / Advanced	CoA has established a well-defined project governance structure supported by governance forums including CTG, ARG, PCG and Executive governance. Governance decisions were consistently supported by documented approvals, change requests, governance reports and approval records, providing a clear audit trail of project decisions. The review identified strong evidence of governance oversight throughout project delivery, particularly in relation to project re-timings, funding reallocations, change requests and matters requiring escalation. Collectively, the governance framework provides clear accountability, effective decision-making pathways and strong oversight of project delivery across the capital portfolio.	2.1 (Long-term OFI) Progressing to an Advanced maturity level - Establish a periodic governance assurance program to monitor the effectiveness and consistent application of key governance controls across the project portfolio. This could include periodic reviews of governance forum effectiveness, approval timeliness, action closure rates, compliance with delegated authority requirements, and adherence to stage gate and lifecycle control requirements. Results should be consolidated and reported to governance forums to provide assurance over the effectiveness of governance arrangements, identify exceptions or recurring issues, and support continuous improvement across project governance, approvals and lifecycle management practices.	N/A - OFIs do not require a Management Action plan		

Summary of Issues and Recommendations (Cont.)

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendations and Opportunities for Improvement	Management Action Plan	Action Owner	Target Date
3. Roles, Responsibilities & Capability	3 - Established	CoA has established a comprehensive PMO framework that clearly defines project management roles, responsibilities and accountabilities across the project lifecycle. Detailed guidance, governance documentation and supporting procedures provide clarity regarding stakeholder responsibilities, while PMO personnel consulted as part of the review demonstrated a strong understanding of project management and governance obligations. The PMO also provides significant support through governance coordination, templates, workflows, reporting tools and guidance materials, promoting consistency across the project portfolio. However, testing identified some inconsistencies in the application and evidencing of key project management responsibilities within project records, indicating an opportunity to further improve consistency across the portfolio.	3.1 (Medium-term Recommendation): Reinforce existing PMO requirements by requiring Project Managers to confirm completion of key project management activities, including maintenance of project risks, project reporting and core project documentation, at agreed lifecycle stages and governance review points.	Review the current checkpoints in place to ensure robustness of process	PMO ANALYST	Mar 2027
4. Delegations & Approvals	3.5 - Established / Advanced	CoA has established a mature delegations and approvals framework that clearly defines approval authority, escalation pathways and governance responsibilities across the project lifecycle. Approval pathways are supported by detailed governance documentation, standardised workflows and documented delegation requirements. Testing identified strong evidence that project approvals, funding reallocations and change requests are consistently supported by documented endorsement and approval records, providing a clear and traceable audit trail for project decision-making.	Refer to 2.1 (Long-term OFI)	N/A - OFIs do not require a Management Action plan		

Summary of Issues and Recommendations (Cont.)

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendations and Opportunities for Improvement	Management Action Plan	Action Owner	Target Date
5. Stage Gates & Lifecycle Controls	3.5 - Established / Advanced	CoA has established a structured project lifecycle framework supported by defined lifecycle stages, governance checkpoints and record-keeping requirements. Testing identified evidence that projects progress through documented lifecycle phases, including initiation, planning, design, delivery and close-out, with lifecycle activities supported by governance oversight and retained project records. Governance review points are embedded throughout the project lifecycle, and project decisions are supported by clear documentation and approval pathways. Collectively, these controls provide a strong foundation for project governance, accountability and transparency across the project portfolio.	Refer to 2.1 (Long-term OFI)	N/A - OFIs do not require a Management Action plan		
6. Planning & Baseline Management	3 - Established	CoA has established planning and baseline management practices that support the development, approval and maintenance of project scope, design and financial baselines. Across the sampled projects, planning activities were supported by documented design and project documentation, Baseline CapWorks records and formal governance processes. Financial baselines are actively maintained throughout delivery, with project re-timings, budget reallocations and funding adjustments supported by approved change management processes. Executive EOM and IPW reporting also demonstrate active oversight of project expenditure, delivery status and forecast funding positions across the capital portfolio.	6.1 (Medium-term Recommendation) - Review and rationalise change request reason categories to ensure they are clear, relevant and consistently applied across the project portfolio, and require a change reason to be recorded for all change requests. As reliable data becomes available, undertake portfolio-level analysis of recurring change drivers, variance trends and forecasting assumptions, with results reported to governance forums and used to strengthen future planning, budgeting, forecasting accuracy and project delivery performance.	Review the current CR process to improve options Conduct a system clean up to improve data quality within systems Introduce baseline monitoring across the system	PMO MGR	Oct 2027

Summary of Issues and Recommendations (Cont.)

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendations and Opportunities for Improvement	Management Action Plan	Action Owner	Target Date
7. Risk, Issues & Escalation	1.5 - Foundational / Developing	Risk management was the least mature dimension assessed. While the PMO framework assigns responsibility for identifying, managing and escalating project risks to Project Managers, limited evidence was identified that these requirements are being consistently implemented in practice. Only one of the six sampled projects maintained a project risk register, risk assessment sections within project briefs were frequently incomplete or absent, and there was limited evidence that project risks were being actively monitored or escalated through governance processes. Collectively, the testing indicates that project risk management remains largely dependent on individual project manager practices rather than a consistent and embedded project management discipline across the portfolio.	7.1 (Short-term Recommendation) - Require all projects meeting defined value, complexity or risk thresholds to establish and maintain a project risk register within the PMO system. Project risk registers should not be maintained in separate standalone documents or spreadsheets. This will establish the PMO system as the single source of truth for project risk management, improve visibility of project risk exposure across the portfolio and support more effective governance oversight.	Develop and implement processes to centralise risk registers with associated escalation processes incorporated	PMO MGR	Apr 2027
			7.2 (Short-term Recommendation) - Strengthen project initiation requirements to ensure project-specific risks are identified and documented during development of the project brief. Project briefs should include meaningful assessment of delivery risks, mitigation actions and accountable owners prior to project approval.	Update the Project Brief review process to ensure that project specific risks are identified. Build an assessment of project deliverability into the project briefing stage	PMO MGR	Apr 2027

Summary of Issues and Recommendations (Cont.)

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendations and Opportunities for Improvement	Management Action Plan	Action Owner	Target Date
8. Reporting & Performance Monitoring	2.5 - Developing / Established	CoA has established multiple reporting mechanisms that provide visibility of project delivery, expenditure, program performance and governance decisions across the capital portfolio. Reporting occurs through project status reporting, governance forums, Infrastructure and Public Works (IPW) reporting and Executive PMO reporting, providing multiple levels of oversight across the organisation. The reporting reviewed contained meaningful information relating to project performance, expenditure, delivery status, project re-timings and emerging delivery issues. However, consultation with the PMO team identified that project status information is not always updated in a timely manner by Project Managers, creating a risk that portfolio reporting may not always reflect the current status of projects. In addition, detailed project-level performance reporting was not consistently evidenced for the strategic project sample, indicating that reporting and performance monitoring practices are less mature for certain project types.	8.1 (Short-term Recommendation) - Define minimum reporting requirements for complex strategic projects, including reporting on scope, schedule, budget, key milestones, risks, issues, dependencies and forecast delivery outcomes. Reporting should be retained within the PMO system and regularly reported through governance forums.	Refine linkages between the strategic goals, project delivery and program reporting across the council. Expand PMO performance reporting to include key PMO control areas	PMO MGR	Apr 2027
			8.2 (Medium-term Recommendation) - Establish clear expectations regarding the frequency and timeliness of project status updates within the PMO system and periodically review compliance with these requirements. Consider introducing automated reminders, exception reporting or dashboard monitoring to identify projects with overdue status updates.	Strengthen project delivery reporting processes across the council	PMO MGR	Jul 2027

Summary of Issues and Recommendations (Cont.)

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendations and Opportunities for Improvement	Management Action Plan	Action Owner	Target Date
9. Change Control	3.5 - Established / Advanced	CoA has established a mature and consistently applied change control framework. Significant project changes are supported by formal change requests, documented impact assessments and governance approvals prior to implementation. Testing identified strong evidence that budget reallocations, project re-timings, funding transfers and baseline adjustments are assessed, approved and recorded through established governance processes. Approved changes are subsequently reflected in project baselines, governance reporting and financial records, providing strong traceability and accountability across the samples reviewed.	9.1 - Refer to recommendation 6.1 (Medium-term recommendation)	Review the current CR process to improve options Conduct a system clean up to improve data quality within systems Introduce baseline monitoring across the system	PMO MGR	Oct 2027
10. Commissioning, Handover & Benefits Realisation	3 - Established	CoA has established structured commissioning and handover processes that are consistently evidenced through handover workflows, documented responsibilities and operational acceptance activities. Testing identified strong evidence that completed assets and project deliverables are formally transferred into operational ownership through a structured and repeatable process. Expected project benefits are also captured within project documentation and the PMO system, demonstrating that intended project outcomes are considered during project planning and delivery. However, benefits are not consistently defined in measurable terms, assigned to accountable owners or monitored following project completion, limiting Council's ability to demonstrate that projects have delivered the outcomes used to justify investment.	10.1 (Medium-term Recommendation) - Require significant projects to define measurable benefits, success measures, benefit owners and review timeframes during project initiation. As part of the project close-out process, Council should determine whether ongoing benefits monitoring is required and formally document how benefits will be measured, reported and reviewed following delivery. Benefits should be incorporated into existing PMO reporting processes to provide visibility over realised outcomes and support more informed future investment and prioritisation decisions.	Include project and strategic outcomes with agreed success measures within the project initiation process	PMO MGR	Jun 2027

Summary of Issues and Recommendations (Cont.)

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendations and Opportunities for Improvement	Management Action Plan	Action Owner	Target Date
11. Close-Out & Lessons Learned	2.5 - Developing / Established	CoA has established effective project closure practices across its capital and renewal project portfolio. Testing identified evidence that practical completion, cost finalisation, asset registration and project record management activities are being consistently completed and retained. However, no evidence of lessons learned reviews, post-project reviews or lessons learned documentation was identified across the sampled projects. In addition, close-out practices were less consistently evidenced for the strategic project sample, where limited formal close-out documentation was available. As a result, while projects are generally being closed effectively, opportunities to capture organisational learning and continuously improve project delivery practices are not being consistently realised.	11.1 (Short-Term Recommendation) - Finalise and implement the proposed lessons learned process and require lessons learned reviews to be completed for significant projects (e.g. projects exceeding a nominated value)	Finalise and implement the formal lessons learned process	PMO MGR	Nov 2026
			11.2 (Medium-term Recommendation) - Develop minimum close-out requirements for strategic projects. This should include defined closure documentation, evidence of completion, close-out approval requirements and record retention expectations. The close-out process should also include consideration of any ongoing benefits realisation activities, including confirmation of benefit owners, monitoring arrangements and review timeframes where post-delivery benefit measurement is required (refer Recommendation 10.1).	Introduce minimum required project close out actions for all projects	PMO MGR	Mar 2027
			11.3 (Medium-Term Recommendation) - Following implementation of the lessons learned process, PMO to periodically review completed lessons learned outputs to identify recurring delivery issues, systemic challenges and opportunities to improve project management practices, templates and governance processes.	Provide evaluations and insights on lessons learned and associated risks and issues across the project lifecycle	PMO ANALYST	Jun 2027

Summary of Issues and Recommendations (Cont.)

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendations and Opportunities for Improvement	Management Action Plan	Action Owner	Target Date
12. Framework Enablement - Templates, Guidance & Systems	3.5 - Established / Advanced	CoA has established a comprehensive PMO framework supported by an extensive suite of templates, practice guides, workflows, governance tools and supporting systems. Documentation reviewed demonstrated that the PMO provides guidance across the full project lifecycle, including project initiation, planning, reporting, change management, handover and close-out activities. The standardised tools and workflows are actively used across the project portfolio and provide a strong foundation for consistent project delivery practices. The review also identified evidence that the PMO is continuing to enhance and evolve the framework as improvement opportunities are identified, demonstrating a commitment to continuous improvement.	12.1 (Long-Term OFI) Progressing to an Advanced maturity level: Develop a longer-term roadmap for enhancing PMO systems and tools to improve usability, reporting capability, data consistency and integration across the project lifecycle. This should focus on reducing reliance on standalone spreadsheets and manually maintained registers while preserving the strengths of the existing framework. Council is currently investigating options for a new Planning, Project Management and Reporting (PPR) system, which may provide opportunities to improve system integration, enhance reporting capability and reduce manual administration. The roadmap should be aligned to the outcomes of this initiative to ensure future system investments support Council's broader PMO maturity objectives and reporting requirements.	N/A - OFIs do not require a Management Action plan		

Current State Assessment and Recommendations

Dimension 1: Strategic Alignment and Project Initiation

Current State Assessment and Observations

The Strategic Alignment and Project Initiation dimension considers the extent to which projects are supported by robust start-up documentation, clearly articulated business need and strategic alignment, and whether project initiation requirements are consistently applied across the project portfolio.

Based on our testing, we have assessed this dimension at 2.5 (Developing/Established). Project briefs are consistently used across project categories and demonstrate strong alignment to Council strategies and organisational objectives. Business need is generally well articulated, and project approvals are supported by established governance and budget processes. Opportunities for improvement primarily relate to the consistency and completeness of project initiation documentation.

Specifically, we have noted the following observations:

1. Project briefs demonstrate strong alignment to Council strategies

Project briefs tested consistently demonstrated clear alignment to Council's Strategic Plan and broader organisational objectives. Across the sampled projects, project briefs typically referenced the relevant strategic pillars, outcomes and initiatives that the project was intended to support. For example, the project briefs for the new and upgrade samples explicitly linked the projects to community accessibility, safety and environmental outcomes associated with the Park Lands. Similar alignment was observed across the renewal and strategic project samples.

2. Business need is generally well articulated

The reason for undertaking projects was generally well documented and supported across the sampled projects. Projects were typically initiated in response to identifiable drivers such as asset condition, safety concerns, service delivery requirements, renewal needs or broader strategic objectives. For example, the 'Shared Use Path Improvements - Park 27' new and upgrade project was initiated in response to identified safety-related issues, while renewal projects were supported by asset lifecycle and renewal requirements. Strategic project '88 O'Connell Project Delivery' was linked to broader economic development and city activation objectives.

3. Project approvals are supported by established governance and budget processes

Project approval pathways varied across project categories as required by established governance and budget processes. Strategic and new and upgrade projects could be traced to Business Plan and Budget (BP&B) documentation, Council reports, governance approvals or funding approval artefacts. For renewal projects, Council advised that approval occurs at a program level through the annual BP&B and capital planning processes, rather than through separate approval of individual renewal projects. Testing confirmed that the sampled renewal projects were included within approved renewal programs and funded capital works budgets, providing evidence that the projects had been subject to Council's established planning and approval processes.

4. Project Advocates consistently utilise project briefs, however completion standards vary

Project Advocates (e.g. Asset Planners) are responsible for the preparation and completion of project briefs as part of the project initiation process. Across all six sampled projects, project briefs were utilised and clearly embedded as Council's primary project initiation artefact. The template captures core information including project rationale, objectives, scope, strategic alignment and funding requirements.

While project briefs were consistently used, the completeness of supporting information varied between projects. Sections relating to risks, benefits, dependencies and delivery considerations were not always completed to the required standard across the sample set. In several instances, benefits were described at a high level and risk information was incomplete or omitted. No evidence was identified of a formal quality review process to assess completeness prior to approval.

Dimension 1: Strategy and Approval (cont.)

Implication

Council has established a repeatable project initiation process supported by project briefs that clearly align projects to Council priorities and articulate the business need for investment. Project approvals are supported through established governance and budget processes that are appropriate to the type and scale of project being delivered.

However, inconsistencies in the completion of key project brief sections reduce the quality and consistency of information available to support project approval and decision-making. Improving the completeness of initiation documentation would strengthen project planning and provide greater assurance that project risks, benefits, dependencies and delivery considerations are being appropriately considered at project commencement.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
1.1 Strengthen project brief completion requirements: Require completion of key sections within project briefs, including benefits, risks, dependencies and delivery considerations. Consider introducing a quality review process to support more consistent completion of project initiation documentation across the portfolio.	Short-term	1.1 Implement formal quality review processes for project briefs	PMO MGR	Apr 2027

Dimension 2: Governance Structure and Oversight

Current State Assessment and Observations

The Governance Structure and Oversight dimension considers the extent to which project governance arrangements are formally established, clearly defined and consistently applied throughout the project lifecycle, including governance forums, decision-making processes, escalation pathways and the documentation of governance decisions.

Based on our review of the sampled projects, we assessed this dimension at 3.5 (Established/Advanced). Governance arrangements are supported by a structured governance framework, including established governance forums such as the Change Triage Group (CTG), which oversees capital project delivery and coordination activities; the Asset Review Group (ARG), which reviews asset-related investment and renewal matters; the Project Control Group (PCG), which oversees significant project decisions, funding adjustments and project changes; and Executive governance, which provides strategic oversight and decision-making for matters requiring executive endorsement. Governance decisions were consistently supported by documented approvals and clear evidence of escalation through the relevant forums. However, there is limited evidence that governance effectiveness is actively measured or monitored, which would be required to achieve a Level 4 maturity rating.

Specifically, we have noted the following observations:

1. Governance approvals are well documented and traceable

A strength observed throughout the testing was the quality and traceability of governance approval documentation. Across the sampled projects, governance decisions could generally be traced through funding approvals, governance reports and approval records. Change requests consistently demonstrated evidence of governance review, endorsement and approval, including clearly documented approval actions, dates and decision-makers. For example, the sampled change request for ICT Renewals - Telecommunications (25/26) (Asset Renewals (ICT)) evidenced Asset Manager endorsement, ARG review, and approval through the established governance process. Similarly, 88 O'Connell Project Delivery (Strategic Project) evidenced governance approvals relating to funding reallocations and strategic project decisions.

2. Governance oversight is strongest during project delivery and change management activity

Governance involvement was most evident during project delivery, particularly where projects required changes to budget, scope, timing or funding allocations. Across the samples reviewed, change requests were consistently supported by governance review and approval, demonstrating that governance forums play an active role in overseeing project delivery and managing project changes. Funding re-timings, budget reallocations, project completion activities and financial adjustments were generally accompanied by documented governance decisions and approvals.

3. Limited evidence of governance effectiveness monitoring

While governance activities and decision-making were clearly documented in the projects tested, limited evidence was identified to support that Council actively measures or evaluates how effectively governance arrangements are operating. The testing did not identify governance performance measures, monitoring of governance compliance, reporting on approval timeliness, tracking of action completion rates, or periodic reviews of governance effectiveness. While governance forums appear to be functioning appropriately, there is limited evidence that Council collects information to assess whether governance decisions are being made in a timely manner, governance processes are operating consistently, or governance activities are contributing to improved project outcomes.

Dimension 2: Governance Structure and Oversight (cont.)

Implication

Council has established governance structures that provide appropriate oversight and control throughout project delivery, with governance decisions generally supported by clear and traceable approval documentation. This provides a strong foundation for project oversight and accountability.

However, without formal measurement of governance effectiveness, Council has limited visibility over whether governance forums are operating efficiently, consistently or delivering the intended level of oversight. The absence of governance performance information also limits Council's ability to identify process inefficiencies, demonstrate continuous improvement, or assess whether governance arrangements remain appropriate as the project portfolio evolves.

Opportunity for Improvement

Priority

2.1 Progressing to an Advanced maturity level: Develop and implement governance performance measures to assess the effectiveness of key governance forums and decision-making processes. Measures could include approval turnaround times, governance action closure rates, escalation responsiveness and compliance with governance requirements. Periodic reporting of these measures would provide greater visibility over governance effectiveness and support continuous improvement activities.

Long-term

Dimension 3: Roles, Responsibilities and Capability

Current State Assessment and Observations

The Roles, Responsibilities and Capability dimension considers whether project management roles, responsibilities and capability expectations are clearly defined, documented and consistently applied, and the extent to which Council develops, supports and monitors the capability and capacity required to deliver projects effectively.

Based on the documentation reviewed and testing performed, we assessed this dimension at 3.0 - Established. It should be noted that this review was primarily conducted in consultation with the Project Management Office (PMO) and Governance & Strategy teams. As such, the review focused on the roles and responsibilities as documented in the PMO framework, and did not include direct consultation with Project Managers or Asset Managers regarding the operational application of their roles and responsibilities.

Council has established a comprehensive PMO Framework that clearly defines the responsibilities of key project stakeholders, supported by detailed practice guides, governance documentation and standardised project management processes. PMO stakeholders consulted as part of the review demonstrated a strong understanding of their responsibilities and how those responsibilities interact throughout the project lifecycle. Opportunities for improvement primarily relate to the formal measurement and ongoing development of project management capability.

Specifically, we have noted the following observations:

1. Roles and responsibilities are clearly defined within the PMO framework

The PMO has developed a comprehensive project management framework including detailed practice guides covering all key phases of the project lifecycle, including project initiation, governance, change management, close-out activities, lessons learnt and post-implementation reviews. These guides clearly articulate the responsibilities of key stakeholders, including Project Managers, Advocates, Asset Managers, Asset Planners, Design Managers, PMO personnel and governance bodies. Responsibilities are documented at both a governance level and a process level, providing clarity regarding who is responsible for key decisions, approvals and activities throughout project delivery. The framework also includes defined governance structures, delegation pathways and responsibility matrices to support consistent application across projects.

2. PMO staff demonstrated a strong understanding of their responsibilities

The PMO personnel consulted as part of this review demonstrated a strong understanding of their responsibilities and governance obligations. This was evident through the way PMO representatives articulated governance pathways, project management processes and lifecycle requirements during walkthroughs, as well as the quality and consistency of the supporting documentation provided throughout the review. PMO personnel were able to clearly explain project requirements, approval pathways, governance responsibilities and the interaction between key project stakeholders, consistent with the documentation provided.

3. Strong PMO support promotes consistency across the project lifecycle

The PMO plays a significant role in supporting capability and consistency across Council's project portfolio. Beyond maintaining governance forums and reporting processes, the PMO has developed an extensive suite of supporting tools, templates, training materials, system workflows and guidance documentation to assist project teams. The PMO maintains project management systems, governance workflows, project reporting tools, templates and change management processes, all of which support consistent project delivery across different project types. The breadth of guidance available significantly reduces reliance on informal practices and provides project teams with clear direction throughout the project lifecycle.

4. Responsibilities are clearly defined, however implementation is not always consistent

Council's PMO framework clearly defines responsibilities for key project activities and governance processes. For example, the Governance Framework assigns responsibility to Project Managers for managing project risks and issues, maintaining project documentation, producing project reporting, and escalating matters through governance channels where required. However, testing identified instances where documented responsibilities were not consistently reflected in project records. For example, while Project Managers are responsible for identifying and managing project risks, risk information within sampled project documentation was not always complete or consistently maintained. Similarly, the completeness and quality of project documentation varied across the sample despite the existence of documented guidance and clearly defined responsibilities.

Dimension 3: Roles, Responsibilities and Capability (cont.)

Implication

Council has established a mature project management framework with clearly defined roles, responsibilities and supporting guidance. Project stakeholders generally understand their responsibilities and the framework provides a strong foundation for consistent project delivery.

However, where key project management responsibilities are not consistently executed or evidenced in project documentation, Council has limited visibility over whether project management practices are being applied consistently across the portfolio. This reduces assurance that key controls, such as risk management, project documentation and reporting requirements, are being performed to a consistent standard and may lead to variability in project management outcomes.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
3.1 Embed accountability for completion of key project management artefacts: Reinforce existing PMO requirements by requiring Project Managers to confirm completion of key project management activities, including maintenance of project risks, project reporting and core project documentation, at agreed lifecycle stages and governance review points. This will strengthen accountability and promote more consistent application of the PMO framework across projects.	Medium-term	3.1 Review the current checkpoints in place to ensure robustness of process	PMO ANALYST	Mar 2027

Dimension 4: Delegations of Authority and Approvals

Current State Assessment and Observations

The Delegations of Authority and Approvals dimension considers the extent to which approval authorities are clearly defined, documented and consistently applied throughout the project lifecycle, including the escalation of decisions to the appropriate governance forum or approving authority.

Based on our review of project documentation, governance records and PMO guidance, we assessed this dimension at 3.5 - Established/Advanced. Council has established a well-defined delegations framework that clearly identifies approval authorities across project types and decision categories. Approval pathways are supported by detailed governance documentation, and sampled approvals were consistent with documented delegation requirements. Opportunities for improvement primarily relate to strengthening assurance that approvals are operating consistently across all project stages and project types.

Specifically, we have noted the following observations:

1. Approval authorities are clearly defined within the PMO governance framework

Council has established a comprehensive PMO governance framework that clearly defines approval responsibilities across project delivery, governance and executive functions. The framework includes detailed delegations relating to scope changes, schedule changes, budget reallocations, additional funding requests, carry forwards, project closures and approval of new projects. Approval thresholds are clearly documented and aligned to governance bodies including ARG, CTG, PCG, Executive and Council. The framework also defines escalation requirements where decisions fall outside delegated authority, supporting consistency in decision-making across the project portfolio.

2. Approval decisions are generally well documented and traceable

For the sampled projects, testing identified that approval decisions throughout the project lifecycle were documented and retained. Sampled change requests included documented endorsements, governance review outcomes and formal approval decisions, providing a clear audit trail from request through to approval. Governance records generally identified the approving authority, date of approval and rationale for the decision. For example, sampled change requests demonstrated evidence of Asset Manager endorsement and governance approval through ARG, CTG, PCG or Executive consistent with the documented delegation framework. This provides transparency over project decision-making and supports accountability for project outcomes.

3. Approval pathways are supported by detailed workflows and guidance

The PMO framework is supported by extensive guidance documentation that clearly explains approval and review processes. Project request, governance and change management documentation provides step-by-step guidance on endorsement requirements, approval workflows, governance escalation pathways and records management obligations. The approval process within the Project Request System also includes multiple review and endorsement levels prior to approval, providing opportunities for challenge and review before funding or project decisions are finalised.

Dimension 4: Delegations of Authority and Approvals (cont.)

Maturity Assessment

Current: 3.5 -
Established / Advanced

Target: 4 - Advanced

Implication	
Council has implemented a structured PMO delegations and approvals framework that clearly defines approval authority, escalation pathways and governance responsibilities. Approval decisions associated with project delivery and change management are well documented and provide a strong audit trail supporting accountability and transparency. While approval pathways are well established, Council currently has limited visibility over whether delegation requirements are being applied consistently across all projects and lifecycle stages. Progressing to an Advanced maturity level would provide greater assurance through periodic monitoring and review of approval compliance, enabling Council to identify approval exceptions, strengthen governance oversight and demonstrate ongoing compliance with delegated authority requirements across the portfolio.	
Opportunity for Improvement	Priority
4.1 Refer to 2.1 (Long-term OFI)	Long-term

Dimension 5: Stage Gates and Project Lifecycle Controls

Current State Assessment and Observations

The Stage Gates and Project Lifecycle Controls dimension considers whether projects progress through defined lifecycle stages supported by documented approval points, governance oversight and evidence that key requirements have been completed before advancing to the next phase.

Based on the testing performed across the sampled projects, we assessed this dimension at 3.5 - Established/Advanced. Council has established a structured project lifecycle supported by defined governance forums, lifecycle deliverables and record-keeping requirements. Evidence reviewed demonstrates that samples projects are progressing through key lifecycle phases using documented processes and governance controls.

Specifically, we have noted the following observations:

1. Projects are supported by defined lifecycle stages and key stage deliverables

Council has established a documented project lifecycle consisting of Initiate, Commit, Design, Deliver and Close phases, supported by defined requirements for each stage. Across the sampled projects, Council was able to provide evidence to demonstrate that these lifecycle phases were being followed, including project briefs, design documentation, procurement documentation, project reporting, governance approvals, financial records and project closure artefacts.

2. Governance review points are embedded throughout the project lifecycle

Governance controls are integrated throughout key project lifecycle stages rather than being applied only at project commencement. Testing identified evidence of governance oversight through ARG, CTG and PCG at various points throughout delivery. Governance forums reviewed project performance, funding movements, project re-timings and decisions requiring escalation, providing formal review points before significant project decisions were implemented. Meeting minutes and approval records demonstrated that governance bodies play an active role in overseeing project progression and delivery outcomes throughout the lifecycle.

3. Defined record-keeping requirements support stage gate compliance throughout the project lifecycle

Council has established documented record-keeping requirements that specify the minimum artefacts required throughout the project lifecycle. Across all sampled projects, Council was able to provide evidence from multiple lifecycle stages, including initiation documents, design documentation, governance approvals, procurement records, financial records, project reporting and project close-out documentation. This allowed project activities and key decisions to be traced throughout delivery and provided evidence that lifecycle controls were being supported by appropriate project records. While individual documentation gaps have been identified in other dimension assessments, record retention across the sample was generally strong and supported transparency and accountability across the project lifecycle.

Dimension 5: Stage Gates and Project Lifecycle Controls (Cont.)

Implication	
Council has established a mature project lifecycle framework supported by defined lifecycle stages, governance checkpoints and record-keeping requirements. The testing identified evidence that projects progress through documented lifecycle phases and that key project decisions are supported by governance oversight and retained documentation. These controls provide a strong foundation for project governance and support transparency over how projects progress from initiation through to completion. However, Council currently has limited visibility over the extent to which lifecycle requirements are being applied consistently across the broader project portfolio. Progressing to an Advanced maturity level would enable Council to actively monitor compliance with stage gate requirements, identify recurring gaps or bottlenecks in project delivery, and provide governance forums with greater assurance that projects are consistently meeting lifecycle expectations before progressing to subsequent phases.	
Opportunity for Improvement	Priority
5.1 Refer to 2.1 (Long-term OFI)	Long-term

Dimension 6: Planning & Baseline Management

Current State Assessment and Observations

The Planning and Baseline Management dimension considers the extent to which project scope, cost and delivery baselines are established, documented and managed throughout the project lifecycle.

Based on the testing performed across the sampled projects, we assessed this dimension at 3 - Established. Council has established planning processes that supports the development of project scope, design and budget baselines before delivery commences. Baseline information is maintained throughout the project lifecycle and changes to approved funding allocations are controlled through governance and change management processes. The primary opportunity for improvement relates to demonstrating more consistent monitoring and reporting of baseline performance across the portfolio.

Specifically, we have noted the following observations:

1. Projects are supported by documented scope and design baselines prior to delivery

The projects tested demonstrated evidence that planning activities are undertaken before works commence. Across the sampled projects, Council was able to provide planning and design documentation that defined project scope, technical requirements and delivery expectations prior to procurement and construction activities commencing. For example, the Shared Use Path Improvements - Park 27 - Adjacent Port Road Underpass project (New & Upgrade) included a detailed Issued for Tender (IFT) design package containing layouts, technical specifications, construction details and engineering drawings. The quality and completeness of the design documentation reviewed provided a clear baseline against which project performance can be managed.

2. Financial baselines are established, maintained and updated throughout the project lifecycle

Strong evidence was identified demonstrating active management of project budgets and financial baselines across all sampled projects. Council provided Baseline CapWorks records for each project reviewed, which documented original funding allocations, approved baseline budgets, carry forwards, contingency allocations and revised baseline positions across multiple financial years. Baseline records maintained original and revised positions, enabling movement in project funding to be traced over time. The sampled budget re-timing change requests further demonstrated that changes to project funding and expenditure profiles are assessed, approved and formally recorded before baseline adjustments are made.

3. Planning and baseline information is actively managed through governance and reporting processes

Testing identified evidence that planning and baseline information is not only maintained at a project level but is also reviewed through governance and reporting processes. Executive EOM reports and Infrastructure and Public Works (IPW) reporting provide visibility of capital program performance, project delivery status, expenditure and forecast funding positions. In addition, the sampled re-timing change requests demonstrated active review of planned expenditure profiles and financial baselines where projects required budget movements between financial years.

Dimension 6: Planning & Baseline Management (Cont.)

Implication

Council has established effective planning and baseline management practices that support the development, approval and maintenance of project scope, design and financial baselines. Projects are supported by documented planning artefacts prior to delivery, Baseline CapWorks records are maintained across the portfolio, and budget changes are actively managed through governance and change management processes. The Executive EOM and IPW reporting processes also demonstrate that project expenditure, delivery status and forecast funding positions are regularly reviewed through established governance forums.

However, Council currently has limited visibility over portfolio-wide trends in baseline performance and the underlying causes of project re-timings, budget reallocations and forecast variances. Progressing to an Advanced maturity level would enable Council to systematically analyse planning and baseline performance information across the portfolio, identify recurring drivers of variance, improve forecasting accuracy and use historical delivery insights to strengthen future project planning, budgeting and decision-making.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
6.1 Strengthen change and variance analysis to improve forecasting and planning performance: Review and rationalise change request reason categories to ensure they are clear, relevant and consistently applied across the project portfolio, and require a change reason to be recorded for all change requests. As reliable data becomes available, undertake portfolio-level analysis of recurring change drivers, variance trends and forecasting assumptions, with results reported to governance forums and used to strengthen future planning, budgeting, forecasting accuracy and project delivery performance.	Medium-term	6.1 Review the current CR process to improve options Conduct a system clean up to improve data quality within systems Introduce baseline monitoring across the system	PMO MGR	Oct 2027

Dimension 7: Risk, Issues & Escalation

Current State Assessment and Observations

The Risk, Issues and Escalation dimension assesses whether project risks are systematically identified, documented, monitored and escalated throughout the project lifecycle.

Based on the testing performed across the six sampled projects, this was assessed as the least mature area reviewed at 1.5 (Foundational/Developing). While Council's PMO framework assigns responsibility for managing project risks and issues to Project Managers, there was limited evidence that these requirements were being consistently applied in practice.

Specifically, we have noted the following observations:

1. Project risk registers were largely absent across the sampled projects

The absence of risk registers across most of the sampled projects represents a disconnect between Council's documented risk management requirements and project delivery practices. The PMO framework assigns responsibility for identifying, maintaining and escalating project risks to Project Managers; however, risk registers could only be evidenced for one of the six sampled projects, Shared Use Path Improvements - Park 27 - Adjacent Port Road Underpass (New & Upgrade).

2. Risk information captured during project initiation was incomplete and inconsistent

The project briefs reviewed provided limited evidence that project delivery risks are being systematically identified and assessed during project initiation. For example, the risk assessment sections within the renewal project briefs for Heavy Patching - Franklin Street - West Terrace to Morphet Street (Asset Renewals) and ICT Renewals - Telecommunications (25/26) (Asset Renewals (ICT)) were incomplete. Whilst the project brief template contained dedicated sections for both the "Risks of Doing the Project" and "Risks of Not Doing the Project", these sections contained no meaningful risk assessments, mitigation actions or ownership information.

Similarly, the Greening - Market Street (Gouger St to Wright St) (New & Upgrade) project identified several delivery challenges within the project brief, including that estimated delivery costs exceeded current funding allocations. Despite this, no corresponding project risks, mitigation strategies or risk owners were documented within the risk assessment section.

3. Limited evidence of ongoing risk monitoring and escalation

The testing identified very limited evidence that project risks were being actively reviewed or escalated throughout project delivery. Governance approval records, change requests, re-timing requests, budget reviews and project status reporting rarely provided visibility of project risks, treatment actions, changing risk exposure or escalation activities.

In practice, many of the issues being discussed through governance processes (e.g. delayed procurement, funding pressures, delivery delays, contractor availability and stakeholder impacts) could reasonably be expected to originate from active project risk management processes. Instead, risks often appeared to become visible only once they had already impacted the project and required governance intervention.

The Project Risk Register (extract from the PMO system) also identified opportunities to improve the maturity and consistency of risk management practices. Several entries relate to issues that had already materialised, including project delays, funding constraints and delivery challenges. In several instances, risks appear to have been recorded after project impacts were already evident rather than being identified and managed proactively. The register also demonstrates variation in the quality of risk descriptions, treatment actions and risk assessments between projects, suggesting that risk management approaches are not being applied consistently and remain heavily dependent on individual Project Manager judgement.

Dimension 7: Risk, Issues & Escalation (Cont.)

Implication

Council has established project risk management requirements within its PMO framework; however, the testing identified that these requirements are not being consistently implemented. Project risks are not being systematically documented, maintained or monitored, resulting in limited visibility of project risk exposure at both a project and portfolio level.

As a result, there is reduced assurance that project delivery risks are being proactively identified and managed before impacting project outcomes. The absence of project risk registers, incomplete risk assessments within project briefs and limited evidence of ongoing risk monitoring indicate that risk management is largely reliant on individual Project Manager judgement rather than a consistent and embedded project risk management practice. This increases the likelihood that risks are not identified at all, or identified only after issues have emerged, reducing Council's ability to proactively manage impacts to project scope, schedule, budget and delivery outcomes.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
7.1 Require project risk registers to be maintained within the PMO system: Require all projects meeting defined value, complexity or risk thresholds to establish and maintain a project risk register within the PMO system. Project risk registers should not be maintained in separate standalone documents or spreadsheets. This will establish the PMO system as the single source of truth for project risk management, improve visibility of project risk exposure across the portfolio and support more effective governance oversight.	Short-term	7.1 Develop and implement processes to centralise risk registers with associated escalation processes incorporated	PMO MGR	Apr 2027
7.2 Strengthen risk identification during project initiation: Strengthen project initiation requirements to ensure project-specific risks are identified and documented during development of the project brief. Project briefs should include meaningful assessment of delivery risks, mitigation actions and accountable owners prior to project approval. This will improve the quality of project planning, promote earlier identification of project risks and support the ongoing maintenance of project risk registers throughout the project lifecycle.	Short-term	7.2 Update the Project Brief review process to ensure that project specific risks are identified. Build an assessment of project deliverability into the project briefing stage	PMO MGR	Apr 2027

Dimension 8: Reporting & Performance Monitoring

Current State Assessment and Observations

The Reporting and Performance Monitoring dimension considers the extent to which project and portfolio performance information is collected, monitored and reported to support effective governance oversight and delivery decision-making.

Based on the documentation reviewed and testing performed, we assessed this dimension at 2.5 - Developing/Established. Council has implemented multiple reporting mechanisms that provide visibility of project delivery, expenditure, program performance and governance decisions. Reporting occurs through project status reporting, governance forums, Infrastructure and Public Works (IPW) reporting and Executive PMO reporting, providing multiple levels of oversight across the capital portfolio. However, the absence of consistent project-level reporting for strategic projects and identified issues relating to the timeliness of project status updates indicate that reporting practices are not yet being applied consistently across all project types.

Specifically, we have noted the following observations:

1. Council has established structured reporting mechanisms across the capital portfolio

Performance monitoring is embedded within Council's governance processes through recurring project, program and portfolio reporting. The quarterly project status reporting provides visibility of project status, budget position, delivery progress, forecast completion and key project commentary across the capital program. In addition, governance meeting minutes from ARG, CTG and PCG demonstrate that project performance, funding reallocations, project re-timings and delivery issues are routinely reviewed and discussed.

2. Executive and IPW reporting provides meaningful oversight of portfolio performance

The Executive PMO reports and IPW reporting reviewed for the tested capital projects were comprehensive, providing visibility of capital expenditure performance, forecast delivery outcomes, project re-timings, emerging delivery issues, program performance and portfolio-level trends. Reporting also included commentary explaining the drivers of project delays, budget movements and delivery challenges, enabling management to understand not only what is occurring but also the factors affecting project performance.

3. Reporting and performance monitoring is less mature for strategic projects

While Council was able to provide substantial reporting evidence for the broader capital portfolio, limited evidence was available demonstrating detailed project-level performance monitoring for the strategic project sample, 88 O'Connell Street Redevelopment. Council was able to provide governance approvals, change requests and project documentation associated with the project; however, equivalent project-level reporting showing ongoing monitoring of scope, budget, schedule, milestones, risks and delivery performance was not available.

This was notable given the scale, strategic significance and complexity of the project relative to the other projects tested. Projects of this nature would typically be expected to be supported by regular performance reporting that tracks delivery against approved scope, cost, schedule, risks, dependencies and key milestones.

4. Project status information is not always maintained in a timely and accurate manner

Consultation with the PMO team identified that project status information within the PMO system is not always maintained or updated in a timely manner. While the sample testing performed did not identify reporting deficiencies for the capital projects reviewed, PMO representatives advised that project status records are occasionally not updated promptly by Project Managers. For example, instances have been identified where projects had reached practical completion several months earlier, but the project status had not been updated within the PMO system to reflect the change.

Dimension 8: Reporting & Performance Monitoring (Cont.)

Implication

Council has established mature reporting and performance monitoring processes that provide governance forums with visibility of project delivery, expenditure, project status and emerging issues across the portfolio. However, the effectiveness of these reporting arrangements is dependent on the timely and accurate maintenance of project information within the PMO system.

Where project status information is not updated promptly or consistently, there is a risk that portfolio reporting does not accurately reflect the current status of projects. In addition, the absence of consistent project-level performance reporting for strategic projects may reduce visibility of project delivery performance, risks, key milestones and emerging issues for some of Council's more complex and strategically significant initiatives. Collectively, these factors may reduce the reliability of information used by management and governance forums to monitor project performance and make informed project delivery decisions.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
8.1 Establish minimum project performance reporting requirements for strategic projects: Define minimum reporting requirements for complex strategic projects, including reporting on scope, schedule, budget, key milestones, risks, issues, dependencies and forecast delivery outcomes. Reporting should be retained within the PMO system and regularly reported through governance forums.	Short-term	8.1 Refine linkages between the strategic goals, project delivery and program reporting across the council. Expand PMO performance reporting to include key PMO control areas	PMO MGR	Apr 2027
8.2 Strengthen accountability for maintaining project status information: Establish clear expectations regarding the frequency and timeliness of project status updates within the PMO system and periodically review compliance with these requirements. Consider introducing automated reminders to identify projects with overdue status updates. This will improve the accuracy and reliability of portfolio reporting and provide greater confidence that governance forums are making decisions based on current project information.	Medium-term	8.2 Strengthen project delivery reporting processes across the council	PMO MGR	Jul 2027

Dimension 9: Change Control

Current State Assessment and Observations

The Change Control dimension considers the extent to which changes to project scope, budget, schedule and funding are identified, assessed, approved and reflected within project records before implementation.

Based on the testing performed across the sampled projects, we assessed this dimension at 3.5 - Established/Advanced. Council has implemented a formal change request process supported by clear governance approval pathways, documented impact assessments and strong record retention practices. The testing identified consistent evidence that significant project changes are assessed and approved before implementation, with governance forums actively overseeing funding reallocations, project re-timings and baseline adjustments.

Specifically, we have noted the following observations:

1. Significant project changes are supported by formal change requests and governance approvals

The projects tested demonstrated the consistent use of formal change requests to manage significant project changes. Across the sampled projects, budget reallocations, project re-timings, funding transfers, project recasting and changes to approved expenditure profiles were supported by documented and approved change requests before implementation.

For example, CR3987 and CR4145 documented portfolio-wide re-timing of New & Upgrade projects, including the rationale for the changes, funding impacts and governance approvals required before adjustments were made to project budgets and expenditure profiles. These requests were reviewed through the established governance framework before implementation, demonstrating that changes are not made informally or outside approved governance processes.

2. Approved changes are reflected in project baselines and governance reporting

Testing identified evidence that approved project changes are subsequently reflected within project records and portfolio reporting. Budget reallocations and project re-timings approved through the change control process were reflected within Baseline CapWorks records, Executive reporting and governance reporting. This ensures traceability between the approved decision, the resulting baseline adjustment and subsequent performance monitoring activities.

3. Governance forums maintain active oversight of portfolio changes

The governance minutes reviewed demonstrated that project changes were actively discussed and challenged by governance forums. ARG, CTG and PCG minutes contained evidence of discussion relating to project re-timings, funding reallocations, project delivery constraints and requests requiring governance approval. Governance involvement appeared to extend beyond approval of individual changes and included broader oversight of portfolio impacts arising from project changes.

4. Change management reporting could provide greater insight into the root causes of project changes

The PMO has developed a dashboard that captures the reasons for change requests across the project portfolio, providing a mechanism to analyse drivers of project re-timings, budget movements and scope changes. However, completion of the change reason field is not currently mandatory and the available categories are broad, reducing the consistency and usefulness of the information captured. As a result, while Council has established the foundations for portfolio-level change analysis, opportunities exist to improve data quality and strengthen reporting on the underlying causes of project changes.

Dimension 9: Change Control (Cont.)

Maturity Assessment

Current: 3.5 -
Established / Advanced

Target: 4 - Advanced

Implication

Council has established a mature and well-controlled change management process. Significant changes to project scope, budget and schedule are supported by documented change requests, governance review and formal approval before implementation. Change decisions are traceable, impacts are assessed, and approved changes are reflected in project baselines and reporting processes.

However, while Council has established a dashboard to capture and analyse the reasons for project changes across the portfolio, the usefulness of this information is currently limited by inconsistent completion of change reason fields and broad categorisation of change drivers. Progressing to an Advanced maturity level would enable Council to generate more reliable insights into the underlying causes of project re-timings, budget movements and scope changes, supporting improved planning, forecasting, decision-making and continuous improvement across the project portfolio.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
9.1 Refer to recommendation 6.1	Medium-term	9.1 Refer to Management Action Plan 6.1	PMO MGR	Oct 2027

Dimension 10: Commissioning, Handover and Benefits Realisation

Current State Assessment and Observations

The Commissioning, Handover and Benefits Realisation dimension considers whether completed projects are formally transferred into operational ownership and whether the intended benefits of projects are subsequently monitored and evaluated.

Based on the testing performed across the sampled projects, we assessed this dimension at 3.0 - Established. Council has implemented structured handover and commissioning processes that are consistently evidenced through project records and workflow approvals. However, while project benefits are captured within project documentation and the PMO system, there is limited evidence that these benefits are subsequently measured, reviewed or validated following project completion.

Specifically, we have noted the following observations:

1. Operational handover activities are formally completed and evidenced

The handover workflows reviewed provided strong evidence that operational handover activities were completed and recorded as part of project delivery. Across the sampled projects, handover workflows included assigned actions, responsible stakeholders, completion dates and evidence that required handover activities had been completed before project closure. The evidence reviewed demonstrates that commissioning and handover activities have been embedded within the project lifecycle and are supported by documented workflow controls. This provides assurance that completed assets and project deliverables are transitioned into operational ownership in a structured manner.

2. Benefits are documented but are not consistently measured after project completion

The Project Status List History (from the PMO system) reviewed demonstrated that expected project benefits and outcomes were being captured within Council's PMO system. However, the benefits documented were often expressed as broad project outcomes rather than measurable benefits with defined targets, owners or review timeframes. While the system captures what the project intends to achieve, limited evidence was available demonstrating how those benefits will be measured or how success will be assessed following delivery.

For example, a number of project records reference improved service outcomes, asset performance improvements or broader community benefits; however, the documentation did not consistently identify how these outcomes will be measured, who is accountable for achieving them, or at what point Council will determine whether the benefits have been realised. As a result, benefits management appears to be primarily focused on capturing intended outcomes during delivery rather than managing and validating benefits after implementation.

Dimension 10: Commissioning, Handover and Benefits Realisation (Cont.)

Maturity Assessment

Current: 3 - Established

Target: 4 - Advanced

Implication

Council has established an effective commissioning and handover process that supports the structured transfer of projects into operational ownership and provides clear evidence that handover activities have been completed.

However, while intended project benefits are documented, they are not consistently defined in measurable terms, assigned to accountable owners or linked to a process for validating whether benefits have been achieved. This limits Council's ability to demonstrate that completed projects are delivering the outcomes used to justify investment and reduces visibility of the value realised from completed projects.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
10.1 Strengthen benefits realisation practices: Require significant projects to define measurable benefits, success measures, benefit owners and review timeframes during project initiation. As part of the project close-out process, Council should determine whether ongoing benefits monitoring is required and formally document how benefits will be measured, reported and reviewed following delivery. Benefits should be incorporated into existing PMO reporting processes to provide visibility over realised outcomes and support more informed future investment and prioritisation decisions.	Medium-term	10.1 Include project and strategic outcomes with agreed success measures within the project initiation process	PMO MGR	Jun 2027

Dimension 11: Close Out and Lessons Learned

Current State Assessment and Observations

The Close-Out and Lessons Learned dimension considers whether projects are formally closed, financial and administrative close-out activities are completed, and project learnings are captured and used to improve future project delivery.

Based on the testing performed across the sampled projects, we assessed this dimension at 2.5 - Developing/Established. Council has implemented comprehensive project closure practices for its capital program. However, lessons learned activities were not evidenced for any sampled project, and the close-out process was not applied consistently across project types.

Specifically, we have noted the following observations:

1. Administrative and financial close-out activities are consistently completed for capital and renewal projects

Project closure activities were well evidenced across all capital and renewal project samples. Council was able to provide evidence that practical completion had been achieved through signed practical completion certificates, project costs had been finalised and recorded, and project asset registers had been completed and updated. Project files were complete and contained the documentation expected to support project closure.

2. Close-out practices are less consistent for strategic projects

The strategic project sample, - 88 O'Connell Street Redevelopment, did not follow the established project closure process. The documentation provided included project status history records showing progression to practical completion, settlement activities, receipt of Council's balance payment and confirmation that the project was complete. The status history ultimately recorded that the project had reached practical completion and delivered a range of anticipated economic and community outcomes.

However, unlike the capital project samples, limited evidence was provided demonstrating how project close-out had been formally completed. The review did not identify dedicated project closure documentation, close-out checklists, closure approvals or other artefacts equivalent to those observed for the capital and renewal projects. In addition, there was limited evidence that the close-out process had been used to formally document how identified project benefits would be monitored following completion, including the success measures, accountable benefit owners and review timeframes required to support ongoing benefits realisation activities. This creates a dependency on the improvements outlined in Dimension 10 (Commissioning, Handover & Benefits Realisation) to ensure responsibility for post-delivery benefit measurement is clearly established at project closure.

3. Lessons learned activities were not evidenced across any sampled project

No evidence of completed lessons learned reviews, post-project reviews or lessons learned documentation was available for any of the six sampled projects.

Council acknowledged this gap during the review and advised that a lessons learned process has recently been developed and is currently under review. A lessons learned survey has also been created to support capture of project learnings following completion. While these initiatives indicate that the issue has been recognised, the testing identified no evidence that lessons learned activities have yet been embedded within project delivery practices.

Dimension 11: Close Out and Lessons Learned (Cont.)

Implication

Council has established effective administrative and financial project closure processes and was able to demonstrate that practical completion, cost finalisation and project record management activities are occurring across its capital program.

However, close-out practices are not applied consistently across all project types and there is no evidence that project learnings are being captured following completion. The absence of lessons learned reviews means that delivery challenges, successful practices and improvement opportunities are not being systematically retained or shared across future projects. This limits organisational learning and increases the likelihood that recurring project delivery issues will continue to emerge across the portfolio.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
11.1 Implement the lessons learned process for significant projects: Finalise and implement the proposed lessons learned process and require lessons learned reviews to be completed for significant projects (e.g. projects exceeding a nominated value)	Short-term	11.1 Finalise and implement the formal lessons learned process	PMO MGR	Nov 2026
11.2 Standardise close-out requirements across project types: Develop minimum close-out requirements for strategic projects. This should include defined closure documentation, evidence of completion, close-out approval requirements and record retention expectations. The close-out process should also include consideration of any ongoing benefits realisation activities, including confirmation of benefit owners, monitoring arrangements and review timeframes where post-delivery benefit measurement is required (refer Recommendation 10.1).	Medium-term	11.2 Introduce minimum required project close out actions for all projects	PMO MGR	Mar 2027
11.3 Periodically review lessons learned themes: Following implementation of the lessons learned process, PMO to periodically review completed lessons learned outputs to identify recurring delivery issues, systemic challenges and opportunities to improve project management practices, templates and governance processes.	Medium-term	11.3 Provide evaluations and insights on lessons learned and associated risks and issues across the project lifecycle	PMO ANALYST	Jun 2027

Dimension 12: Framework Enablement - Templates, Guidance and Systems

Maturity Assessment

Current: 3.5 -
Established / Advanced

Target: 4 - Advanced

Current State Assessment and Observations

The Framework Enablement dimension considers whether project delivery is supported by documented templates, guidance materials, systems, workflows and governance tools that enable consistent application of project management practices across the organisation.

Based on the documentation reviewed and testing performed across the sampled projects, we assessed this dimension at 3.5 - Established/Advanced. Council has developed a comprehensive PMO framework supported by a large suite of templates, practice guides, workflows and systems. The PMO has invested significant effort in developing a structured project management environment that supports project delivery across the full project lifecycle. The primary opportunity for improvement relates to strengthening system enablement and reducing reliance on manual administration activities.

Specifically, we have noted the following observations:

1. The PMO framework provides comprehensive guidance across the project lifecycle

Council has developed a substantial suite of project management guidance covering project initiation, change management, scheduling, contingency management, close-out activities, record keeping, project requests, handover activities and lessons learned. The documentation reviewed demonstrates that the PMO framework provides clear guidance for project stakeholders throughout the Initiate, Commit, Design, Deliver and Close phases of the project lifecycle. Council has documented its expectations in considerable detail and has established guidance to support consistent delivery practices across a broad range of project types.

2. Templates, workflows and governance tools support consistent project delivery practices

The PMO framework is supported by a range of standardised templates, registers, workflows and governance tools. Examples reviewed during testing included project briefs, change requests, project status reporting tools, handover workflows, project asset registers and project record-keeping requirements. These tools provide Project Managers with structured mechanisms for documenting and managing project activities and support consistency across the project portfolio. The testing identified evidence that these tools are actively being used across the portfolio, particularly in relation to project reporting, change management and project administration activities.

3. Framework development is occurring proactively to address identified maturity gaps

Discussions with PMO staff and review of documentation suggested that Council is continuing to evolve the PMO framework as areas for improvement are identified. For example, the PMO team has recently developed a lessons learned and post-implementation review process and supporting survey, despite these practices not yet being consistently implemented across projects. Similarly, the PMO has developed detailed guidance covering close-out, change management, scheduling and project controls that extends beyond the minimum requirements typically observed within comparable local government project environments.

4. The PMO system environment appears comprehensive but remains heavily reliant on manual administration

The review identified that the PMO system contains substantial project information and supports functions such as project requests, change control, project status reporting and workflow management. While the existing environment is functional and supports project delivery, it appears increasingly complex and administratively intensive. As the size and complexity of the project portfolio grows, greater automation and integration between PMO processes, reporting and workflow activities may be required to improve efficiency and reduce manual effort. Council advised that it is currently investigating options for a new Planning, Project Management and Reporting (PPR) system, which may provide opportunities to improve system integration, enhance reporting capability and reduce reliance on manual administration activities over time.

Dimension 12: Framework Enablement - Templates, Guidance and Systems (Cont.)

Maturity Assessment
Current: 3.5 - Established / Advanced
Target: 4 - Advanced

Implication	
Council has established a mature PMO framework supported by comprehensive guidance materials, standardised templates, governance tools and lifecycle workflows. These resources provide strong foundations for consistent project delivery and have enabled Council to implement structured project management practices across its capital portfolio. However, the current framework relies heavily on manual administration across multiple systems, registers and reporting tools. As the capital portfolio continues to mature, this may increase administrative effort, reduce efficiency and create challenges in maintaining data quality and consistency across PMO processes. Greater system integration and automation would improve scalability and strengthen the sustainability of the PMO operating model.	
Opportunity for Improvement	Priority
12.1 Progressing to an Advanced maturity level: Develop a longer-term roadmap for enhancing PMO systems and tools to improve usability, reporting capability, data consistency and integration across the project lifecycle. This should focus on reducing reliance on standalone spreadsheets and manually maintained registers while preserving the strengths of the existing framework. Council is currently investigating options for a new Planning, Project Management and Reporting (PPR) system, which may provide opportunities to improve system integration, enhance reporting capability and reduce manual administration. The roadmap should be aligned to the outcomes of this initiative to ensure future system investments support Council's broader PMO maturity objectives and reporting requirements.	Long-term

Appendices

Appendix 1: Maturity Assessment Matrix

Dimension	Level 1 - Foundational	Level 2 - Developing	Level 3 - Established	Level 4 - Advanced	Level 5 - Optimised
Strategic Alignment & Project Initiation	No documented strategic plan; reactive decisions; minimal compliance evidence	Project briefs are usually prepared and include business need and strategic alignment, however quality and approval evidence is inconsistent.	Standardised project initiation processes are applied. Project briefs include business need, strategic alignment, benefits, risks and approval evidence.	Initiation documentation is reviewed for quality and completeness. Compliance with initiation requirements is monitored.	Project selection and prioritisation is data-driven and informed by strategic value, benefits, risk and delivery capacity.
Governance Structure & Oversight	Governance responsibilities and decision-making pathways are unclear or undocumented.	Governance forums exist, however responsibilities, escalation pathways and governance records are inconsistently applied.	Governance forums operate within a documented framework with defined roles, responsibilities and escalation pathways.	Governance effectiveness is monitored through performance measures and periodic review.	Governance arrangements are risk-based, scalable and continuously improved.
Roles, Responsibilities & Capability	Responsibilities are unclear and delivery relies on individual knowledge.	Key roles are understood, however responsibilities and capability expectations are not consistently documented.	Roles, responsibilities and capability expectations are clearly documented and understood.	Capability, capacity and succession risks are actively monitored and managed.	Workforce capability is systematically developed and aligned to future project demand.
Delegations of Authority & Approvals	Approval pathways are unclear and approvals are poorly documented.	Delegations exist but approval requirements and evidence are inconsistently applied.	Delegations are documented, linked to project thresholds and approvals are consistently evidenced.	Compliance with delegation requirements is monitored and exceptions are reviewed.	Approval workflows are automated, auditable and regularly refined.
Stage Gates & Project Lifecycle Controls	Projects progress without defined lifecycle stages or approval checkpoints.	Lifecycle stages exist but stage gate requirements and evidence of completion are inconsistent.	Projects progress through defined lifecycle phases supported by documented deliverables and approvals.	Compliance with stage gate requirements is actively monitored and reported.	Lifecycle performance is measured and used to continuously improve delivery practices.
Planning & Baseline Management	Scope, schedule and budget baselines are not formally established.	Scope, schedule and budget information is documented but baselines are inconsistently maintained.	Scope, schedule and budget baselines are approved, maintained and controlled throughout delivery.	Baseline performance, variances and forecasting trends are actively monitored and reported.	Historical delivery data is used to improve planning, estimating and forecasting accuracy.
Risk, Issues & Escalation	Risks are managed reactively and risk registers are not maintained.	Risks are identified for some projects but monitoring, ownership and escalation are inconsistent.	Risks and issues are documented, assigned, reviewed and escalated through defined governance pathways.	Risk trends, treatment effectiveness and escalation performance are monitored and reported.	Portfolio risk information drives governance, prioritisation and project decision-making.

Appendix 1: Maturity Assessment Matrix (Cont.)

Dimension	Level 1 - Foundational	Level 2 - Developing	Level 3 - Established	Level 4 - Advanced	Level 5 - Optimised
Reporting & Performance Monitoring	Reporting is inconsistent and provides limited oversight of project performance.	Reporting occurs regularly but content and quality varies across projects.	Standardised reporting provides visibility of scope, schedule, budget, risks and project status.	Performance trends, forecasts and variances are analysed and reported.	Reporting provides integrated, predictive insights across the portfolio.
Change Control	Project changes are implemented without formal assessment or approval.	Change requests exist but are not consistently applied or documented.	Formal change control processes assess and approve scope, budget and schedule changes before implementation.	Change trends and recurring drivers are monitored and reported across the portfolio.	Change information is analysed to improve planning, forecasting and delivery performance.
Commissioning, Handover & Benefits Realisation	Handover is informal and responsibility for benefits is unclear.	Handover occurs but requirements and evidence vary between projects.	Formal handover processes are completed and operational ownership is evidenced. Benefits are documented.	Benefits are assigned to owners and monitored following project completion.	Benefits realisation informs future investment and project prioritisation decisions.
Close-Out & Lessons Learned	Projects are not formally closed and lessons learned are not captured.	Close-out activities occur inconsistently and lessons learned are rarely completed.	Formal close-out processes and lessons learned activities are completed and documented.	Lessons learned are reviewed centrally and used to improve project management practices.	Continuous improvement is embedded and lessons learned are systematically applied across the portfolio.
Framework Enablement - Templates, Guidance & Systems	Templates, guidance and systems are fragmented or inconsistently used.	Standard templates and guidance exist but compliance and system integration are limited.	Approved templates, guidance, workflows and systems are consistently used across the project lifecycle.	Compliance with framework requirements is monitored and supported by system controls and workflows.	Systems, workflows and reporting are integrated, automated and continuously improved.

Appendix 2 - High Level Summary of Test Results (Sampled Projects)

Project #	Project Type	Project Description	Summary of Test Results
Z3791	New & Upgrade	Shared Use Path Improvements - Park 27 - Adjacent Port Road Underpass	• Strong evidence of project planning, governance, reporting and change control processes. • Detailed design, schedule and budget baselines were maintained and monitored. • Only sampled project with a documented and maintained project risk register. • ARG/CTG approvals and change management records were retained. • Practical completion, handover and project close-out records were evidenced. • No evidence of lessons learned or post-implementation review activities.
Z0523	New & Upgrade	Greening - Market Street (Gouger St to Wright St)	• Project initiation, planning, reporting and change control requirements were evidenced. • Detailed design documentation and project reporting records were available. • No project-specific risk register or evidence of ongoing risk monitoring was provided. • Practical completion, handover and financial close-out activities were evidenced. • No evidence of lessons learned or post-implementation review activities.
Z8127	Asset Renewals	LED Renewal - River Torrens - south path leading up to rail overpass	• Project brief, planning documentation, reporting and governance approvals were evidenced. • Design, procurement and delivery activities were supported by documented project records. • No project risk register or formal risk monitoring artefacts were provided. • ARG/CTG approvals and change management records were retained. • Change requests demonstrated ARG review and approval. • Practical completion and handover activities were evidenced; lessons learned were not evidenced.
Z8265	Asset Renewals	Heavy Patching - Franklin Street - West Tce to Morphett St	• Project planning, reporting, governance and change management requirements were evidenced • Budget, schedule and delivery progress were regularly tracked. • No project-specific risks were documented and no risk register was provided. • ARG/CTG approvals and change management records were retained. • ARG approvals and change management records were retained. • Project completion and handover were evidenced; lessons learned were not evidenced.
Z0683	Asset Renewals (ICT)	ICT Renewals - Telecommunications (25/26)	• Project initiation, delivery monitoring and change management records were evidenced. • Governance approvals and financial tracking records were maintained. • No project risk register or evidence of structured risk management was provided. • Formal change request process was used to manage project close-out and return of unspent funds. • Lessons learned and post-project review activities were not evidenced.
4403	Strategic Project	88 O'Connell Project Delivery	• Strategic alignment, governance oversight and change control activities were evidenced throughout delivery. • Project outcomes, benefits and ongoing status reporting were documented. • No project risk register or evidence of formal risk monitoring was provided. • Governance approvals for funding and project changes were retained. • Formal project closure, file compliance and lessons learned activities were not evidenced

Appendix 3 – Detailed Approach

The scope of this review considered CoA's project management framework, with a focus on the following areas:

Project Governance and Oversight:

- Alignment of roles and responsibilities
- Alignment with strategic planning and implementation

End-to-end Project Management Process and Gateways, including:

- Identification
- Approval stages
- Planning
- Delivery
- Risk management and escalation
- Project reporting and performance monitoring
- Commissioning and handover
- Close-out / post-delivery review
- Delegations of authority / approvals
- Governance charters

As part of this review, BDO assessed the adequacy and maturity of CoA's project management practices using BDO's Project Management Maturity Assessment Model, which reflects leading project management practices (e.g. PMBOK / PMI Standard, PRINCE2, P3M3 and ISO 21502) and was tailored to reflect CoA's operational environment.

The maturity assessment considered the following dimensions:

1. Strategic Alignment & Project Initiation
2. Governance Structure & Oversight
3. Roles, Responsibilities & Capability
4. Delegations of Authority & Approvals
5. Stage Gates & Project Lifecycle Controls
6. Planning & Baseline Management
7. Risk, Issues & Escalation
8. Reporting & Performance Monitoring
9. Change Control
10. Commissioning, Handover & Benefits Realisation
11. Close-Out & Lessons Learned
12. Framework Enablement (Templates, Guidance & Systems)

The full Project Management Maturity Assessment Model applied, including detailed criteria for each dimension and maturity level definitions, is provided in Appendix 1.

This review was undertaken in consultation with the Project Management Office (PMO) and Governance & Strategy teams.

Appendix 3 – Detailed Approach (Cont.)

Our approach comprised the following phases:

Phase 0: Project Kick-Off and Planning

Project Kick-Off and Planning focused on establishing the foundation for an effective engagement, including stakeholder consultation, confirmation of timelines and deliverables, identification of scope exclusions, development of information requests and obtaining access to relevant documentation.

An initial kick-off meeting was held to confirm roles and responsibilities, introduce CoA representatives and the BDO engagement team, and confirm key points of contact.

Phase 1: Process Discovery

The Process Discovery phase included the following stages:

1a - Document Collation and Process Interviews

- Obtained CoA's suite of project management documentation, including the project management framework, governance charters, delegations, end-to-end project management processes and gateways (identification, approvals, planning, delivery, change management, commissioning and handover, and close-out processes) and other relevant supporting documentation.
- Obtained project register information and supporting project records.
- Conducted interviews with nominated CoA representatives to gain an understanding of the key processes and systems used to support the project management framework.
- Identified key project management risks and control areas relevant to the project lifecycle and maturity assessment dimensions.

1b - Process and Documentation Review

- Reviewed CoA's project management documentation and supporting artefacts obtained during Phase 1a.
- Documented, at a high level, the key project management processes, governance arrangements and controls operating across each of the 12 maturity assessment dimensions.

Phase 2: Assessment of Process Adequacy

The Process Adequacy phase included the following stages:

2a - Adequacy Assessment and Risk / Control Gap Analysis

- Assessed the alignment of CoA's project management framework documentation against the Project Management Maturity Assessment Model.
- Evaluated the design of project management processes and controls across each maturity assessment dimension against the assessment criteria.
- Identified opportunities for improvement in the design of project management processes, controls and governance arrangements.
- Determined areas that required further validation through walkthroughs and testing.

2b - Walkthroughs and Testing

- Selected a representative sample of capital, renewal and strategic projects for detailed review.
- Conducted walkthroughs and testing of project management activities to assess: – Compliance with CoA's project management framework, policies and procedures.
- Operating effectiveness of project management processes and controls across each maturity assessment dimension.
- Identified improvement opportunities based on the results of walkthroughs, testing and supporting documentation review.

Note: The review did not provide assurance over individual project outcomes. However, selected projects were reviewed to assess compliance with the project management framework and the operating effectiveness of key controls.

Appendix 3 – Detailed Approach (Cont.)

Phase 3: Process Improvement

- Held discussions with CoA representatives to validate factual accuracy of observations and maturity assessments.
- Developed practical improvement opportunities and recommendations to address identified gaps and strengthen project management maturity.

Phase 4: Report Results

- Prepared a summary of observations and recommendations aimed at enhancing CoA's project management framework and project delivery capability.
- Held closing discussions with CoA representatives regarding the review outcomes.
- Prepared a draft report and obtained management comments.
- Finalised the report.

Appendix 4 - Recommendation Priority Guidance

Recommendations have been prioritised based on the level of effort required, dependencies, and the extent to which they support progression toward higher maturity.

Priority	Timeframe	Criteria
Short-term	< 6 months	Improvements focused on strengthening compliance with existing PMO framework requirements and addressing identified control and documentation gaps. Typically includes enhancing project records, reporting practices, risk management activities, governance processes and other project management controls using existing tools, processes and resources.
Medium-term	6-12 months	Improvements that embed greater consistency, accountability and oversight across the project portfolio. Typically includes refinement of PMO processes, enhancement of governance and reporting practices, implementation of monitoring activities, and increased utilisation of existing PMO systems and tools to support more consistent project delivery outcomes.
Long-term	12-24+ months	Improvements aimed at progressing PMO maturity beyond established practices through enhanced assurance, trend analysis, continuous improvement and system enablement. Typically includes portfolio-level performance monitoring, data-driven decision-making, governance assurance activities, system enhancements and greater integration of project management processes, reporting and controls across the project lifecycle.

Appendix 5 - Documents Accessed and Stakeholders Consulted

Due to the volume of project documentation reviewed, the list below represents an extract of the documents assessed during the review.

Where available, all requested documentation for the selected project samples listed below was provided by Council and reviewed as part of the assessment:

- Shared Use Path Improvements (Z3791) - New & Upgrade
- Integrated Climate Strategy - City Public Realm Greening Program (Z0523) - New & Upgrade
- LED Renewal Program (Z8127) - Renewal
- Heavy Patching Program (Z8265) - Renewal
- ICT Renewals - Telecommunications (Z0683) - Renewal
- 88 O'Connell Street Redevelopment (4403) - Strategic

Documents Accessed (extract):

- Z1111 CLC Air Handling Unit Project.mpp
- Asset Renewal Governance Minutes 2026-04-22
- Asset Renewal Governance Minutes 2026-05-06
- Change Triage Group Minutes 2026-03-25
- Program Control Group Minutes 2026-03-27
- PMO Governance TOR Review
- Attachment A - PM041 PM Practice Guide Operations Governance Framework
- Attachment B - PM041 PM Practice Guide Operations Governance Framework (PCG Review)
- Detailed Capital Project List 2024-25
- Detailed Capital Project List 2025-26
- ICT Projects 2025-26
- Strategic Projects 2025-26 Listing
- Information Sheet - How to Run a Work Breakdown Structure
- Information Sheet - Milestones and Schedule Guidelines
- Information Sheet - Schedule Baseline Management Guidelines
- PM158 Project Asset Register - Cost Breakdown Structure
- Practice Guide - Project Contingency
- Practice Guide - Schedule Management

- Project Management Office - Capital Project Status Reporting Tool
- Project Management Office - Strategic Project Status Reporting Tool
- Q2 Status Report 2025-26
- 2a. Updated 2025-26 - EOM March 2026 Finance Procurement and PMO
- 5. Exec 2025-26 - EOM April 2026
- IPW Report Apr25 - Council Report
- IPW Report Apr25
- IPW Report Mar25 - Council Report
- IPW Report Mar25
- CR Details CR5053 - Melbourne Street Wombat Crossings
- CR Details CR5100 - Public Art - Park 14 - Rymill Park - The Bridgland Fountain
- CR Details CR5116 - Barnard Street Streetscape Improvements (Wellington Square to Hill Street) (R2R)
- Information Sheet - When is a Change Request Required
- Practice Guide - Project Change Management
- Project Management Office - Capital Change Request Log
- Project Management Office - Strategic Change Request Log
- Practice Guide - Processing Retention Invoices
- Practice Guide - Project Asset Register - Handover Workflow
- Lessons Learnt Survey
- PM070 PM Practice Guide LL & PIR v2.0
- Practice Guide - Close Phase
- 4014110586 Practice Guide - CITB Levy
- Project Management Office - Project Request System
- Project Record Keeping Requirements

Stakeholders Consulted:

- Coordinator, Project Management Office
- Acting Manager PMO and PMO Analyst (dual role)
- Risk and Audit Advisor

Internal Audit Report - Strategic Planning, Governance and Implementation Review

Wednesday 23 September 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 provide the Audit and Risk Committee with the Strategic Planning, Governance and Implementation Review Internal Audit Report. The Internal Audit was performed by BDO, in accordance with the Internal Audit Plan 2025 – 2026 (the Plan).

The Terms of Reference of the Audit and Risk Committee includes responsibility for receiving full reports, monitoring and reviewing the Plan and Internal Audit Projects.

The scope of this internal audit examined how strategic objectives are developed, implemented, monitored, and reported, including the alignment with the budget development and prioritisation process. It also considered reporting arrangements with the corporate strategy and strategic risk management and the effectiveness and appropriateness of key reporting processes, including those relating to subsidiaries, to identify opportunities to enhance the transparency, consistency, and quality of organisational reporting.

BDO assessed the adequacy and maturity of Council's strategic planning, governance and organisational reporting practices using BDO's Strategic Planning Maturity Assessment Model. The model was tailored to reflect Council's operational environment and legislative requirements. The maturity model comprises eight domains directly relevant to strategic planning, governance and reporting.

BDO evaluated the overall effectiveness of Council's strategic planning, governance and organisational reporting is supported by established governance structures, a formally adopted suite of strategic planning documentation supported by subordinate strategies, and regular tracking/reporting against strategy objectives. They consider Council demonstrates an average maturity rating of 'Level 3 – Defined' across the eight identified domains.

Within the assessment, three recommendations are rated as long term, eight are rated as medium term recommendations, and three are rated as short term. Eight improvement opportunities were identified.

BDO notes the opportunity exists for Council to lift its maturity to 'Level 4 – Integrated', primarily by introducing Executive-endorsed strategic planning and performance reporting frameworks to ensure consistency in the approach to strategic planning across the Council, particularly the subordinate strategies, which are currently developed and managed by relevant portfolios. Furthermore, whilst BDO acknowledge that Council has met the strategic planning requirements of the *Local Government Act 1999*, they note the current strategic planning cycle is limited to four years. As such, BDO considers that to provide Council with a clear direction and purpose over the long term, they recommend the extension to a 10+ year approach with the addition of a Corporate Plan and Community Plan, to be developed in collaboration with community stakeholders.

This report requests that the Audit and Risk Committee note the report and endorse the administration responses.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Strategic Planning, Governance and Implementation Review Internal Audit report as contained in Attachment A to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026.
2. Endorses the responses of the Administration to the Strategic Planning, Governance and Implementation Review Internal Audit Report as contained in Attachment A to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Outcome – Effective Leadership and Governance Internal Audit is an essential component of a good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently.
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	Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its function legally, and effectively, and to advise how it can improve performance.
Opportunities	Internal audit focuses on compliance, risk management and improvement opportunities. Audits suggest a range of improvement opportunities related to the area being received, enhancing functions and services and aligning Council processes to best practice standards.
26/27 Budget Allocation	Not as a result of this report
Proposed 27/28 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
26/27 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The Internal Audit Plan 2025 – 2026 (the Plan) for the City of Adelaide (CoA) was developed in response to Council's key strategic risks and priorities.
2. The Strategic Planning, Governance and Implementation Review Internal Audit Report (Attachment A) was performed by BDO, in accordance with the Plan, assessing the design and effectiveness of the Council's strategic planning, governance, and reporting framework.
3. The audit best aligns with the identified Strategic Risks:
 - 3.1. Stakeholder Management: Our management of relationships and partnerships with external stakeholders is ineffective.
 - 3.2. Governance: Our governance is ineffective, leading to operational inefficiencies, legal liabilities, and reputational damage.

Report

4. The objective of this project was to assess the adequacy of strategic and business planning, implementation, management and reporting processes to meet CoA's strategic objectives, including delivery of projects, with a focus on identifying improvement opportunities and aligning priorities and council resources. The BDO internal audit was guided by a maturity model which was used to assess CoA's current state.
5. The overall effectiveness of CoA's strategic planning, governance and organisational reporting is supported by established governance structures, formally adopted suite of strategic planning documentation (supported by subordinate strategies), and regular tracking / reporting against strategy objectives. CoA demonstrates an average maturity rating of 'Level 3 – Defined' across the eight domains.
6. Key findings of the BDO internal audit, summarised below include that:
 - 6.1. CoA should move toward a 10+ year Community Plan, a 10+ year Corporate Plan, a clearer long-term community vision, and an Executive-endorsed strategic planning framework
 - 6.2. Reporting improvements suggest formally endorsing a performance reporting framework, addressing complexity of reporting arrangements, consistent reporting of some subordinate strategies, and consistently quantifying performance measures.
 - 6.3. The findings of the internal audit include the following recommendations:

Assessment	Current State of Maturity (out of 5)	Term	Recommendation	Target Date
1. Strategy and Approval	3	Medium	1.1 Review and rationalise the Strategic and Corporate Planning Approach, including consideration of a long-term vision for CoA via the 10+ year Community Plan and 10+ year Corporate Plan and suggestions noted in Recommendations 4.1, 6.1, 8.1 and the Improvement Opportunities.	30 June 2027
		Medium	1.2 Following the new Council election, present the finalised Strategic and Corporate Planning Approach to Council, to engage members in the long-term vision approach to strategic planning, incorporating community engagement	30 September 2027

Assessment	Current State of Maturity (out of 5)	Term	Recommendation	Target Date
			activities to inform the Community Plan and Corporate Plan.	
		Medium	1.3 Subject to Council approval, undertake preparations for the development of the 10+ year Community Plan and 10+ year Corporate Plan to inform the next Strategic Plan, LTFP, City Plan and AMPs and subordinate plans	December 2027
2. Cascading Plans	3	Long	2.1 Following the Council election, review and rationalise the subordinate strategies to ensure alignment with the newly adopted Strategic and Corporate Planning approach.	30 June 2028
		Medium	2.2 Adopt a holistic approach to the development of subordinate strategies, ensuring that strategic projects are driven by the subordinate strategy objectives, over the life of the subordinate strategy, not just on an annual basis.	September/ December 2027
		Long	2.3 Develop an integrated 4-year upgrade and renewal project plan, built from the Strategic Plan, which is reviewed and updated on a year-by-year basis through the annual BP&B process.	30 June 2028
3. Objectives and Indicators	3	Medium	3.1 In developing the 2026-2030 Strategic Plan seek to quantify the Indicators of Success/Measures/Targets in the Strategic Plan 2024-2028 and commitments in the associated subordinate strategies.	September 2027
4. Governance and Implementation	3	Short	4.1 As part of the review of the Strategic and Corporate Planning Approach consider adopting consistent strategic planning and reporting frameworks for the development and reporting of all subordinate strategies (refer Recommendation 1.1).	March 2027
		Medium	4.2 Embed formalised risk management processes in the development of future subordinate strategies.	September 2027
5. 5. Reporting and Data	2.5	Long	5.1 Continue with the development of the Strategic and Corporate Framework Reporting Approach, considering the reporting template from the Parklands, Policy and Sustainability portfolio and the suggestions in the Improvement Opportunities section. This Approach can then be rolled out across all subordinate strategies, including Integrated Transport Strategy	30 June 2028
6. Change Management	2.5	Short	6.1 In reviewing the Strategic and Corporate Planning Approach, ensure change management processes and	March 2027

Assessment	Current State of Maturity (out of 5)	Term	Recommendation	Target Date
			protocols are included (refer Recommendation 1.1).	
7. Costing and Approvals	3	Medium	7.1 Prioritise the investigation of a planning, project management and reporting system to enable benefits to be realised in the 2026-2030 strategic planning cycle.	30 June 2027
		Medium	Consider a holistic approach to costing of strategic initiatives, ensuring inclusion of key BAU operating activities relevant to the delivery of the upcoming Strategic Plan for and associated subordinate strategies.	30 June 2027
8. Continuous Improvement	2.5	Short	8.1 In reviewing the Strategic and Corporate Planning Approach, ensure continuous improvement processes and protocols are included (refer Recommendation 1.1).	March 2027

7. Administration has considered the findings and provided actions and time frames to address these findings (outlined in the current state assessment and recommendations section of the BDO's Strategic Planning, Governance and Implementation Review Internal Audit Report, **Attachment A**).

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – Strategic Planning, Governance and Implementation Review Internal Audit

- END OF REPORT -

City of Adelaide

Strategic Planning, Governance and Implementation Review

June 2026

Contents

01	Executive Summary	03
02	Current State Assessment and Recommendations	13
03	Improvement Opportunities	28
04	Appendices	31

Executive Summary

Executive Summary

Background

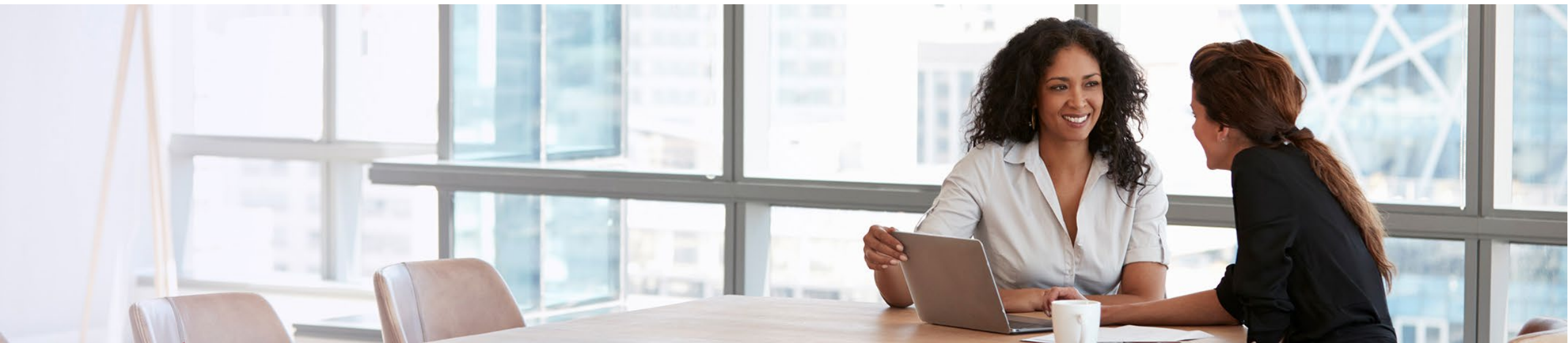
The City of Adelaide (CoA) rolling four-year Internal Audit Plan was developed to provide independent assurance over the effectiveness of governance, risk management, and internal control processes across the organisation. It is aligned with the organisation's strategic objectives and key risks to ensure that audit coverage supports the achievement of Council priorities. The Plan adopts a risk-based approach to prioritise audit engagements to ensure that it is impactful.

The Strategic Planning, Governance and Implementation Internal Audit was a priority as CoA has legislative obligations under the Local Government Act 1999 to undertake strategic planning on a four-year basis which is supported by a number of subordinate strategies which have been developed to achieve the overall strategic goals of Council.

As part of the recent Strategic Risk Assessment, a new risk, "Our strategic planning processes do not allow us to effectively adapt to changing external environments and/or are insufficient to enable successful implementation of our objectives" was identified, with a current risk rating of Moderate. The rationale for this new risk was to capture the potential misalignment between strategic planning and operational implementation, which may hinder delivery of key organisational objectives.

Objective

The objective of this project was 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. This internal audit was guided by a maturity model (refer *Appendix 1*) which was used to assess CoA's current state.



Executive Summary (cont.)

Scope and Approach

Scope and Approach

The scope of this internal audit examined how strategic objectives are developed, implemented, monitored, and reported, including the alignment with the budget development and prioritisation process. It also considered reporting arrangements with the corporate strategy and strategic risk management and the effectiveness and appropriateness of key reporting processes, including those relating to subsidiaries, to identify opportunities to enhance the transparency, consistency, and quality of organisational reporting.

Appendix 3 details the approach undertaken to perform this review.

Methodology and Maturity-Based Assessment Approach

As part of this review, BDO assessed the adequacy and maturity of CoA's strategic planning, governance and organisational reporting practices using BDO's Strategic Planning Maturity Assessment Model. The model was tailored to reflect CoA's operational environment and legislative requirements. The maturity model comprises eight domains directly relevant to strategic planning, governance and reporting:

- Strategy and Approval
- Cascading Plans
- Objectives and Indicators
- Governance and Implementation
- Reporting and Data
- Change Management
- Costing & Approvals
- Continuous Improvement

The maturity assessment model applied, including detailed criteria for each domain and definitions of maturity levels, is provided in *Appendix 1*.



Executive Summary (cont.)

Scope and Approach (cont.)

How to read this report

This internal audit has been conducted as a maturity-based assessment, consistent with guidance issued by the Institute of Internal Auditors (IIA). The IIA encourages the use of maturity models in assurance engagements to provide insight into capability, sustainability and pathways for improvement, rather than focusing solely on control failures or historical non-compliance.

For the purposes of this report:

- CoA's current state maturity has been assessed against the defined criteria for each domain
- Observations have been documented where gaps exist between the current state and a higher, more mature operating state
- Recommendations are forward-looking and focus on practical actions to support progression in maturity, rather than remediation of isolated deficiencies.

To ensure recommendations are practical and proportionate to CoA's operating context, the target state for this engagement has been assumed to be **Level 4.0 (Integrated)** across all domains.

This reflects a level of maturity where strategic planning, governance and organisational reporting practices are largely integrated, data-informed and consistently applied, while recognising the local government operating environment and applicable legislative requirements.

The overall engagement rating presented in this report is aligned to the average weighted maturity assessment across all domains. This approach is consistent with IIA guidance and reflects the fact that strategic planning, governance and organisational reporting effectiveness is best assessed holistically rather than on the basis of individual issues in isolation.

Accordingly, the report should be read as:

- An assessment of current capability and maturity
- A clear articulation of where maturity can be strengthened
- A practical roadmap to support continuous improvement over time.



Overall assessment

The rating, provided in the table, reflects our overall assessment of CoA's strategic planning, governance and organisational reporting maturity that was assessed by this review. Appendix 1 outlines the differing rating levels and their respective definitions.

Overall maturity and effectiveness		
The overall effectiveness of CoA's strategic planning, governance and organisational reporting is supported by established governance structures, formally adopted suite of strategic planning documentation supported by subordinate strategies, and regular tracking/reporting against strategy objectives. CoA demonstrates an average maturity rating of 'Level 3 - Defined' across the eight (8) domains. The opportunity exists for CoA to lift its maturity to 'Level 4 - Integrated', primarily by introducing Executive-endorsed strategic planning and performance reporting frameworks, backed by the Strategic Planning Team, to ensure consistency in the approach to strategic planning across the Council, in particular the subordinate strategies, which are currently developed and managed by relevant portfolios. In addition, whilst we acknowledge that CoA has met the <i>Local Government Act, 1999</i> strategic planning legislative requirements, the current strategic planning cycle is limited to four years. In order to provide CoA with a clear direction and purpose over the long term, we support the extension to a 10+ year approach with the addition of a Corporate Plan and Community Plan, to be developed in collaboration with community stakeholders. Subordinate strategies are not supported by whole-of-life implementation plans that identify the initiatives, projects and activities required, their estimated costs, timing and funding sources. Instead, funding is sought annually through the Business Plan and Budget bid process, with proponents required to demonstrate how individual bids align with one or more strategies. This bid-driven approach does not provide Council with a consolidated view of the total cost or funding pathway required to implement each subordinate strategy, including related operating activities. We note that CoA currently operates an Executive-led model to strategic planning, with the Strategic Planning Team providing a supporting role. Subordinate strategies are developed, implemented and tracked by responsible portfolios, with the majority belonging to the Parklands, Policy and Sustainability portfolio. The hierarchical governance structures supporting strategic planning across CoA appear strong, with Executive, CEO Performance Review Panel, Core Committees and Council providing layered oversight across the development of the strategic planning documents, including subordinate strategies, and performance reporting. Despite the absence of a formally endorsed performance reporting approach, reporting on the status of the Strategic Plan 2024-2028 outcomes and subordinate strategies are provided across the governance structures on a quarterly/annual basis. The current approach to strategic reporting is layered and complex, with potential for rationalisation. We note that the performance indicators tracked for the Strategic Plan and subordinate strategies are not consistently quantified which impacts the ability of CoA to objectively ensure that the outcomes of the strategic planning implementation are being met. Overall, CoA has established the main structural elements for effective strategic planning, governance and organisational reporting. The key opportunity is to extend the long-term view of strategic planning supported by a formally endorsed strategic planning and performance reporting framework. The recommendations in this report are intended to support CoA in embedding a consistent Level 3 maturity across all domains, with a pathway toward Level 4, where strategic planning practices are integrated, data-informed and systematically applied across Council.	Maturity Rating (out of 5)	
	Domain	Rating
	 1. Strategy & Approval	3
	 2. Cascading Plans	3
	 3. Objectives & Indicators	3
	 4. Governance & Implementation	3
	 5. Reporting and Data	2.5
	 6. Change Management	2.5
	 7. Costing & Approvals	3
	 8. Continuous Improvement	2.5
	Overall	2.8

Disclaimer

BDO limited the procedures performed during this internal audit project to inquiries of relevant personnel, inspection of evidence and observation of, and enquiry about, the operation of the control procedures for a small number of transactions or events. Our procedures are not designed to provide assurance as defined by the Australian Auditing Standards (AUASB Standards) and an audit opinion was not expressed in this report. An internal audit project does not provide all of the evidence that would be required in an audit.

The matters raised in this report are only those that come to our attention during the course of performing our procedures and may not necessarily be a comprehensive statement of all the weaknesses that may exist or improvements that might be made.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, comply with laws and regulations and avoid fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures reviewed, or potential instances of fraud that may exist.

Our report was prepared solely for the internal use of CoA. No responsibility to any third party shall be accepted, as our report has not been prepared, and is not intended, for any other purpose. The responsibility for determining the adequacy or otherwise of the procedures performed by BDO is that of CoA management and the procedures performed are solely to assist you in assessing the processes reviewed by BDO.

CoA should assess management actions for their full commercial impact before they are implemented.



Summary of Issues and Recommendations

The table below provides a high-level overview of each maturity assessment by domain, and recommendations, the responsible officer and their position, and the date by which the recommendation will be implemented. A detailed summary of each recommendation and its respective findings is provided in this report under section Detailed Findings. The risk ratings are based on BDO Priority Ratings outlined in Appendix 2. The Maturity rating is based on BDO Maturity ratings outlined in Appendix 1.

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendation(s)	Management Action Plan	Action Owner	Target Date
1. Strategy and Approval	3.0 Defined	The Strategic Plan 2024-2028 is appropriately integrated with the Long Term Financial Plan (LTFP), City Plan and Asset Management Plans (AMP), and these documents have been appropriately approved by Council, with community consultation documented. However, the strategic planning process is not supported by an Executive-endorsed approach and could be improved by consideration of a community focussed long-term vision.	1.1 (Medium-Term) Review and rationalise the Strategic and Corporate Planning Approach, including consideration of a long-term vision for CoA via the 10+ year Community Plan and 10+ year Corporate Plan and suggestions noted in Recommendations 4.1, 6.1, 8.1 and the Improvement Opportunities.	1.1 The Strategic and Corporate Planning approach already includes an aspiration for longer-term strategic planning (10+) years for CoA under the banner of a “Community Plan” (name TBC) and Corporate Plan (name TBC). This approach will be presented to Council Members for the 2026-2030 term of Council as part of their onboarding and review of the current Strategic Plan (which is legislatively required to be completed by November 2028). The final structure of CoA’s Strategic and Corporate Planning approach will be finalised by a decision of Council during that process.	COO, AD Governance & Strategy	30/06/27
			1.2. (Medium-Term) Following the new Council election, present the finalised Strategic and Corporate Planning Approach to Council, to engage members in the long-term vision approach to strategic planning, incorporating community engagement activities to inform the Community Plan and Corporate Plan.	1.2 As per 1.1.	COO, AD Governance & Strategy	30/06/27
			1.3 (Medium-Term) Subject to Council approval, undertake preparations for the development of the 10+ year Community Plan and 10+ year Corporate Plan to inform the next Strategic Plan, LTFP, City Plan and AMPs and subordinate plans.	1.3 As per 1.1.	COO, AD Governance & Strategy	30/06/27

Summary of Issues and Recommendations

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendation(s)	Management Action Plan	Action Owner	Target Date
2. Cascading Plans	3.0 Defined	CoA has developed a suite of 11 current subordinate strategies (and two (2) plans) which support the five (5) strategic pillars. The subordinate strategies/plans include commitments and targets which are supported by strategic projects and Business As Usual (BAU) activities. The 'bottom up' approach for the development of strategic projects, driven by the business areas via the annual project bid submission process, can result in a disconnect between the strategic project and subordinate strategy goals	2.1 (Long-Term) Following the Council election, review and rationalise the subordinate strategies to ensure alignment with the newly adopted Strategic and Corporate Planning approach.	2.1 Staff are committed to reviewing the subordinate strategies in line with Council priorities and approach.	COO, AD Governance & Strategy	30/06/28
			2.2 (Medium-Term) Adopt a holistic approach to the development of subordinate strategies, ensuring that strategic projects are driven by the subordinate strategy objectives, over the life of the subordinate strategy, not just on an annual basis.	2.2 This content will be incorporated as part of Recommendation 1.2 implementation.	COO, AD Governance & Strategy	30/06/27
			2.3 (Long-Term) Develop an integrated 4-year upgrade and renewal project plan, built from the Strategic Plan, which is reviewed and updated on a year-by-year basis through the annual BP&B process.	2.3 Staff will ensure that the development of any asset planning for the future is linked to Council's endorsement of the Strategic and Corporate Planning approach (1.1). To ensure four-year planning can be undertaken in this manner, staff will consider any future priorities articulated in a new long-term vision as well as updates to the suite of Strategic Management Plans (AMPs, LTFP, City Plan and Strategic Plan - current state).	COO, AD Governance & Strategy	30/06/28

Summary of Issues and Recommendations

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendation(s)	Management Action Plan	Action Owner	Target Date
3. Objectives and Indicators	3.0 Defined	The CoA Strategic Plan 2024-2028 specifies outcomes under each of the five pillars, with key actions for each outcome which are measured via Indicators of Success/Measures /Targets which are allocated to Program Owners across Council who are responsible for delivery of the Strategic Plan measures. The subordinate strategies also contain commitments which are the responsibility of Program Owners. We noted that for both the Strategic Plan and subordinate strategies, improvements could be made to ensure all indicators are quantifiable.	3.1 (Medium-term) In developing the next Strategic Plan seek to quantify the Indicators of Success/Measures/Targets and commitments in the associated subordinate strategies.	3.1 This content will be incorporated as part of Recommendation 1.2 implementation.	COO, AD Governance & Strategy	30/6/27
4. Governance and Implementation	3.0 Defined	CoA has an Executive-led approach to strategic planning, with the Strategic Planning team providing a support role in the development and implementation of the Strategic Plan and associated subordinate strategies. This approach is not supported by a formally endorsed Strategic Planning Framework and Performance Reporting Framework, including risk management assessments, to ensure consistency across Council. The overall governance of the Strategic Plan and subordinate strategies is well structured with Executive and Council oversight, with responsibilities outlined in Terms of Reference documentation.	4.1 (Short-term) As part of the review of the Strategic and Corporate Planning Approach consider adopting consistent strategic planning and reporting frameworks for the development and reporting of all subordinate strategies (refer Recommendation 1.1).	4.1 This content will be incorporated as part of Recommendation 1.1 implementation.	COO, AD Governance & Strategy	31/12/26
			4.2 (Medium-term) Embed formalised risk management assessments in the development of future subordinate strategies.	4.3 This content will be incorporated as part of Recommendation 2.2 implementation.	COO, AD Governance & Strategy	30/06/27
5. Reporting and Data	2.5 Emerging / Defined	CoA does not have a formally endorsed performance reporting framework for strategic planning, however, reporting on the status of the Strategic Plan 2024-2028 outcomes is provided to Council on an annual basis and quarterly/annual reporting on the majority of subordinate strategies are tabled at CEO Performance Review Panel meetings and provided to Executive and Council via E-News Links.	5.1 (Long-term) Continue with the development of the Strategic and Corporate Framework Reporting Approach, considering the reporting template from the Parklands, Policy and Sustainability portfolio and the suggestions in the Improvement Opportunities section. This Approach can then be rolled out across all subordinate strategies, including Integrated Transport Strategy.	5.1 Staff will develop a reporting approach for the organisation in line with other project work that is currently occurring - predominantly a new "Planning, Project and Reporting (IT) system" and the work with the new Council on the Strategic and Corporate Planning approach (item 1). Once Council has agreed the new approach to long-term to short term planning, we will then seek Council endorsement on how they want to report.	COO, AD Governance & Strategy	30/06/28

Summary of Issues and Recommendations

Assessment Dimension	Current State Maturity	Maturity Rating Rationale	BDO Recommendation(s)	Management Action Plan	Action Owner	Target Date
6. Change Management	2.5 Emerging / Defined	Change management in relation to the strategic plan and subordinate plans is considered within appropriate governance structures with changes to Strategic Plan 2024-2028 outcomes and/or subordinate strategy targets and commitments being communicated as part of the quarterly/annual reporting processes (refer Dimension 5). We note that change management has not been considered as part of the proposed Strategic and Corporate Planning Approach.	6.1 (Short-term) In reviewing the Strategic and Corporate Planning Approach, ensure change management processes and protocols are included (refer Recommendation 1.1).	6.1 This content will be incorporated as part of Recommendation 1.1 implementation.	COO, AD Governance & Strategy	31/12/26
7. Costing and Approvals	3.0 Defined	Strategic initiatives which require funding are categorised as strategic projects and require a formal bid submission, including costings, as part of the annual BP&B process. The annual BP&B is approved by Executive and Council (via the City Finance and Governance Committee). We note that strategic initiatives that form part of BAU operating activities are not costed within subordinate strategies but are included in operating budgets.	7.1 (Medium-term) Prioritise the procurement of a planning, project management and reporting system to enable benefits to be realised in the next strategic planning cycle.	7.1 A new PPR system is already under investigation and due to be out to market for purchasing in the first half of 2026/27, in preparedness of the next Strategic Planning Cycle.	COO, AD Governance & Strategy	30/6/27
			7.2 (Medium-term) Consider a holistic approach to costing of strategic initiatives, ensuring inclusion of key BAU operating activities relevant to the delivery of the upcoming Strategic Plan for and associated subordinate strategies, with reference to service costings maintained by Finance.	7.2 CoA already costs BAU activities, including costs for individual functions under the banner of our “service costings”. This information is not currently utilised but has been maintained by Finance. In line with action 1.1, any future strategy development, will seek to better use this information. Consideration will also be given to improving terminology and what should be costed in BP&B and Strategies for future planning cycles.	COO, AD Governance & Strategy	30/6/27
8. Continuous Improvement	2.5 Emerging / Defined	Continuous improvement in relation to the strategic plan and subordinate plans is considered as part of the quarterly/annual reporting processes within the governance structures (refer Dimension 4 and 5), however, given the Strategic Plan 2024-2028 and associated subordinate strategies are still in progress, we were not provided with any Post Implementation Reviews. We note that continuous improvement processes (e.g. post-implementation reviews) have not been included in the proposed Strategic and Corporate Planning Approach.	8.1 (Short-term) In reviewing the Strategic and Corporate Planning Approach, ensure continuous improvement processes and protocols are included (refer Recommendation 1.1).	8.1 This content will be incorporated as part of Recommendation 1.1 implementation.	COO, AD Governance & Strategy	31/12/26

Current State Assessment and Recommendations

Dimension 1: Strategy and Approval

Current State Assessment and Observations

The Strategy and Approval dimension considers the development and approval process of the Strategic Plan and associated documents. Our Maturity Assessment for this dimension is 3-Defined as we have identified that the Strategic Plan 2024-2028 is appropriately integrated with the Long Term Financial Plan (LTFP), City Plan and Asset Management Plans (AMP), and these documents have been appropriately approved by Council, with community consultation documented. However, the strategic planning process is not supported by an Executive-endorsed approach and could be improved by consideration of a community focussed long-term vision.

Specifically, we have noted the following observations:

1. Compliance with legislative requirements

Our review of CoA's suite of strategic planning documents, including the Strategic Plan 2024-2028, LTFP 2025/26-3034/35, City Plan and AMPs for: water infrastructure, buildings, urban elements, transportation, parklands/open spaces and lighting/electrical, indicates broad compliance with the legislative requirements of the *Local Government Act, 1999* (LG Act) in relation to strategic management plans (s122).

2. Strategic and Corporate Planning Approach not adopted

The strategic planning process undertaken for the 2024-2028 cycle was not supported by an endorsed strategic planning framework. We understand that the Strategy Planning area developed a Strategic and Corporate Planning Approach for the Strategic Plan 2024-28 which was presented to Executive on 20 January 2025. Review of minutes for this meeting indicated that the Executive provided feedback on the Approach, in particular the Community Plan, however, the Strategic and Corporate Planning Approach and Guide was not endorsed. We were verbally advised that the intention was to defer endorsement until the next Strategic Planning cycle, following the Council election. We acknowledge, that despite the Strategic and Corporate Planning Approach not having been formally endorsed, in practice, the strategic planning process undertaken by Council appears to broadly align with key aspects of the Approach.

We were advised that Executive adopted elements of the Strategic Triangle (predominantly the Long Term and Strategic Intent sections) outlined in the Strategic Corporate Planning Approach, which is utilised by the Executive and Senior Leadership Team. Further we note that the current state Strategic Triangle was incorporated into the Business Plan & Budget process.

High level review of the proposed Strategic and Corporate Planning Approach suggests that it is very detailed and complex despite aiming to simplify, and could benefit from review and rationalisation prior to adoption by the new Council (refer Improvement Opportunities).

3. Long Term Vision and Community Plan are not defined

The Strategic Plan is aligned with Council term of four years (2024-2028) and, whilst we acknowledge that the Strategic Plan includes long term aspirations, it does not include articulate a long-term outlook for the community and council. A long-term vision, which is developed with community engagement, provides clarity, continuity and purpose for decision-making and guides all subordinate plans and priorities. A Community Plan, which involves key stakeholders (e.g. major businesses, property holders, university etc) in the shaping and functioning of CoA would inform the Strategic Plan, noting, however, that Council is a contributor to the Community Plan initiatives, and is not wholly responsible for the Community Plan.

We were advised that, following Council election later this year CoA will work with newly elected members to define long term vision and aspirations with a 10+ year outlook, with a community focus. We note that the proposed Strategic and Corporate Planning Approach includes a 12-year Community Plan and 12-year Corporate Plan which will inform the suite of four-year strategic planning documents in the cycle.

Dimension 1: Strategy and Approval (cont.)

Current State Assessment and Observations (cont.)

4. Limited community consultation feedback period

In developing the Strategic Plan 2024-2028, community consultation was undertaken as required by LG Act (s122) and Community Engagement Policy. Community consultation was conducted during the period 27 Oct 2023 to 20 Nov 2023 and involved written submissions, online surveys, community sessions, general feedback. A summary of the community consultation and draft Strategic Plan were tabled at City Finance & Governance Committee meeting (5 December 2023) with recommendations from that meeting presented at Council meeting (12 Dec 2023) to adopt the Strategic Plan. The summary report stated that, in general, community feedback appeared to be aligned to the intent of the draft strategic plan and supported vision statement. It was noted that community consultation period was 24 days, which met the 21-day minimum requirement of the LG Act (s50), however, was less than the six-week consultation period required under CoA's Community Consultation Policy at that time.

Implication

The absence of a formally adopted Strategic Planning Framework which includes a 10+ year strategic vision, developed in collaboration with the community, reduces Council's ability to provide a clear direction and purpose over the long term.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
1.1 Review and rationalise the Strategic and Corporate Planning Approach, including consideration of a long-term vision for CoA via the 10+ year Community Plan and 10+ year Corporate Plan and suggestions noted in Recommendations 4.1, 6.1, 8.1 and the Improvement Opportunities.	Medium-term	1.1 The Strategic and Corporate Planning approach already includes an aspiration for longer-term strategic planning (10+) years for CoA under the banner of a "Community Plan" (name TBC) and Corporate Plan (name TBC). This approach will be presented to Council Members for the 2026-2030 term of Council as part of their onboarding and review of the current Strategic Plan (which is legislatively required to be completed by November 2028). The final structure of CoA's Strategic and Corporate Planning approach will be finalised by a decision of Council during that process.	COO, AD Governance & Strategy	30/06/27
1.2 Following the new Council election, present the finalised Strategic and Corporate Planning Approach to Council, to engage members in the long-term vision approach to strategic planning, incorporating community engagement activities to inform the Community Plan and Corporate Plan.	Medium-term	1.2 As per 1.1.	COO, AD Governance & Strategy	30/06/27
1.3 Subject Council approval, undertake preparations for the development of the 10+ year Community Plan and 10+ year Corporate Plan to inform the next Strategic Plan, LTFP, City Plan, AMPs and subordinate plans.	Medium-term	1.3 As per 1.1.	COO, AD Governance & Strategy	30/06/27

Dimension 2: Cascading Plans

Current State Assessment and Observations

The Cascading Plans dimension considers the linkage between the overall Strategic Plan and operational plans. Our Maturity Assessment for this dimension is 3-Defined as we have identified that CoA has a current suite of 11 current subordinate strategies (and five (5) plans) which support the five (5) strategic pillars as follows:

- Our Community: Homelessness Strategy; Housing Strategy; Active City Strategy; Cultural Strategy; Integrated Transport Strategy; International Relations Strategy; Stretch Reconciliation Plan; Disability Access and Inclusion Plan; Wellbeing Plan
- Our Economy: Economic Development Strategy
- Our Environment: Integrated Climate Strategy; Adelaide Parklands Management Strategy
- Our Corporation: Customer Experience Strategy
- Our Places: Heritage Strategy; Community Land Management Plans; Dog and Cat Management Plan.

The subordinate strategies/plans include commitments and targets which are supported by strategic projects and Business As Usual (BAU) activities. Strategic projects are developed by business areas to achieve the objectives of subordinate strategies, via the annual project bid submission process, rather than taking a holistic approach over the life of the subordinate strategy.

Specifically, we have noted the following observations:

1. Approval of subordinate strategies

Following the introduction of the Core Committees in 2022, subordinate strategies are tabled at the relevant Core Committee and then presented to Council for endorsement. Prior to the establishment of the Core Committees, subordinate strategies were presented directly to Council. Review of Core Committee and/or Council minutes highlighted that the following subordinate strategies were endorsed as follows:

- Housing Strategy - City Community Services and Culture Committee/Council
- Homelessness Strategy - City Community Services and Culture Committee/Council
- Integrated Climate Strategy - City Planning, Development and Business Affairs Committee/Council
- Economic Development Strategy - City Planning, Development and Business Affairs Committee/Council
- Integrated Transport Strategy - Infrastructure and Public Works Committee/Council
- Heritage Strategy - Council only (pre-dates Core Committees).

We were advised that the Customer Experience Strategy is an internal strategy and was approved by the CEO, rather than a Core Committee/Council. Review of this strategy suggests that it is more of a principles-based document linked to CoA's customer experience vision and values, rather than an objectives and target-based strategy.

Dimension 2: Cascading Plans (cont.)

Current State Assessment and Observations (cont.)

2. Outdated/obsolete subordinate strategies

As noted in the City Finance & Governance Committee meeting dated 18 March 2025, four (4) subordinate strategies referenced in the Strategic Plan 2024-2028 and are due to be “reviewed, amended or incorporated into overarching documents”. Discussion with management and review of relevant minutes provided the following updates on these outdated subordinate strategies:

- Active City Strategy (2013-2023) and Cultural Strategy (2017-2023) - We were advised that these strategies could become redundant under new Council
- Smart Move Transport and Movement Strategy (2012-2022) - This strategy has been replaced with Integrated Transport Strategy which was endorsed by Infrastructure and Public Works Committee/Council on 22 July 2025
- International Relations Strategy - This strategy will be replaced with the Sister City Policy which is currently under consultation
- Adelaide Park Lands Management Strategy (2015-2025) - This strategy has been updated as the Adelaide Park lands Management Strategy - Towards 2036, endorsed by Council on 12 November 2024. The strategy was adopted by the Minister for Planning on 24 June 2025 and came into effect on 21 August 2025. We note that the Council endorsement date for the updated strategy was not acknowledged in the City Finance & Governance Committee 18 March 2025 meeting and were advised, that the update was possibly not acknowledged due to the pending Ministerial approval.

In addition, the Spatial Vision Strategy (2014) was identified as redundant in the 18 March 2025 City Finance & Governance Committee meeting minutes.

3. Annualised approach for strategic project development

We understand that strategic projects are driven by the business areas via annual project bid submissions as part of the Business Plan and Budget (BP&P) process. Submissions are recorded in the PMO system, where strategic projects must be aligned to at least one subordinate strategy. The year-by-year approach to strategic projects means that Council may not consistently have a holistic view of the strategic projects required to deliver a subordinate strategy, which may take several years to complete, resulting in an increased risk of disconnect between the subordinate strategy goals and the strategic project outcomes.

Where subordinate strategies result in new/upgrade capital projects, the year-by-year approach via the annual project bid process has implications for delivery of the 10-year Asset Management Plans (AMPs). Discussion with the Strategic Asset Management (SAM) Team highlighted that the annual review and assessment of new/upgrade capital projects, resulting from subordinate strategies, does not always consider priorities in the AMPs as the new/upgrade project forecasts are not currently included in AMPs. Consideration of how new/upgrade capital projects, resulting from subordinate strategies, impact on asset renewals in the AMPs would be beneficial as upgraded assets are likely to influence the cost/timing of future renewals.

Implication

The absence of a consistent holistic approach to the development of strategic projects in supporting delivery of subordinate strategies, driven by the Strategic Plan, may result in overall strategic objectives not being met and inefficient use of resources and funds.

Dimension 2: Cascading Plans (cont.)

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
2.1 Following the Council election, review and rationalise the subordinate strategies to ensure alignment with the newly adopted Strategic and Corporate Planning approach.	Long-term	2.1 Staff are committed to reviewing the subordinate strategies in line with Council priorities and approach.	COO, AD Governance & Strategy	30/06/28
2.2 Adopt a holistic approach to the development of subordinate strategies, ensuring that strategic projects are driven by the subordinate strategy objectives, over the life of the subordinate strategy, not just on an annual basis.	Medium-term	2.2 This content will be incorporated as part of Recommendation 1.2 implementation.	COO, AD Governance & Strategy	30/06/27
2.3 Develop an integrated 4-year upgrade and renewal project plan, built from the Strategic Plan, which is reviewed and updated on a year-by-year basis through the annual BP&B process.	Long-term	2.3 Staff will ensure that the development of any asset planning for the future is linked to Council's endorsement of the Strategic and Corporate Planning approach (1.1). To ensure four-year planning can be undertaken in this manner, staff will consider any future priorities articulated in a new long-term vision as well as updates to the suite of Strategic Management Plans (AMPs, LTFP, City Plan and Strategic Plan - current state).	COO, AD Governance & Strategy	30/06/28

Dimension 3: Objectives and Indicators

Current State Assessment and Observations

The Objectives and Indicators dimension considers the quality of targets and indicators to measure the achievement of strategic plan objectives. The CoA Strategic Plan 2024-2028 specifies outcomes under each of the five pillars, with key actions for each outcome which are measured via Indicators of Success/Measures/Targets. Our Maturity Assessment for this dimension is 3-Defined as these Indicators of Success/Measures/Targets are allocated to Program Owners across Council who are responsible for delivery of the Strategic Plan measures. To support the Strategic Plan outcomes, the subordinate strategies also contain commitments which are the responsibility of Program Owners. We noted that for both the Strategic Plan and subordinate strategies, improvements could be made to ensure all indicators are quantifiable. Specifically, we have noted the following observations:

1. Strategic Plan objectives and indicators

Our high-level review of the Indicators of Success/Measures/Targets set in the Strategic Plan 2024-2028 highlighted 102 outcomes across the 5 pillars which have an attached Indicator of Success/Measure/Target. Some of these indicators have a quantified target (e.g. “Increase the number of people who visit the city from 2.1 million to 2.5 million by 2028 through local, interstate and international visitation”), however, many of the outcomes do not have quantifiable measure of success (e.g. “An increase in the number of new businesses and investment in the city”). We note that the Strategic Plan - Year 1 Update spreadsheet includes baseline data for a number of outcomes which assists in providing a reference point for tracking outcomes, however, quantified measures are not consistently in place to objectively assess whether outcomes have been achieved.

2. Subordinate strategies objectives and indicators

The majority of CoA’s subordinate strategies are the responsibility of the Parklands, Policy and Sustainability portfolio. As part of this internal audit, we selected a sample of three (3) subordinate strategies within this portfolio for review: Heritage, Housing and Homelessness strategies.

These subordinate strategies contain quantifiable targets to address the strategic goals (e.g. Housing Strategy: ‘Housing for All’ goal includes the “attract investment to deliver 600 affordable rental properties to low and moderate-income earners by 2028” target).

In addition to targets, some of the subordinate strategies include annual commitments which form part of the annual CEO performance measures. Our high-level review of the 2025/26 commitments suggested that many of these do not include quantifiable measures as the commitment describes an action (e.g. Homelessness Strategy: includes the 2025/26 “Advocate for expanded Housing Support and Tenancy Reform Program” commitment), but it is unclear how the success of that action would be assessed.

Implication

The absence of consistent quantifiable indicators of success, measures or targets across both the Strategic Plan 2024-2028 and associated subordinate strategies weakens the ability of CoA to objectively ensure that the outcomes of the strategic planning implementation are being met.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
3.1 In developing the next Strategic Plan seek to quantify the Indicators of Success/Measures/Targets and commitments in the associated subordinate strategies.	Medium-term	3.1 This content will be incorporated as part of Recommendation 1.2 implementation.	COO, AD Governance & Strategy	30/6/27

Dimension 4: Governance and Implementation

Current State Assessment and Observations

The Governance and Implementation dimension considers the roles, responsibilities and structures to support the strategic planning process. CoA has an Executive-led approach to strategic planning, with the Strategic Planning team providing a support role in the development and implementation of the Strategic Plan and associated subordinate strategies. This approach is not supported by a formally endorsed Strategic Planning Framework and Performance Reporting Framework, including risk management considerations, to ensure consistency across Council. The overall governance of the Strategic Plan and subordinate strategies is well structured with Executive and Council oversight, with responsibilities outlined in Terms of Reference documentation. Our Maturity Assessment for this dimension is 3-Defined as, despite the absence of a formally endorsed model, the governance over strategic plans appears to be generally strong.

Specifically, we have noted the following observations:

1. Role of Strategic Planning Team

The Strategic Planning team provides assistance with the development and tracking the implementation of the Strategic Plan 2024-2028, including preparation of annual reporting to Council on achievement of the Strategic Plan outcomes (i.e. Year 1 Update). Subordinate strategies are developed directly by relevant portfolios, with limited involvement by the Strategic Planning team. We acknowledge that the Strategic Planning Team has taken the initiative to create strategic planning and reporting frameworks, which are yet to be formally endorsed by Executive.

2. Absence of documented risk management considerations in strategic planning

Best practice suggests that risk management considerations should form part of the strategic planning process. We note that an overarching strategic risk register is in place for Council, which is currently being updated, however, we were not provided with any specific risk management registers in relation to the subordinate strategies.

3. Hierarchical governance structure for strategic planning and reporting

Responsibilities for strategic planning governance are layered in CoA with active oversight provided in a structured approach, as follows:

- Executive: Strategic planning and implementation oversight including Business Plan & Budget (BP&B)
- CEO Performance Review Panel: CEO KPIs
- Core Committees: Support development and delivery of the Strategic Plan and subordinate plans, providing recommendations to Council (refer point 4 for further detail)
- Council: Endorsement of Strategic Plan and subordinate plans and review of strategic plan implementation
- Audit and Risk Committee: Strategic planning and BP&B reporting.

4. Core Committee strategic planning oversight

Council's four (4) Core Committees were established in March 2024 to support delivery of the Strategic Plan 2024-2028 by helping Council make decisions. The Core Committees Terms of Reference (ToR) and meeting procedures were adopted on 24 September 2024, and while the committees remain separate, their focus areas are outlined in the TOR. In practice, the committees do not make final decisions, rather, they provide an advisory role and provide recommendations to Council. The committees review and scrutinise strategies and strategic plans in their portfolio areas to check alignment with Council objectives and inform recommendations.

Dimension 4: Governance and Implementation (cont.)

Current State Assessment and Observations (cont.)

The Core Committees and their focus areas are outlined as follows:

- City Finance and Governance: strategic planning and monitoring with focus on the Strategic Plan, LTFP, annual BP&P, policy and governance, performance reporting and legislative compliance
- City Community Services and Culture: strategies, services, policies and programs related to creating a beautiful, diverse city that celebrates its natural, culture and built heritage (e.g. Housing strategy and Homelessness strategy)
- City Planning, Development and Business Affairs: planning development and policy areas (e.g. Heritage Strategy, Economic Development Strategy, Spatial Vision Strategy)
- Infrastructure and Public Works: asset management policy and programs (e.g. Smart Move Strategy).

Review of Core Committee minutes indicates that although subordinate strategies are discussed at meetings on an as needs, the Core Committees are more involved in the development of the subordinate strategies than review of performance. We note that progress reporting on subordinate strategies is not tabled at the Core Committee meetings, however they are provided to Core Committee members via the E-News links.

Implication

The absence of formally endorsed strategic planning and performance reporting frameworks, including risk management considerations, may result in inconsistencies in the development of subordinate strategies and subsequent tracking of performance, by the relevant portfolios.

With regards to the Core Committees, the provision of subordinate strategy reporting via E-News may not provide sufficient visibility to ensure Core Committee members have oversight of subordinate strategy performance.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
4.1 As part of the review of the Strategic and Corporate Planning Approach consider adopting consistent strategic planning and reporting frameworks for the development and reporting of all subordinate strategies (refer Recommendation 1.1).	Short-term	4.1 This content will be incorporated as part of Recommendation 1.1 implementation.	COO, AD Governance & Strategy	31/12/26
4.2 Embed formalised risk management processes in the development of future subordinate strategies.	Medium-term	4.3 This content will be incorporated as part of Recommendation 2.2 implementation.	COO, AD Governance & Strategy	30/06/27

Dimension 5: Reporting and Data

Current State Assessment and Observations

The Reporting and Data dimension considers the performance reporting framework to monitor the strategic plan and subordinate strategies. CoA does not have a formally endorsed Performance Reporting Framework for strategic planning (as noted in Dimension 4). However, reporting on the status of the Strategic Plan 2024-2028 outcomes is provided to Council on an annual basis and quarterly/annual reporting on the majority of subordinate strategies with actions in the current year, are tabled at CEO Performance Review Panel meetings and provided to Executive and Council via E-News Links. Our Maturity Assessment for this dimension is 2.5- Emerging/Defined given that, despite the absence of a performance reporting framework, reporting processes are in place for the Strategic Plan and the majority, but not all, subordinate strategies.

Specifically, we have noted the following observations:

1. Strategic and Corporate Framework Reporting Approach has not been finalised

We were provided with a draft copy (incomplete document) for the Strategic and Corporate Framework Reporting Approach, which has been created by the Strategic Planning Team. This draft performance reporting framework has not been shared within Council as yet. We note that the Approach is complex and detailed, suggesting a level of maturity which may require a staged approach (refer Improvement Opportunities).

In the absence of a corporate-wide performance reporting framework, the Parklands, Policy and Sustainability portfolio has independently developed a quarterly reporting template for the subordinate strategies under its responsibility. Given that this portfolio reports on six (6) of the eight (8) active subordinate strategies (plus the 2 plans), these reports have been widely adopted as the accepted reporting template across CoA and could, therefore, provide a useful reference in the refinement of the Strategic and Corporate Framework Reporting Approach.

2. Year 1 Strategic Plan Update

The Year 1 Strategic Plan 2024-2028 update report was presented to City Finance & Governance Committee on 19 August 2025 and reported on the progress of each indicator of success/measure/target under each of the 5 pillars. This report was prepared by the Strategic Planning Team, via review of PMO system updates and validation with relevant Program Owners regarding status of Strategic Plan measures. Our sample-based review of the supporting spreadsheet to develop the Year 1 update report did not identify any inconsistencies in the reporting against the source information spreadsheet. We note that the Year 2 Strategic Plan 2024-2028 update report had not been finalised at the time of our review.

3. Subordinate Strategy Quarterly Reporting:

The Parklands Policy and Sustainability portfolio prepares quarterly and annual reporting, covering both targets and commitments for selected subordinate strategies (and plans). We note that this reporting is provided to the Executive for noting and, in addition, key aspects are reported as follows:

- Adelaide Park Lands Management Strategy - quarterly and annual reports to Kadatilla/Adelaide Park Lands Authority
- Economic strategy - quarterly and annual reports to CEO Performance Review Panel
- Heritage strategy - quarterly and annual reports to CEO Performance Review Panel
- Homelessness strategy - quarterly and annual reports to CEO Performance Review Panel
- Housing strategy - quarterly and annual reports to CEO Performance Review Panel
- Integrated climate strategy - quarterly and annual reports to Integrated Climate Strategy Steering Group and CEO Performance Review Panel
- STRETCH reconciliation plan - quarterly and annual reports to Reconciliation Committee
- Disability Access and Inclusion Plan - quarterly and annual reports to Access and Inclusion Panel.

Dimension 5: Reporting and Data (cont.)

Current State Assessment and Observations (cont.)

We note that the following active subordinate strategies, which fall outside the Parklands Policy and Sustainability portfolio, do not appear to have been reported on regularly:

- Customer Experience Strategy - There does not appear to be any dedicated reporting on this strategy, however, components of this internal strategy are included in the Corporate Scorecard which is produced quarterly and presented at Executive meetings.
- Integrated Transport Strategy - An internal reference group has been established to oversee this strategy however reporting on this strategy has not yet commenced. We were advised that the reference group first met on 20 March 2026, with ToR to be established. Reporting is proposed to mirror the Parklands Policy and Sustainability portfolio reporting template.

4. Quality of subordinate strategy tracking and reporting

The Parklands Policy and Sustainability portfolio subordinate strategies are managed using a Strategy Tracker, with information on strategic projects accessed from the PMO system. The subordinate strategy tracking was previously done via Excel, however since early 2026 the portfolio is transitioning to a SharePoint version which is more robust and enables easier updating, sorting and report preparation.

We conducted high level testing of a sample of the Heritage, Homelessness and Housing strategy quarterly and annual reporting against the Strategy Tracker and PMO system updates. Our review did not highlight any significant issues with overall subordinate strategy tracking or reporting. We did, however, identify some difficulties in aligning strategic projects in the PMO system to strategy commitments in the Strategic Plan 2024-2028. This stems from the annualised approach to strategic projects which are submitted as part of the annual BP&P process and then linked to multiple strategic commitments in the PMO. We note that this issue was discussed at the Executive meeting on 24 February 2025 with recommendations made for strategic projects to be linked to a primary strategy (refer Dimension 2 - Observation 3).

Implication

The absence of a formally adopted performance reporting framework for strategic planning, including both the Strategic Plan and associated subordinate strategies, may result in reporting inconsistencies and gaps in reporting.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
5.1 Continue with the development of the Strategic and Corporate Framework Reporting Approach, considering the reporting template from the Parklands, Policy and Sustainability portfolio and the suggestions in the Improvement Opportunities section. This Approach can then be rolled out across all subordinate strategies, including Integrated Transport Strategy.	Long-term	5.1 Staff will develop a reporting approach for the organisation in line with other project work that is currently occurring - predominantly a new "Planning, Project and Reporting (IT) system" and the work with the new Council on the Strategic and Corporate Planning approach (item 1). Once Council has agreed the new approach to long-term to short term planning, we will then seek Council endorsement on how they want to report.	COO, AD Governance & Strategy	30/06/28

Dimension 6: Change Management

Current State Assessment and Observations

The Change Management dimension considers the review and approval process for changes to the strategic plan. Change management in relation to the strategic plan and subordinate plans is considered within the governance structures (refer Dimension 4) with changes to Strategic Plan 2024-2028 outcomes and/or subordinate strategy targets and commitments being communicated as part of the quarterly/annual reporting processes (refer Dimension 5). We note that change management has not been considered as part of the proposed Strategic and Corporate Planning Approach. In relation to strategic projects, we will consider project change management processes in further detail in the upcoming Project Management Framework internal audit project. Despite the absence of a documented change management approach for strategic planning, we noted the following change management practices:

- We understand that the Program Control Group is the main vehicle for consideration of changes in relation to strategic project budget/funding changes as part of the BP&B reporting process. We note that project change management processes will be reviewed in further detail in the upcoming Project Management Framework internal audit project
- The Core Committees and Council are required to recommend and endorse, respectively, any changes to strategic plans which are effectively set for four (4) years, with actions identified in each year. Review of the City Finance and Governance Committee minutes highlighted the following approved strategic planning amendments:
 - Approval of proposed redundant strategic, policy and operating documents (18 March 2025)
 - Adoption of amendments to the Strategic Plan 2024-2028 from the Year 1 Update report (19 August 2025).

We have assessed the maturity of this dimension in line with the assessments for Dimensions 4 and 5 and note that, given a number of subordinate strategies have been recently adopted, significant changes are not anticipated at present.

Implication

The absence of a documented change management approach for strategic planning increases the risk of unauthorised or inconsistent changes to the Strategic Plan and/or subordinate strategies.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
6.1 In reviewing the Strategic and Corporate Planning Approach, ensure change management processes and protocols are included (refer Recommendation 1.1).	Short-term	6.1 This content will be incorporated as part of Recommendation 1.1 implementation.	COO, AD Governance & Strategy	31/12/26

Dimension 7: Costing and Approvals

Current State Assessment and Observations

The Costing and Approvals dimension considers the process to determine and approve costings for strategic projects. Strategic initiatives which require specific funding are categorised as strategic projects and require a formal bid submission, including costings, as part of the annual BP&B process. The annual BP&B is approved by Executive and Council (via the City Finance and Governance Committee). We note that strategic initiatives that form part of BAU operating activities are not costed within strategic projects, but are included in operating budgets. Our Maturity Assessment for this dimension is 3-Defined given the formalised bid submission and approval process for strategic projects, noting that strategic BAU operating activities are costed in operating budgets.

Specifically, we have noted the following observations:

1. Strategic projects versus operating activities

The implementation of the subordinate strategies relies on delivery of strategic projects and operating activities:

- **Strategic Projects:** Project bids are submitted for strategic projects as part of the annual Business Plan & Budget (BP&B) process and are managed via the PMO system. These projects are costed in the BP&B as strategic projects under each pillar and financial performance is tracked as part of the BP&B reporting to Executive and Council.
- **Operating activities:** These are BAU activities which are not specifically costed in strategic projects as they are delivered within existing resources and form part of operating budgets.

We understand that the cost considerations for delivery of the subordinate strategies are considered as part of the annual BP&B process for strategic projects. We tested a sample of strategic projects from the Homelessness, Housing and Heritage projects and identified that the cost for these strategic projects in the PMO system aligned with the 2025/26 BP&B. We noted that, for three (3) of the 11 strategic projects tested, the budget was adjusted in the Q2 BP&B review and approved by Executive at the 15 Dec 2025 meeting.

The PMO is also used to manage the progress of strategic projects. Our review of screen shots from PMO system for a sample of strategic projects from the Homelessness, Housing and Heritage projects identified Q1 and Q2 status updates including an executive summary and budget status, although 'traffic lights' were missing for 1 out of 11 strategic projects tested.

In contrast operating activities to deliver subordinate strategies are not captured in the PMO system as they are considered BAU. Progress on BAU activities is the responsibility of the relevant portfolio. These operating activities are not costed against strategic projects as they rely on existing resources for delivery and form part of operating budgets. We were advised that CoA's Finance area maintains costs for BAU activities under 'service costings' however this information is not currently utilised to specifically cost operating activities related to subordinate strategies.

We suggest that a holistic approach to costing of subordinate strategies be considered, ensuring the total cost of all activities required to implement the strategy are identified at the time of defining the strategy. Once all costs are forecast, an evaluation of whether such costs require specific funding, via strategic projects, or if they can be funded out of existing operating budgets, should be conducted. This will assist Council in ensuring it has a full picture of the total cost of implementing a subordinate strategy at the outset.

2. Suitability of PMO system to manage strategic projects

The PMO system was built for capital project delivery, not strategic projects. Discussions with CoA staff suggest that the system is static, difficult to use, and does not clearly track deliverables. From a strategic planning perspective, it is mainly used by the Parklands, Policy and Sustainability portfolio as an input for subordinate strategy reporting. Despite its limitations, it currently remains the corporate system and intended source of truth for council-adopted strategic, capital and renewal projects. We note that the PMO system will be further investigated as part of the upcoming Project Management Framework internal audit.

Dimension 7: Costing and Approvals (cont.)

Current State Assessment and Observations (cont.)

We acknowledge that CoA is investigating a new Planning, Project Management and Reporting System that can facilitate a consistent and integrated approach to planning, project management, reporting and implementation. A Project Brief has been prepared for this initiative which was signed off in April 2026 by the AD Governance & Strategy and AD Information Management. The project brief states that the proposed system will allow for effective implementation of the Strategic and Corporate Planning Approach by providing a 'single source of truth' for planning, project management, organisational performance tracking and reporting.

Implication

The absence of costed operating activities which contribute to the achievement of the Strategic Plan and/or subordinate strategies means that CoA does not have a full picture of the true cost of implementing a strategic initiative.

The current PMO system deficiencies, particularly in relation to strategic projects increases the risk of suboptimal strategic project management.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
7.1 Prioritise the procurement of a planning, project management and reporting system to enable benefits to be realised in the next strategic planning cycle.	Medium-term	7.1 A new PPR system is already under investigation and due to be out to market for purchasing in the first half of 2026/27, in preparedness of the next Strategic Planning Cycle.	COO, AD Governance & Strategy	30/6/27
7.2 Consider a holistic approach to costing of strategic initiatives, ensuring inclusion of key BAU operating activities relevant to the delivery of the upcoming Strategic Plan for and associated subordinate strategies, with reference to service costings maintained by Finance.	Medium-term	7.2 CoA already costs BAU activities, including costs for individual functions under the banner of our "service costings". This information is not currently utilised, but has been maintained by Finance. In line with action 1.1, any future strategy development, will seek to better use this information. Consideration will also be given to improving terminology and what should be costed in BP&B and Strategies for future planning cycles.	COO, AD Governance & Strategy	31/12/26

Dimension 8: Continuous Improvement

Current State Assessment and Observations

The Continuous Improvement dimension considers the processes to review strategic plans, particularly following implementation. Continuous improvement in relation to the strategic plan and subordinate plans is considered as part of the quarterly/annual reporting processes within the governance structures (refer Dimension 4 and 5), however, given the Strategic Plan 2024-2028 and associated subordinate strategies are still in progress, we were not provided with any Post Implementation Reviews. In relation to strategic projects, we will consider project post implementation review processes in further detail in the upcoming Project Management Framework internal audit project. We note that continuous improvement processes have not been considered as part of the proposed Strategic and Corporate Planning Approach.

We have assessed the maturity of this dimension in line with the assessments for Dimensions 4 and 5.

Implication

The absence of a documented continuous improvement approach for strategic planning may result in post implementation review gaps and inconsistencies.

Recommendations	Priority	Management Action Plan	Action Owner	Target Date
8.1 In reviewing the Strategic and Corporate Planning Approach, ensure continuous improvement processes and protocols are included (refer Recommendation 1.1).	Short-term	8.1 This content will be incorporated as part of Recommendation 1.1 implementation.	COO, AD Governance & Strategy	31/12/26

Improvement Opportunities

Improvement Opportunities

The following improvement opportunities were identified from our best practice review of the suite of Strategic Planning documents and represent suggestions for consideration in the next cycle of strategic planning. Given the nature of the observations, they have not been prioritised using the Maturity Assessment Model outlined in Appendix 1 but are presented for CoA's consideration below:

Improvement Opportunities		
1.	Inconsistent document control	Our review of the suite of strategic planning and subordinate strategy documentation indicated the absence of consistent document control information (e.g. version and date) across some of the strategic planning documents.
2.	Strategic Plan	The Strategic Plan 2024-2028 is a comprehensive and densely informative document, with clearly articulated long term aspirations aligned to the five (5) pillars and noting the variable role of Council in the community. In addition to the absence of a long-term vision connected to a community plan (refer Dimension 1), we have noted the following improvement suggestions for the Strategic Plan: • Include an explicit mission for Council • Vision is jargon-heavy and does not represent a true future-state • Strategic plan methodology, including community consultation, is not mentioned in the Plan • Move Strategic Planning Framework further up the document for improved context • GANTT chart to allocate timing to the high volume of actions over the 4-year period • List of related strategic, plans and policies is extensive and potentially overwhelming.
3.	LTFP	The LTFP is clearly written and includes all required aspects, including financial sustainability ratios. We did, however, identify the following improvement suggestions: • The Strategic Context section references a Community Plan and Corporate Plan which do not exist for the 2024-2028 cycle • Resident growth assumptions (increase to 50,000 by 2036) do not appear to have adequately reflected in workforce and cost projections • Sensitivity analysis does not appear to consider the identified risks to explore various scenarios and their impact on the LTFP
4.	City Plan	City Plan is a comprehensive urban design guide for growth to 50,000 residents by 2036, built on engagement and evidence. It references Strategic Plan 2024-2028, however the City Plan principles and priorities do not appear to be consistent with the Strategic Plan.
6.	Annual BP&B	The 2025/26 Annual BP&B appears consistent with the Strategic Plan and generally well aligned to its five domains. The BP&B includes the ESCOSA report which states in its overall findings that council is currently sustainable but has some concerns in the mid to longer term. We note that the document is long and content rich and may benefit from rationalisation.

Improvement Opportunities (cont.)

The following improvement opportunities were identified from our best practice review of the suite of Strategic Planning documents and represent suggestions for consideration in the next cycle of strategic planning. Given the nature of the observations, they have not been prioritised using the Maturity Assessment Model outlined in Appendix 1 but are presented for CoA's consideration below:

Improvement Opportunities		
7.	Strategic and Corporate Planning Approach	The Strategic and Corporate Planning Approach is considered to be overly complex which may, inadvertently, discourage staff to focus on functions rather than outcomes. Improvement suggestions include: • Removal of definitions (e.g. bold, aspirational) which are potentially distracting • Move 'strategy triangle' to start of document to provide context • Once future state is agreed, remove current state slides.
8.	Strategic and Corporate Framework Reporting Approach	The Strategic and Corporate Framework Reporting Approach represents a strong improvement in performance reporting against the Strategic Plan, however, is very ambitious and jargon-heavy. We acknowledge that this document was intended for internal use by the Strategic Planning team. We would recommend an incremental approach to lift maturity in performance reporting and, as such, would recommend stepped rollout be considered in the Strategic and Corporate Framework Reporting Approach. Suggested improvements include: • Include governance structure for reporting • Overarching diagram showing how reports hang together • Remove detail for inclusion in separate guidance documentation • Once future state is agreed, remove current state slides.

Appendices

Appendix 1 - CoA Strategic Planning Maturity Assessment

Dimension	Level 1 - Ad hoc	Level 2 - Emerging	Level 3 - Defined	Level 4 - Integrated	Level 5 - Optimised
1. Strategy & Approval	No documented strategic plan; reactive decisions; minimal compliance evidence	Strategic plan exists but siloed; approved by Council; limited integration with LTFP/AMP	Strategic plan formally adopted; integrated with LTFP & AMP; 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
2. 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
3. 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
4. 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
5. 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
6. 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 plan/objectives	Embedded engagement; adoption/readiness metrics tracked; tailored for diverse communities	Continuous engagement; empowerment on selected decisions; visible feedback loops
7. 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
8. 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

Appendix 2 - Recommendation Priority Guidance

Recommendations have been prioritised based on the level of effort required, dependencies, and the extent to which they support progression toward higher maturity.

Priority	Timeframe	Criteria
Short-term	< 6 months	Actions that can be implemented relatively quickly using existing resources and processes. Typically focused on establishing foundational controls, improving documentation, or formalising practices that are already partially in place. These actions are expected to deliver immediate improvements in consistency, governance and control effectiveness.
Medium-term	6-12 months	Actions that require moderate effort, coordination across teams, or refinement of existing processes and systems. These initiatives often build on short-term improvements and support more consistent and structured application of asset management practices across the organisation.
Long-term	12-24+ months	Actions that involve more significant change, including system enhancements, development of new frameworks, or integration of data and processes across the asset lifecycle. These initiatives are typically dependent on the completion of earlier actions and are critical to achieving a more mature, data-informed and integrated asset management capability.

Appendix 3 - Detailed Approach

We adopted the following approach to deliver the Strategic Planning, Governance and Organisational Reporting Internal Audit:

Phase 1: Process Discovery

- Obtained and reviewed 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
- Conducted 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)
- Identified 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
- Identified the key risk areas within the strategic and business planning processes
- Documented 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

- Assessed 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
- Conducted 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, identified areas requiring improvement from a control and/or process improvement perspective
- Agreed areas that require specific 'walkthroughs' and/or 'testing'.

Appendix 3 - Detailed Approach (cont.)

Phase 2: Assessment of Process Adequacy (cont.)

- In consultation with CoA representatives, selected 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, identified areas requiring improvement from a control and/or process improvement perspective.

Phase 3: Process Improvement

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

Phase 4: Report Results

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



Appendix 4 - Documents Assessed and Stakeholders Consulted

Documents Assessed

- Adelaide City Council strategic-plan-2024-2028
- FINAL Long Term Financial Plan 2025-2026 to 2034-2035
- CoA city-plan
- CoA business-plan-budget 2025-26
- 5. Strategic and Corporate Planning Approach - Cover Report
- plan-asset-management-building
- plan-asset-management-plan-lighting-electrical
- plan-asset-management-plan-park-lands-open-space
- plan-asset-management-plan-transportation
- plan-asset-management-plan-urban-elements
- plan-asset-management-plan-water-infrastructure
- 5a Attachment A - Strategic and Corporate Planning Approach - diagram
- Exec - Jan 2025 - Attachment C - Strat and Corp Plan Guide
- SCPA - Strategic and Corporate Planning Approach - V2 Feb 2025
- Policy & Operating Guideline Governance Framework
- REPORTING - SPE Draft framework
- GOV25-001-Org-Chart_November-2025_v11
- Audit-and-Risk-Committee-Terms-of-Reference-Adopted-28-January-2025
- CEO-Performance-Review-Panel-Terms-of-Reference
- 9a. Attachment A_PM041 PM Practice Guide _Operations Governance Framework_008
- 9b. Attachment B_marked up_PM041 PM Practice Guide _Operations Governance Framework (PCG Review_008)
- Core-Committee-ToR-and-Meeting-Procedures
- terms-reference-meeting-procedures-reconciliation-committee
- policy-community-engagement
- charter-community-engagement
- 5. BPB approach - 31 March 2025 - for review
- Advice of the Special Audit and Risk Committee - 27 November 2025
- Agenda frontsheet 19082025 1730 City Finance and Governance Committee
- 2. Approved Executive Meeting Minutes - 10 November 2025
- 2. Approved Executive Meeting Minutes - 15 December 2025 - Q2 Budget Review
- 2. Approved Executive Meeting Minutes - 20 January 2025
- 2. Approved Executive Meeting Minutes - 29 September 2025
- 2. Draft Executive Meeting Minutes - 8 December 2025
- Agenda frontsheet 25032025 1900 Council
- Decisions 25032025 1900 Council
- Public minutes 25032025 1900 Council
- Public minutes 12122023 1730 Council
- Terms of Reference - Project Management Office (1)
- 6a. 251211 Exec MainStreets Report - 15 December 2025
- report-coa-annual-report-2024-25
- Strategic Alignment Report - BP&B Development
- Strategic Planning, Governance & Organisational Reporting Review - Documentation Request 6 Feb 2026
- Attachment A for Capital Works Monthly Project Update - October 2025
- Q1 202526 BPB Update
- Attachment A - BPB Q1 2025 update
- Capital Works Monthly Project Update - October 2025
- 6. Quarter 1 Budget Review 2025_26 - 29 September 2025
- 6b. 251211 Quarter 2 Budget Review 2025_26_Final - 15 December 2025
- 7. Cover Report - Executive Meeting 8 December 2025 - 26-27 BPB Budget Brief Review
- Strategic Plan 2024-2028 Year 1 update
- 2025-26 Strategy Reporting - DAIP - Quarter 1
- 2025-26 Strategy Reporting - EDS - Quarter 1
- 2025-26 Strategy Reporting - Heritage - Quarter 1
- 2025-26 Strategy Reporting - Homelessness - Quarter 1
- 2025-26 Strategy Reporting - Housing - Quarter 1
- 2025-26 Strategy Reporting - ICS - Quarter 1
- 2025-26 Strategy Reporting - Stretch RAP - Quarter 1
- 2025-26 Quarterly Reporting - APLMS - Quarter 2
- 2025-26 Strategy Reporting - APLMS - Quarter 1
- Strategic Planning, Governance & Organisational Reporting Review - Documentation Request 6 Feb 2026
- Strategic Planning, Governance & Organisational Reporting Review - Documentation Request 6 Feb 2026
- CoA Wayfinding Strategy Signage Suite (1)
- Customer Experience Strategy-reduced
- Economic Development Strategy-reduced
- Heritage-Strategy-reduced
- Homelessness-Strategy-Everyones-Business.PDF
- Housing Strategy - Investing in Our Housing Future-reduced
- Integrated Climate Strategy-reduced
- Spatial Vision Strategy
- CoA Policy Database - 20 March 2026
- strategy-adelaide-parklands-management
- 7a. Attachment A - Budget Bid Brief Submissions - 8 December 2025
- 7b. Attachment B - Service Changes - 8 December 2025
- 7c. Attachment C - Strategic Projects - 8 December 2025
- 7d. Attachment D - Capital Projects - 8 December 2025
- Meeting Minutes for the City Finance and Governance Committee 05-12-2023
- Agenda and Reports Pack for the City Finance and Governance Committee meeting 05-12-2023
- Meeting Minutes for the City Finance and Governance Committee 19-08-2025
- Agenda and Reports Pack for the City Finance and Governance Committee meeting 19-08-2025
- Strategy One Pager 25-26 - APLMS1
- Strategy One Pager 25-26 - DAIP1
- Strategy One Pager 25-26 - EDS
- Strategy One Pager 25-26 - Heritage Strategy 1
- Strategy One Pager 25-26 - Homelessness
- Strategy One Pager 25-26 - Housing
- Strategy One Pager 25-26 - ICS 1
- Strategy One Pager 25-26 - RAP 1

Appendix 4 - Documents Assessed and Stakeholders Consulted (cont.)

Documents Assessed (cont.)

- Meeting Minutes for the City Finance and Governance Committee 17-02-2026
- Agenda and Reports Pack for the City Finance and Governance Committee meeting on 17-02-2026
- CEO Performance Review Panel 1 Dec 2025 Agenda and Reports
- CEO Performance Review Panel 1 Dec 2025 Minutes
- CEO Performance Review Panel 2 Mar 2026 Agenda and Reports
- CEO Performance Review Panel 2 Mar 2026 minutes
- Council Meeting Minutes 12-12-2023
- Council Meeting Agenda and Reports Pack 12-12-2023
- Council Meeting Minutes 24-02-2026
- Council Meeting Agenda and Reports Pack 24-02-2026
- Council Meeting Minutes 25-03-2025
- Council Meeting Agenda and Reports Pack 25-03-2025
- Council Meeting Minutes 26-08-2025
- Council Meeting Agenda and Reports Pack 26-08-2025
- Strategy One Pager 25-26 - APLMS1
- StrategyOne Pager 25-26 - DAIP1
- Strategy One Pager 25-26 - EDS
- Strategy One Pager 25-26 - Heritage Strategy 1
- Strategy One Pager 25-26 - Homelessness
- Strategy One Pager 25-26 - Housing
- Strategy One Pager 25-26 - ICS 1
- Strategy One Pager 25-26 - RAP 1
- Project status screenshots.dox
- Strategy Tracker 2026
- Strategy Reporting 2025/26
- 2025-26 Quarterly Reporting - Heritage Quarter 2
- 2025-26 Quarterly Reporting - Homelessness Quarter 2
- Quarterly Reporting 2025-26 - Housing Quarter 2
- PPR System - Project Brief and Plan
- Corporate Scorecard - Quarter 3 2025-26 (including Executive Report)

Stakeholders Consulted

- Michael Sedgman - Chief Executive Officer
- Rebecca Hayes - Associate Director, Governance & Strategy
- Kathryn Goldy - Manager Corporate Governance & Risk
- Annette Pianezzola - Risk & Audit Advisor, Corporate Governance & Risk
- Michael Mallamo - Coordinator, Strategic Planning
- Michael Terizakis - Coordinator, Corporate Planning
- Michelle Arbon - Manager, Project Management Office (PMO)
- Sarah Gilmour, Associate Director, Parklands, Policy & Sustainability
- Nikki Batten - Coordinator, Corporate Planning
- Mark Goudge - Associate Director, Infrastructure
- Nicholas Morrow - Team Leader for Strategic Asset Management
- Simon Davis - Manager Infrastructure Planning
- James Nenke - Asset Support Coordinator
- Jane Armstrong - Executive Coordinator Officer of the CEO

Internal Audit Progress Report

Strategic Alignment - Our Corporation

Public

Wednesday, 23 September 2026

Audit and Risk Committee

Program Contact:

Rebecca Hayes, Associate
Director Governance & Strategy

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 22 May 2026.

Currently, there are 20 open actions of which eight are overdue. Since the May Internal Audit Progress Report, twelve internal audit actions have been completed and an additional six actions have been added to the action list as a result of the completion of the Penetration Testing and Strategic Risk Assessment and Alignment Internal Audit.

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 May 2026;
- 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 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026.
2. Notes the progress of the completion of Internal Audit Actions as contained in Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation 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.
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.
26/27 Budget Allocation	\$250,000 is budgeted for external consultancy support in accordance with the 2026-27 internal audit program.
Proposed 27/28 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
26/27 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The 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. Twelve internal audit actions from previous Audits have been completed since May 2026 and are outlined in the table below:

No.	Internal Audit ID Audit Title	Internal Audit Action
1	I00710 Workforce Planning & Staff Retention <i>Incorporate a more robust performance, development and succession planning processes in the annual common law remuneration review process</i>	• Workforce Planning Framework has been developed and presented to Executive. • Learning, Perform and Talent Management modules of new HRM has been implemented incorporating goal setting, succession planning and talent management functionality. • Annual common law remuneration has been completed and incorporated a more robust performance review.
2	I00743 Voters Roll Review <i>A focus will also be placed on developing translated and accessible versions of our campaign material to ensure equal access to information for all ratepayers. On specific campaign material, we will also highlight the ability for our online content to be translated into various languages.</i>	• Top five languages have been used in the city for posters, linking to the languages using the functionality on the CoA website.
3	I00835 Post Audit Implementation Review <i>In consultation with Technical Services team, review and update the Design manual. This will be greatly aided by the introduction of the cost estimator role and will commence after the endorsement of the Asset Management Plans scheduled for mid-2024.</i>	• The In house cost estimator budget bid submission was not approved and is now being pursued through a tender process. • Budget bid submission was not successful to engage resources to undertake a review and update of the Adelaide Design Manual. Unable to progress this action with current resources.
4	I00841 Local Government Security Framework <i>Strategic Risk Register – with the next review of the Strategic</i>	• Security Framework has been developed and endorsed. • Strategic Risk Register has been developed and endorsed.

No.	Internal Audit ID Audit Title	Internal Audit Action
	<i>Risk Register, expand the Security risk to include cyber and physical security risks. Consider all risks and opportunities including current and additional mitigation strategies.</i>	- Additional wording outlining employee and leader responsibilities for ensuring a security culture has been captured in the Position Description documents. - Continuous security training is rolled out to Council. - Increased security education and training is rolled out via 'Be Security Smart' for all staff. - Implemented phishing simulations.
5	I00890 Record Keeping 2024 <i>Download inspections from Assetic weekly and place them in Content Manager.</i>	- Record Management Operating Guideline has been reviewed and updated. - Revised BSC terms of reference has been drafted and circulated. - Assetic is now a system of record.
6	I00905 Lease Management <i>In conjunction with the Technology One Post Implementation Review audit, investigations will be performed to determine the most appropriate system to raise and receipt Property invoices.</i>	- Read only access has been granted to a debtor module for Property and Community teams. - Credit notes have been configured and are in use. - Statement functionality is working with accurate data showing. - Information provided by the Community Lifestyle and Strategic Property Management teams are reviewed and approved by the Team Leader prior to submitting to Finance. - TechnologyOne will serve as the central debtor management system.
7	I00907 Lease Management (ACMA) <i>Provide read only access to Progenesis for the Financial & Capital Accountant and relevant finance staff.</i>	- The current configuration with ACMA cloud base Progenesis is unable to integrate with TechOne therefore unable to roll out for the Property team. Finance is still pursuing with an opportunity for integration with future upgrades to the system. If not a viable solution, then Salesforce may be an option to investigate. - Operating Procedures have been reviewed and updated for Community. - Procedures have been documented in Promapp. - Finance have access to read only in Progenesis.
8	I00913 Lease Management (COMMUNITY LIFESTYLE) <i>Provide read only access to Progenesis for the Financial & Capital Accountant and relevant finance staff.</i>	- Community Lifestyle team has access to Progenesis and has been trained. A team member has inputted all the information into the system to manage and maintain going forward. - All information in Progenesis is stored into Content Manager
9	I00914 Fraud Prevention <i>Review and update the guideline to define the scope including the applicability or exceptions to different employment statuses.</i> <i>Develop training for hiring managers to ensure consistent adherence to approved recruitment practices. Resources/guides will be provided.</i>	- The Operating Guideline has been reviewed and updated for Recruitment & Selection. - Foundation training has been created and is being rolled out across the corporation.

No.	Internal Audit ID Audit Title	Internal Audit Action
10	I00948 Electric Vehicles Transition for Workshop Operations	- The Fleet Strategy 2025-2028 was developed and presented to Executive in September which outlines a roadmap for the management of Plant and Fleet now and in the future. - The Asset Management Plan (AMP) was endorsed by Executive in June 2026 which is a baseline for the management of plant and fleet. An annual review of the AMP will be undertaken as more information is available and informed decisions can be made to right sizing fleet and what is required in the future.
11	I00957 TechnologyOne Post Implementation Review <i>The CoA will review current AR function, including current integrations, manual work arounds, and identify key issues and opportunities for improvement and develop a remediation plan and, if required, consideration for 2026/2027 Business Plan and Budget process.</i>	- A review of the Accounts Receivable function has been completed, and the findings will inform the development of an improvement plan with the implementation to occur in parallel with the Salesforce implementation. - Business Systems Committee has been re-established.
12	I00978 Paid Parking Review	- UPark Operations Risk Register has been developed by the team which has identified all operational risks. - The On-Street Parking Operating Guideline has been developed and presented to Executive on 23 March 2026 for approval.

6.1. Twenty recommendations are currently in progress.

Extensions

- 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.
- Since the last report to ARC in May 2026, five actions have been approved for an extension. The actions and the rationale for its extension are listed below in the table:

No.	Internal Audit Actions	Rationale for Extension	Current Due Date	Revised Due Date
1	I00916 Fraud Prevention <i>data cleansing</i>	Progress has commenced with regard to data cleansing. Until a new Fuel Management System is in place the team is unable to completely satisfy the full audit action.	30 June 2026	30 June 2027
2	I00983 Content Manager Upgrade	The project to migrate Content Manager to Cloud is well underway, however due to early testing we have identified some system issues which has delayed the project by approx. 3 weeks and as a result the initial completion is not achievable.	30 September 2026	31 October 2026

No.	Internal Audit Actions	Rationale for Extension	Current Due Date	Revised Due Date
3	I00908 Lease Management <i>The Park Lands Leasing and Licensing Policy and Operating Guideline are under review and will be updated and finalised by December 2025. Finalise the Policy and Operating Guideline.</i>	An extension is required to ensure that the information gathered through the Public Consultation process could be considered and utilised to update the Draft Policy.	31 August 2026	30 November 2026
4	I00959 TechnologyOne Post Implementation Review <i>The CoA to incorporate robust training plans and training sessions in-line with the organisational change management framework that is being developed.</i>	The development of the change management framework has been delayed by other work priorities and resourcing demands (vacancies within the PX team over the past 12 months).	30 June 2026	30 June 2027
5	I00868 Data Protection & Privacy <i>Data Management Operating Guideline</i> <i>The CoA will update the existing Data Management Operating Guideline and investigate requirements and expansion of the guideline to incorporate the inclusion of IAR as an appendix.</i>	The overarching AI Policy was finalised in Feb 2026, a key outcome of this will be a new data classification as this aligns to the purposes of the Data Management OG. This funded project will be best placed to deliver the relevant and required updates including IAR.	30 June 2026	30 June 2027

Additional Actions

9. Six additional internal audit actions have been added to the list as outlined in the table below:

Internal Audit ID	Audit Title	Risk Rating	Due Date
I00999	<u>Penetration Testing</u> Verify whether all SMTP servers required and disable those that are not.	Moderate	30 September 2026
I01001	<u>Penetration Testing</u> Disable LLMNR and mDNS. Consider deploying a canary solution to detect adversaries targeting insecure name resolution protocols.	Moderate	30 September 2026
I01031	<u>Strategic Risk Assessment and Alignment</u> Enter the current risk, control and treatments in Promapp to ensure controls are reviewed on a regular basis and treatment are actioned.	High	31 March 2027

Internal Audit ID	Audit Title	Risk Rating	Due Date
I01032	<u>Strategic Risk Assessment and Alignment</u> Establish a formal control effectiveness assessment process, with control owners assigning ratings based on defined criteria to assess design and operating effectiveness.	High	31 March 2027
I01033	<u>Strategic Risk Assessment and Alignment</u> Develop and implement periodic control self-assessment (CSA) schedules, integrated within Promapp, to support ongoing monitoring and accountability.	Moderate	31 March 2027
I01034	<u>Strategic Risk Assessment and Alignment</u> Refresh the FY28–FY30 Internal Audit Program, and include the following: • High level scopes for approval, with clear reference the strategic risks linked to each internal audit, as well as the possible controls that could be assessed (note that there may also be other areas/processes beyond this) Integrate the following measures into the internal audit process: • Within the internal audit scoping process, add further details around what existing control information, or treatments will be in scope for the internal audit (this could be an appendix). • As part of the internal audit reporting process, include further details about the outcomes of the internal audit with respect to existing risk management information (e.g. have the controls been properly captured and articulated – should risk ratings/control effectiveness ratings be amended, etc)	Moderate	30 June 2027

Overdue Actions

10. The status of all currently overdue actions is provided in the table below:

Internal Audit ID	Audit Title	Risk Rating	Status
I00679	<u>Asset Inspection</u> – update the Water Infrastructure Asset Management Plan. Data collection for this project is not complete; it will be completed during FY26/27 subject to budget approval.	High	In progress, due for completion 30 June 2027.
I00757	<u>Review of Adelaide Economic Development Agency</u> – develop the AEDA Long Term Financial Plan to provide long term financial stability to support the delivery of the strategic plan.	High	In progress, due for completion 30 November 2026.
I00838	<u>Post Audit Implementation Review</u> – online training and awareness for employees and leaders when completing and approving timesheets. Realign timing with the scheduled roll out of the new timesheet and rostering system.	High	In progress, due for completion 31 December 2026.

Internal Audit ID	Audit Title	Risk Rating	Status
I00965	<u>Site Contamination Management</u> – conduct training and awareness activity	Moderate	No update available
I00967	<u>Site Contamination Management</u> – define the list of training requirements for personnel, and develop and implement formal training programs	Low	No update available
I00973	<u>Internal Legislative Compliance 2025</u> – AEDA Long Term Financial Plan (LTFP) review has commenced, the audit action is to finalise the LTFP once the FY26/27 budget has been approved.	Low	In progress, due for completion 30 November 2026.

Status of Actions

11. In summary, progress on the implementation of Internal Audit Actions since the last report to ARC in May 2026, is reflected in the following table:

Risk Level	Definition	Open May	Complete	Overdue	In Progress	Open Sept
High	Issues represent a control weakness which could have or is having major adverse effect on the ability to achieve project objectives.	8	4	3	3	6
Moderate	Issues represent a control weakness which could have or is having a moderate effect on the ability to achieve project objectives.	8	5	1	6	7
Low	Issues represent a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives.	6	2	2	2	4
N/A	Improvement Opportunity	4	1	-	3	3
TOTAL		26	12	6	14	20

DATA AND SUPPORTING INFORMATION

Link 1 – [Agreed Action Progress Report](#)

ATTACHMENTS

Nil

- END OF REPORT -

Climate Risk Register – Transition to Enterprise Risk Management

Strategic Alignment - Our Corporation

Public

Wednesday, 23 September 2026

Audit and Risk Committee

Program Contact:

Sarah Gilmour, Associate
Director Park Lands, Policy &
Sustainability

Approving Officer:

Ilia Houridis, Director City
Shaping

EXECUTIVE SUMMARY

The purpose of this report is to advise that climate risk management has been integrated into City of Adelaide's corporate risk management framework, following:

- The reduction of 283 climate-related risks to 12 draft strategic climate risks; and
- Refinement and incorporation of the 12 draft strategic climate risks into BDO's Strategic Risk Assessment and Alignment Internal Audit (BDO Audit).

Responses to the BDO strategic risk internal audit were noted by the Audit and Risk Committee (ARC) on 14 August 2026 ([Link 1](#)). Given this development, climate risks will no longer be managed through a separate register and instead are consolidated within the Strategic Risk Register under Risk 5: Climate Resilience.

The internal Integrated Climate Strategy Risk and Reporting Framework, noted by ARC on 27 September 2024 ([Link 2](#)), has been amended to remove references to a separate climate-related risk and opportunity register. The amended Integrated Climate Strategy Risk and Reporting Framework is provided in **Attachment A**.

Oversight of climate risk remains with the City of Adelaide's internal Strategic Risk and Internal Audit Group (SRIA) and ARC, supported by an evolved internal Integrated Climate Strategy Steering Group (ICS) to coordinate cross-portfolio impacts. Corporate reporting arrangements provide clear ownership, review schedules, governance pathways and reporting lines, supporting ongoing compliance with internal audit recommendations and the Integrated Climate Strategy 2030.

Some climate-related risks identified as outside Council's reasonable control were not progressed through the strategic risk framework and will instead be addressed through existing strategies and future reviews of the Integrated Climate Strategy 2030.

The consolidation of climate risk into the Strategic Risk Register strengthens the City of Adelaide's voluntary climate-related disclosures aligned with Australian Accounting Standards Board – Australian Sustainability Reporting Standards (AASB S2) by improving documentation of risk ownership, controls, monitoring, review cycles and integration with enterprise risk management.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the management of climate risk through the City of Adelaide's corporate risk framework which was endorsed by the Audit and Risk Committee on 14 August 2026.
2. Notes the amended Integrated Climate Strategy Risk and Reporting Framework as contained in Attachment A to Item 6.6 on the Agenda for the Audit and Risk Committee meeting held on 23 September 2026 which is updated from time to time by the Administration.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Outcome – Effective Leadership and Governance Enable effective governance, risk management, accountability and transparency at all times in decision making.
Policy	Not as a result of this report
Consultation	The BDO internal audit report was noted at the Audit and Risk Committee on 14 August 2026 and incorporates climate risks within the Strategic Risk Register under Risk 5: Climate Resilience.
Resource	Not as a result of this report
Risk / Legal / Legislative	The consolidation of climate risk into the Strategic Risk Register strengthens the City of Adelaide's voluntary climate-related disclosures aligned with Australian Accounting Standards Board – Australian Sustainability Reporting Standards (AASB S2) by improving documentation of risk ownership, controls, monitoring, review cycles and integration with enterprise risk management.
Opportunities	Administration will continue to look for opportunities to align CoA's management of climate risks with AASB S2 as part of voluntary climate risk disclosure practices.
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

Purpose

1. The purpose of this report is to advise that climate risk management has been integrated into City of Adelaide's (CoA) corporate risk management framework.
2. Enterprise risks were endorsed by the Strategic Risk and Internal Audit Group (SRIA) on 6 August 2026 and noted by the Audit and Risk Committee (ARC) on 14 August 2026 ([Link 1](#)).

Background

3. On 27 September 2024, the Audit and Risk Committee (ARC) noted the Integrated Climate Strategy Risk and Reporting Framework ([Link 2](#)).
4. The Integrated Climate Strategy Risk and Reporting Framework (the ICS risk reporting framework) was prepared by the City of Adelaide (CoA) with input from KMPG, to provide guidance on the approach for reporting against the Integrated Climate Strategy 2030 and managing climate risk. It is an internal document and designed to be amended from time to time to reflect CoA roles, responsibilities and practice.
5. The ICS risk and reporting framework was developed with reference to better practice sustainability reporting, including the Australian Sustainability Reporting Standards (ASRS) covering governance, strategy, risk management and metrics and targets.
6. The ARC's role under the ICS risk and reporting framework is to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters in relation to climate risk.

CoA's approach to managing climate risk

7. On 17 October 2025, the ARC received advice that an updated climate related risk and opportunity register was scheduled to be presented to the Audit and Risk Committee in late 2025 ([Link 3](#)).
8. In 2025 a second-pass Climate Risk and Opportunity Assessment was undertaken, aligned with emerging AASB S2 climate disclosure requirements, and included internal consultation via targeted workshops that engaged 44 employees across all areas of the organisation and oversight by the internal Integrated Climate Strategy 2030 Steering Group. It identified 12 key risks categorised as Strategic, Emerging and Operational.
9. This assessment informed work undertaken by BDO in March 2026 to update the CoA's Strategic Risk Register – Risk 5 Climate Resilience.
 - 9.1. The following draft strategic climate risks were transitioned to the CoA's Strategic Risk Register:
 - 9.1.1. Extreme heat reduces public safety and productivity
 - 9.1.2. Accelerated asset degradation, lifecycle costs and supply chain disruption
 - 9.1.3. Degradation and loss of biodiversity, natural systems and cultural landscapes
 - 9.1.4. Financial volatility and budgetary strain from climate impacts
 - 9.1.5. Increased flash flooding impacting people, transport and assets
 - 9.1.6. Increased climate-related legal and governance liability
 - 9.1.7. Parking revenue loss due to extreme weather.
 - 9.2. The following draft strategic climate risks are broadly covered through existing strategies, including the Integrated Climate Strategy, Economic Development Strategy and Housing Strategy and do not form part of the CoA's Strategic Risk Register:
 - 9.2.1. Opportunity: make climate readiness Adelaide's strategic advantage
 - 9.2.2. Decline in visitor and events economy due to climate shocks
 - 9.2.3. Opportunity: attract residents with climate-resilient housing
 - 9.3. The following draft strategic climate risks are assessed as being beyond the CoA's responsibility and are not being pursued:
 - 9.3.1. Erosion of community cohesion and public safety
 - 9.3.2. Climate stress heightens emergency response and social services
10. Oversight of Climate Resilience remains with SRIA and ARC, supported by the Integrated Climate Strategy Steering Group to coordinate cross-portfolio impacts.

11. The integration of strategic climate risk into the CoA's Strategic Risk Register is a further maturing of the organisation's approach to climate risk management, as summarised in the table below:

Period	Approach to managing climate risk
2019–2020	Climate risk is identified as a standalone program of work. Edge Environment undertook a comprehensive assessment, identifying 283 individual climate risks across Council operations.
2020–2023	Risks were managed primarily through a dedicated climate risk register and the Climate Change Risk Adaptation Action Plan 2021-2026 (unfunded), aligned with but outside the enterprise risk processes, and reported to ARC.
2023–2024	At its meeting on 4 August 2023, the ARC noted an internal audit plan including a review of the CoA's approach to climate risk. A primary driver of the review was the need to integrate climate risk with the CoA's Long Term Financial Plan. Internal audit of climate risk resulted in increased governance and development of a standalone governance and reporting framework for managing climate risk. KPMG conducted a Reporting Readiness Assessment (Link 4) against the ASRS changes, which identified a notable gap in a climate-specific risk management process to identify, assess, prioritise and monitor climate-related risks and opportunities.
2024	Administration brought forward the mid-point review of the Climate Change Risk Adaptation Action Plan 2021-2026 which was replaced by the City of Adelaide's Integrated Climate Strategy 2030 (ICS) and an associated Governance and Reporting Framework.
2025	Climate Cavalry/Tandem Energy completed a second-pass Climate Risk and Opportunity Assessment aligned with emerging AASB S2 climate disclosure requirements (Link 5). The assessment identified 12 draft strategic climate risks and opportunities to replace the 283 climate-related risks previously identified and was presented to SRIA on 12 February 2026.
2026	The 2025 assessment informed a review of the CoA's Corporate Strategic Risk Register with climate risks embedded within enterprise risk management, with treatment plans and monitoring through existing corporate governance processes. Oversight of Climate Resilience will remain with SRIA and ARC, supported by an evolved Integrated Climate Strategy Steering Group (ICS) to coordinate cross-portfolio impacts.

Amendments to the ICS risk and reporting framework

12. The ICS risk and reporting framework has been amended to remove references to a separate climate-related risk and opportunity register (Attachment A). Key changes include:
- 12.1. Updating document title and references throughout to Integrated Climate Strategy 'Risk and' Reporting Framework.
 - 12.2. Removing reference to the ICS Implementation Roadmap (section 1.2), as reporting is occurring against an agreed implementation plan aligned with the Annual Business Plan and Budget.
 - 12.3. Updating reference to ICS Contributors to include 'Working Group' (Table 2 and throughout).
 - 12.4. Updating the allocation of responsibilities (section 2.1.2; Figure 2AC) to reflect current organisational structure.
 - 12.5. Removing reference to the climate related risk and opportunity register (Figure 3; section 4.1.1; section 4.2).
 - 12.6. Inserting references to enterprise management of climate risk (section 3.1 and section 3.2).
 - 12.7. Updating information relating to climate-related scenario analysis (section 3.3)
 - 12.8. Inserting additional guidance to support the preparation of the ICS Annual Report (section 6.2).
 - 12.9. Minor editing and consequential amendments to section, figure and table numbering.

Next steps

13. The following next steps are planned:
 - 13.1. The amended Terms of Reference (ToR) for the internal ICS Steering Group were approved by SRIA at its meeting on 17 September 2026 and will be tabled at the 2026/27 Quarter 1 meeting of the Steering Group.
 - 13.2. Continued refinement of the CoA's approach to managing climate risks aligned with AASB S2 as part of voluntary climate risk disclosure practices.

DATA AND SUPPORTING INFORMATION

Link 1 – [Audit and Risk Committee - Agenda - 14 August 2026](#)

Link 2 – [Audit and Risk Committee – Agenda – 27 September 2024](#)

Link 3 – [Audit and Risk Committee - Agenda - 17 October 2025](#)

Link 4 - [Reporting Readiness Assessment](#)

Link 5 – [Climate Cavalry Climate Risk Assessment](#)

ATTACHMENTS

Attachment A – Amended Integrated Climate Strategy Governance and Reporting Framework

- END OF REPORT -

Integrated Climate Strategy



Risk and Reporting Framework

~~Version 0.1 / Date: Presented to Audit and Risk Committee 27 September 2024~~

Version 0.2 / Date: Presented to Audit and Risk Committee 23 September 2026

Contents

CONTENTS 2

LIST OF TABLES.....	3
LIST OF FIGURES	3
1 REPORTING FRAMEWORK OVERVIEW	4
1.1 PURPOSE OF THIS DOCUMENT	4
1.2 SCOPE OF THIS DOCUMENT	4
1.3 FUTURE FOCUS OF THIS DOCUMENT	4
2 GOVERNANCE.....	4
2.1 ICS ROLES AND RESPONSIBILITIES	4
2.1.1 <i>Roles</i>	5
2.1.2 <i>Responsibilities</i>	8
2.2 COMMUNICATIONS AND ENGAGEMENT	9
2.3 REPORTING STRUCTURE	10
2.4 GOVERNANCE STRUCTURE	12
3 STRATEGY.....	13
3.1 CLIMATE-RELATED RISKS AND OPPORTUNITIES OVER SHORT, MEDIUM, AND LONG TERM.....	13
3.2 IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON STRATEGIC & FINANCIAL PLANNING.....	14
3.3 CLIMATE-RELATED SCENARIO ANALYSIS.....	14
4 RISKS AND OPPORTUNITY MANAGEMENT	15
4.1 PROCESS FOR IDENTIFYING, ASSESSING AND MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES.....	15
4.1.1 <i>Climate-related risk and opportunity register</i>	15
4.2 ICS DELIVERY RISKS AND OPPORTUNITIES	16
5 METRICS AND TARGETS	16
5.1 METRICS AND TARGETS OF THE ICS.....	17
5.2 COLLECTION OF DATA.....	20
6 APPENDIX	20
6.1 KEY CONSIDERATIONS OF THE ICSRF	20
6.1.1 <i>Measuring and reporting</i>	20
6.1.2 <i>ICSRF Drivers</i>	21
6.1.3 <i>Risks</i>	21
6.2 ICS ANNUAL REPORT – PROPOSED TABLE OF CONTENTS	22
6.3 GLOSSARY.....	24
6.4 DOCUMENT CONTROL	26
6.5 VERSION CONTROL	27
6.6 REVIEW EVIDENCE TABLE.....	27

List of Tables

TABLE 1: ICS GOVERNANCE STRUCTURE	7
TABLE 2: ICS ROLE OF COUNCIL AND COMMITTEES	8
TABLE 3: EXAMPLE TABLE ON HOW TO DISCLOSE CLIMATE-RELATED RISKS OVER SHORT, MEDIUM AND LONG TERM.....	12
TABLE 4: EXAMPLE TABLE ON HOW TO DISCLOSE APPROACH TO CLIMATE-RELATED SCENARIO ANALYSIS	13
TABLE 5: TARGETS AND METRICS OF THE ICS	15
TABLE 6: ANNUAL ICS REPORT – TABLE OF CONTENTS	20
TABLE 7: TERMS AND DEFINITIONS	21

List of Figures

FIGURE 1: RACI	8
FIGURE 2: ICS REPORTING STRUCTURE	10
FIGURE 3: ILLUSTRATION OF ICS GOVERNANCE STRUCTURE.....	11

1 Risk and Reporting Framework Overview

1.1 Purpose of this document

The purpose of the Integrated Climate Strategy Risk and Reporting Framework (ICSRRF) is to provide guidance on the approach for reporting progress of the Integrated Climate Strategy (ICS) so that transparent, accurate, and timely information can be provided to CoA stakeholders. The ICSRRF has been developed with reference to better practice sustainability reporting, including the Australian Sustainability Reporting Standards (ASRS) covering governance, strategy, risk management and metrics and targets.

The ICSRRF will enable effective implementation of the ICS by providing transparency of progress and reflection on whether planned activities are 'shifting the dial' on the five Goals, 15 Priorities and 36 Targets within the ICS.

1.2 Scope of this document

The ICSRRF covers the reporting requirements of the ICS only. ICS Contributors (i.e., governance groups or individuals who are accountable or responsible for the delivery and/or reporting of the ICS) are responsible for adherence to the ICSRRF and should be familiar with its contents and guidance on reporting processes and procedures.

The ICSRRF is supported by the ICS Implementation Plan, ~~and ICS Implementation Roadmap. Both enabling documents are~~ ~~is~~ for internal use only and will require regular review, monitoring, and updates to track progress of the ICS being implemented.

The identification, assessment and monitoring of climate-related risks and opportunities are an essential activity for the CoA to maintain alongside the implementation of the ICS. An outline of the approach and governance for assessing and managing climate-related risks and opportunities is included within this document. Further, as the CoA is wanting to align to best practice sustainability reporting, disclosures on how the CoA identify, assess and manage its climate-related risks and opportunities should be included within the ICS Annual Report.

1.3 Future focus of this document

The development and implementation of the ICSRRF represents the CoA's commitment to being a leader amongst peers by providing transparent reporting of ~~its~~ ~~their~~ climate change action and progress. It is a first step in a journey towards robust sustainability reporting and will require continuous improvement and evolution over time.

Additionally, to support the ICSRRF adoption and implementation, education and awareness will be prioritised particularly for ICS Contributors and governance groups involved. There is a section on communications and engagement within the Appendix of this document.

2 Governance

2.1 ICS Roles and Responsibilities

To support the delivery and reporting of the ICS and management of climate-related risks and opportunities, roles and responsibilities have been defined to drive accountability.

2.1.1 Roles

Existing governance groups for the operational and day to day governance for the delivery of capital projects will remain unchanged. The Terms of Reference (ToR) of existing governance groups remains the source of truth with the following additional items (outlined in Table 1) included to help drive implementation and reporting of the ICS and management of climate-related risks and opportunities.

Table 1: ICS Role of Council and Committees

Roles by Governance Group specific climate	
Council	Role: • Demonstrates and communicates commitment to climate change by ‘setting the tone from the top’ reflective of their community. • Endorses key climate policies, including annual endorsement of the ICS Annual Report. • Advises on their climate-related priorities for CoA to focus on. Communication: Council play an important role in setting the “tone from the top”. Adoption of a sustainability mindset by the organisation will require strong endorsement and advocacy from the Council. Council members communicate their climate priorities through strategy to the Executive Group throughout the year, and particularly leading up to Annual Business Plan and Budget submissions. This is communicated down to the ICS Steering Group to support them with the prioritisation process and yearly implementation planning. Council members are also accountable for the ICS Annual Report, which may be published publicly, and is a key communication piece for the ICS.
Audit & Risk Committee	Role: • Provides independent assurance and advice to Council on accounting, financial management, internal controls, risk management and governance matters in relation to climate. For more information about the ARC and the ARC Terms of Reference, refer to this document.
Executive team	Role: • Accountable for the execution of the ICS and supports with key decision making and risk management. • Approves and endorses the ICS to the Council. • Approves and endorses the annual reporting of the ICS to the Council.

Roles by Governance Group specific climate

	• Recommends items for SRIA. • Responsible for ensuring that the climate considerations are integrated into organisational strategies and operations. • Reviews and recommends to the Council for approval, climate related disclosures in financial reports and accompanying material reported to the community.
Strategic Risk and Internal Audit Committee	Role: • Retains oversight of Climate Change Adaptation & Vulnerability as a strategic risk. • Responsible for ensuring that the climate considerations are integrated into risk management. • Oversees the policies, procedures, and systems to identify, monitor, and mitigate financial and non-financial risks related to climate change and sustainability.
Integrated Climate Strategy Steering Group	Role: • Responsible for the coordination of delivery of the ICS and monitoring of progress against the objectives in the Implementation Plan. • Responsible for the prioritisation and planning of the ICS. • Responsible for the scoping and inputs to the budget bid process for activities within the ICS. • Delivers disclosures and reporting for internal and external stakeholders (annually). • Recommends related climate policies to Executive for approval. • Provides periodic assurances, as required, to other Committees. • Supports effective identification and management of climate-related risks and opportunities through decision making processes and structures and escalates when required. • Owns and maintains the ICS Implementation Plan and Roadmap. • Maintains a dedicated climate-related risk and opportunity register. • Ensures that all reports are stored in a central location, are kept up to date and are of consistent quality. • Ensures upstream and downstream communication and engagement regarding the ICS is implemented. For more information about the ICS Steering Group and the ICS Steering Group Terms of Reference, refer to this document.
ICS Contributors (Working Group)	Role: • Supports the prioritisation and implementation planning of the ICS. • Supports the scoping and budget bid process for activities within the ICS. • Delivers the day-to-day ICS activities as they see best. • Reports progress on ICS activities up to ICS Steering Group quarterly.

Roles by Governance Group specific climate

- Escalates climate-related risks and opportunities to ICS Steering Group.

Communication:

To support adoption and implementation, ICS Contributors (**Working Group**) need to be made aware of the **ICSRRF**, understand how to use the supporting tools, and how these contribute to the delivery of the ICS. The **ICSRRF** and supporting documents are issued ~~out to all the relevant ICS Contributors~~ by the PLPS team alongside communication on the purpose of the ICS and its value to the team.

ICS Contributors are involved in the prioritisation process of objectives that help inform projects to be scoped and submitted for Annual Business Plan and Budget (ABPB) submission. This activity is done once a year and involves the use of the *ICS Implementation Plan* Excel.

ICS Contributors (**Working Group**) and ICS Steering Group are also involved in the delivery of the in-scope activities that will enable ICS objectives. The *ICS Implementation Plan* contains details about the progress of all relevant activities. ICS Contributors (**Working Group**) can use this resource to see details and updates about their own and other activities across the **ICS** goals, priorities and objectives. Monthly and quarterly the ICS Contributors (**Working Group**) provide an update on progress to the ICS Steering Group via the *Implementation Plan*.

Role:

- Remain informed about the ICS via regular updates

Communication:

CoA Administration

~~City of Adelaide staff employees need to be~~ **Administration** are kept up to date with the progress of the ICS. This is achieved through yearly communication via the ICS Annual Report. The ICS Contributors (**Working Group**) may also communicate internally ~~to CoA staff employees~~ about individual BAU activities or projects aligned to the ICS. This will be done via the regular internal channels such as Teams, Intranet and Email on an ad hoc basis.

Communication:

Community

Community members are informed on ICS progress through the ICS Annual Report. They are also informed and engaged at the ICS activity level by ICS Contributors (**Working Group**), **as required** ~~However, this is~~ on a case-by-case basis as the ICS activities vary in their degree of stakeholder consultation and input required.

Community Engagement will occur in line with the CoA Community Consultation Policy.

2.1.2 Responsibilities

Supplementing the ToR's and role descriptions, a RACI has been developed to clarify expectations on the level of involvement by all the stakeholders in the ICS (refer to Figure 1). The RACI outlines who is accountable, responsible, consulted or informed for tasks related to the ICS and climate-related risks and opportunities.

The matrix maps each activity to the roles by placing R, A, C, or I in the appropriate cell representing the intersection of activity and role/person.

Responsible: These are the positions or governance groups who perform the activities. They are charged with implementing a decision or an action, and they report on the progress and completion of the activity. Activities should be assigned in such a way that there's no confusion about who is responsible for the work.

Accountable: This position is ultimately answerable for the correct and thorough completion of the activity. They have the authority to approve or veto the work and are the ones who delegate the work to those who are responsible.

Consulted: These are the positions who need to give input before the work can be done and agreed upon. They are often subject matter experts whose opinions are sought to ensure the work is well-informed and on track. This communication is two-way.

Informed: These positions need to be kept up to date on progress or decisions. They are not directly involved in the task, but they need updates on its progress or results. This communication is usually one-way.

RACI (updated 24.03.25)

Activities	City Shaping			City Infrastructure		City Community			Corporate Services				Governance Groups									
	PLPS	City Operations	City Shaping	Infrastructure	Strategic Property & Commercial	City Culture	Customer & Marketing	Regulatory Services	Information Management	Governance & Strategy	Finance & Procurement	People	ICS Steering Group	CPD&BA Committee	CF&G Committee	I&PW Committee	SRIA	A&R Committee	Executive	Office of the CEO	Office of the Lord Mayor	Council
Approve and endorse ICS	R	I	A	I	I	I	I	I	I	I	I	I	R	I	I	I	I	R	A	I	I	A
Define and Prioritisation of ICS Activities	R	R	R	R	R	C	I	I	I	C	C	I	R	I	I	I	A	I	A	-	-	-
Submit ICS Activities for ABPB	R	R	A	R	R	R	I	R	I	C	R	I	R	I	I	I	A	I	A	-	-	-
Implement ICS Activities	R	R	A	R	R	R	I	I	I	C		I	R	I	I	I	A	I	A	-	-	-
Identify, assess & monitor climate-related risks & opportunities (within ICS)	R	R	R	R	R	C	I	I	I	R	C	I	R	I	I	I	C	A	A	I	I	I
Manage and track progress of ICS	A	R	A	R	R	I	I	I	I	C	C	I	A	I	I	I	A	I	A	-	-	-
Collect & analyse ICS data	R	C	C	C	C	I	I	I	I	R	C	I	R	-	-	-	I	-	A	-	-	-
Report & disclose progress of ICS	R	C	A	C	C	I	I	I	I	R	R	I	R	I	I	I	R	A	A	I	I	A

SRIA = Strategic Risk Internal Audit

CPD&BA Committee = City Planning, Development and Business Affairs Committee

CF&G Committee = City Finance and Governance Committee

I&PW Committee = Infrastructure and Public Works Committee

A&R Committee = Audit and Risk Committee

R Responsible = Responsible for completing tasks in line with framework i.e. "the doer" **A** Accountable = Accountable for ensuring the task is completed. Governs application of framework across the ICS **C** Consulted = Consulted to provide inputs into the task, i.e. "get the facts" **I** Informed = Informed about the task, i.e. "keep in the picture"

Figure 1: RACI

2.2 Communications and engagement

The ICS is an ambitious strategy that requires action and input from a diverse range of stakeholders. ~~Whilst historically climate-related action was confined to one team or department, the ICS is cross departmental and impacts many stakeholders both internal and external to Council operations.~~ It is important to invest in training employees about sustainability and climate to enable use of systems and processes that make it easier for employees to integrate sustainability and climate into their business decisions.

The key objective of communications is to enable or support ICS outcomes by keeping all participants informed and engaged through sending timely and relevant communication. For this reason, existing channels of communication will be leveraged wherever possible, with the ICS Annual Report being a new channel of communication for the CoA to provide disclosures on their progress.

2.3 Reporting Structure

To enable the implementation and reporting of the ICS and the identification, monitoring and management of climate-related risks and opportunities, reporting and advising lines are established across the governance structure (refer to Figure 2).

The CoA will review the ICS ~~Report~~ on an annual basis to ensure currency of the identified risk and opportunities, adequacy of actions and to provide transparency on the progress of the implementation of the ICS including progress against relevant metrics and targets. Additionally, a review of the ~~risk and reporting framework~~ will be triggered by the following situations:

- 1 In response to an Operational Change; or
- 2 In response to Legislative Change.

Reporting Structure for the ICS and Climate-related risks and opportunities

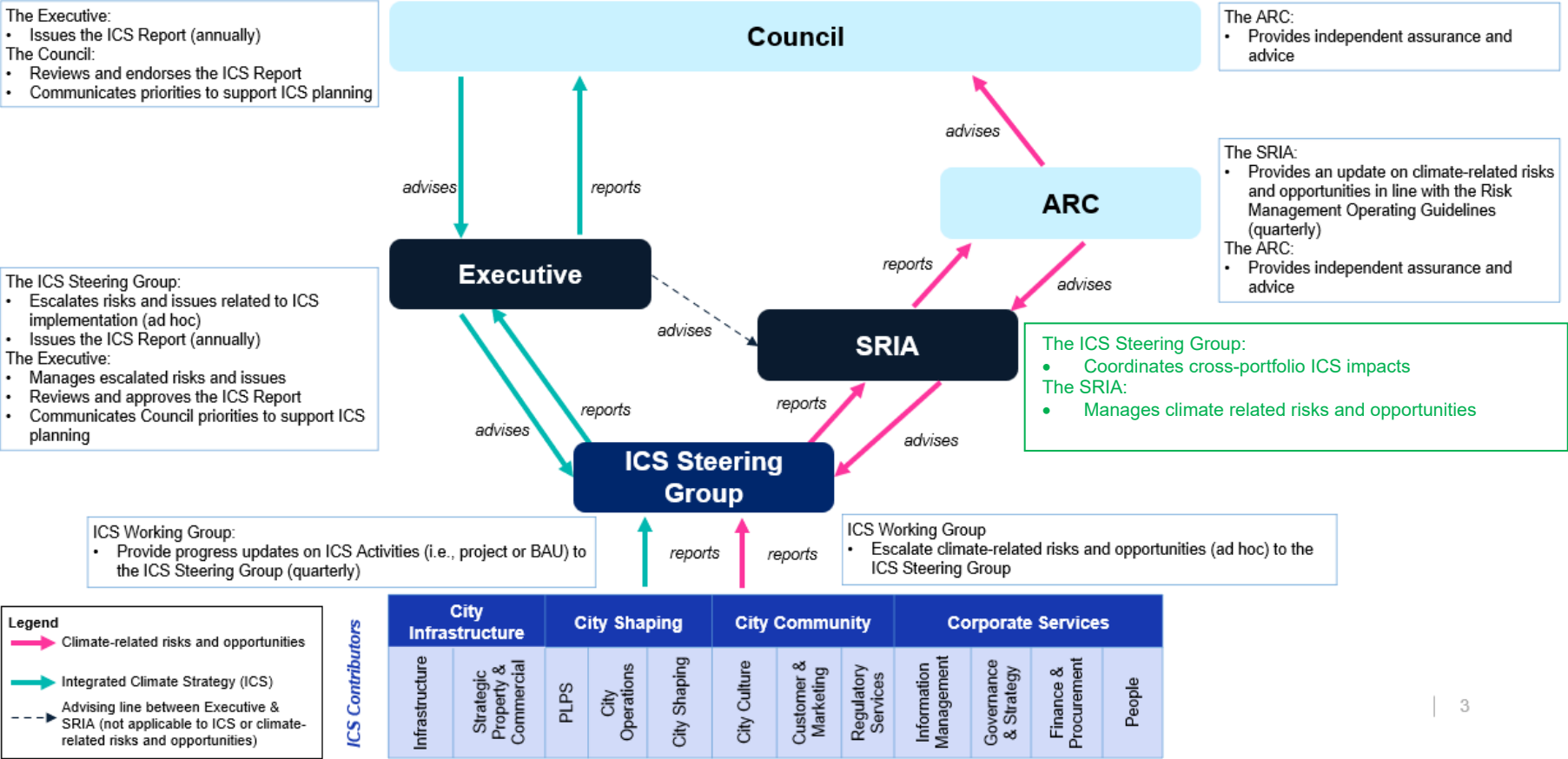


Figure 2: ICS Reporting Structure

2.4 Governance Structure

There will be three layers of governance – strategic, tactical, and operational – to help drive the delivery and reporting of the ICS **and management of climate-related risks and opportunities** (refer to Figure 3).

Governance Approach

The governance of the ICS is segmented into three key areas – Strategic, Tactical and Operational – with specific decision domains and governance forums associated. The governance forums are detailed in the next slide.

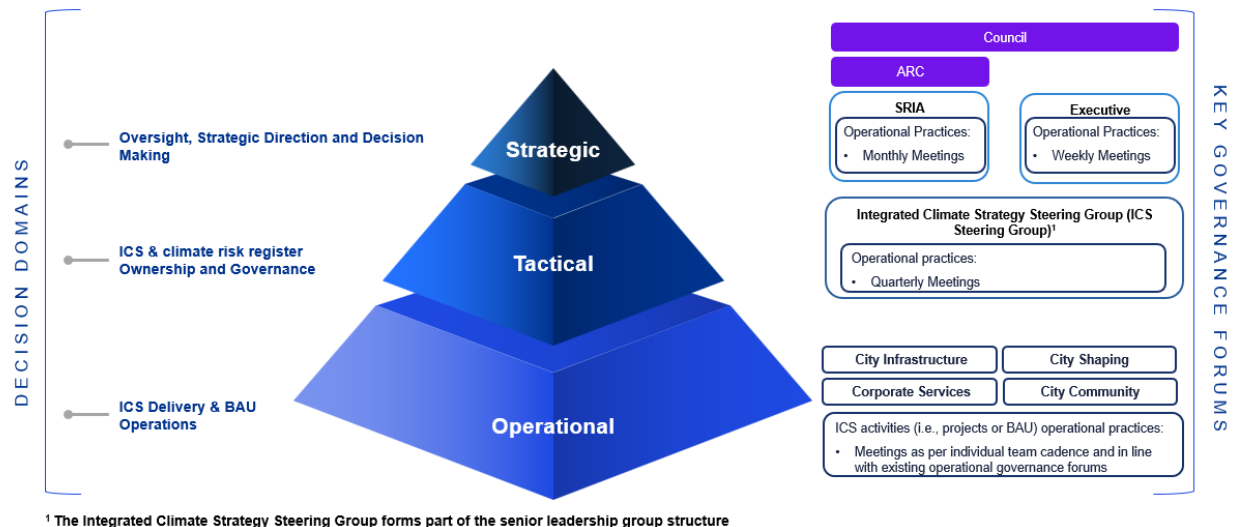


Figure 3: Illustration of ICS Governance Structure

Table 2 provides further detail regarding the three layers of governance and the decision-making domains.

Table 2: ICS Governance Structure

Layers of Governance

Strategic	The Executive Team is responsible for the oversight, strategic direction, and decision-making of the ICS. More broadly, the Executive is responsible for ensuring that climate considerations are integrated into organisational strategies and operations. The Executive is supported by the ICS Steering Group and provide updates to the CoA elected Council members on the progress of the ICS. The Strategic Risk and Internal Audit Committee (SRIA) is responsible for the management of climate-related risks and opportunities. SRIA is supported by the Executive Team and informs the Audit and Risk Committee (ARC) on items that require escalation (e.g., if the risk rating of a climate-related risk has increased or a novel climate-related risk or opportunity has materialised, and a mitigation strategy needs to be discussed and agreed).
------------------	---

Layers of Governance

Tactical	Both the Executive Team and SRIA are supported by the Integrated Climate Strategy Steering Group (ICS Steering Group) who are responsible for the more tactical progress and day to day resolution of operational items to do with implementation of the ICS and the across organisational coordination of climate risk responseidentification, assessment and monitoring climate-related risks and opportunities. The ICS Steering Group membership may fluctuate and change year to year based upon the teams responsible for the delivery of activities [i.e., projects or business and usual (BAU)] aligned to the outcomes of the ICS. It will always include membership from Park Lands, Policy & Sustainability (PLPS) and Infrastructure teams due to the nature of climate-related risks and opportunities. Membership should include Associate Director level attendees to help with decision making and risk and issue resolution.
Operational	The ICS Steering Group will need to collaborate and coordinate with the key responsible teams across the Council that have a role in the ICS as outlined in the RACI (see Section 3.2.2). This will also include teams responsible for the delivery of ICS activities which can be projects (e.g., Public Realm Greening Program) or BAU (e.g., delivering the Sustainability Incentive Scheme). The ICSRRF is not prescriptive on how teams deliver their respective activities, only that progress and updates are provided to the ICS Steering Group and support is provided for collecting ICS metric and target data for the Annual Report.

3 Strategy

The ICS is aligned to the CoA Strategy Plan 2024 – 2028 that sets a vision **Our Adelaide. Bold. Aspiration. Innovative.** The ICS delivers against the Environmental Pillar that is **Our Environment: resilient, protected, and sustainable.**

The ICS aims to make the CoA resilient, protected, and sustainable. It includes goals such as striving for net zero emissions by 2035, enhancing natural ecosystems, transitioning to a low carbon economy, and positioning Adelaide as a leading city in addressing climate change.

3.1 Climate-related risks and opportunities over short, medium, and long term

~~In 2020, the CoA engaged Edge Environment and Climate Planning to complete a Climate Change Risk Assessment to identify physical risks, transitional risks, and opportunities utilising climate modelling and scenario analysis.~~

~~The assessment identified 283 individual physical risks with three quarters of the risks identified associated with hot weather and rainfall. Alongside physical risks, 32 transition risks were identified covering specific Council assets, business units and risks to Council's operational goals and community. Furthermore, 14 transition opportunities were identified related to proactive responses to risks creating opportunities for innovation, improved~~

~~service delivery and increased resilience of the Council to a shift towards a low-carbon economy.~~

~~Through this process, the CoA prioritised transitional risks and opportunities in the immediate (0-5 years), short (5-10 years), medium (10-20 years) and long term (20-50 years).~~

~~Whilst this data provides a view of the CoA climate-related risks and opportunities, it is recommended that the CoA refresh its Climate Risk Assessment data each year so that it allows for them to update their strategies and adapt to any changes in climate science or council operations.~~

The City of Adelaide's approach to managing climate risk has continued to mature and climate risk is integrated and managed as part of the corporate risk management framework, as summarised in Table 3.

Period	Approach to managing climate risk
2019–2020	Climate risk is identified as a standalone program of work. Edge Environment undertook a comprehensive assessment, identifying 283 individual climate risks across Council operations.
2020–2023	Risks were managed primarily through a dedicated climate risk register and the Climate Change Risk Adaptation Action Plan 2021-2026 (unfunded), aligned with but outside the enterprise risk processes, and reported to ARC.
2023–2024	At its meeting on 4 August 2023, the ARC noted an internal audit plan including a review of the CoA's approach to climate risk. A primary driver of the review was the need to integrate climate risk with the CoA's Long Term Financial Plan. Internal audit of climate risk resulted in increased governance and development of a standalone governance and reporting framework for managing climate risk. KPMG conducted a Reporting Readiness Assessment (ACC2024/112948) against the ASRS changes, which identified a notable gap in a climate-specific risk management process to identify, assess, prioritise and monitor climate-related risks and opportunities.
2024	Administration brought forward the mid-point review of the Climate Change Risk Adaptation Action Plan 2021-2026 which was replaced by the City of Adelaide's Integrated Climate Strategy 2030 (ICS) and an associated Governance and Reporting Framework.
2025	Climate Cavalry/Tandem Energy completed a second-pass Climate Risk and Opportunity Assessment aligned with emerging AASB S2 climate disclosure requirements (ACC2026/20887). The assessment identified 12 draft strategic climate risks and opportunities to replace the 283 climate-related risks previously identified and was presented to SRIA on 12 February 2026.
2026	The 2025 assessment informed a review of the CoA's Corporate Strategic Risk Register with climate risks embedded within enterprise risk management, with treatment plans and monitoring through existing corporate governance processes. Oversight of Climate Resilience will remain with SRIA and ARC, supported by an evolved Integrated Climate Strategy Steering Group (ICS) to coordinate cross-portfolio impacts.

3.2 Impact of climate-related risks and opportunities on strategic & financial planning

To align with best practice reporting, the CoA ~~should~~ will re-assess its climate change risks annually ~~through the corporate risk management process, including~~ and considering the classes of transitional and physical risks and their likelihood of impact on operations over their short term (0-5 years), medium term (10-15 years), and long term (20+ years).

This will enable CoA to better align and understand the impacts of climate-related risks and opportunities on strategic and financial planning. An example disclosure of what can be provided within the ICS Annual Report is found in Table 4.

Table 4: Example table on how to disclose climate-related risks over short, medium and long term

Risk type	Risk class	Impact	Time frame *
Transitional risk	Policy and Regulatory Risks	Non-compliance may lead to legal penalties, increased operational costs, and the need for rapid policy adjustments, potentially straining resources.	 
	Technological Risks	Local Governments may need to allocate budget resources for technology upgrades or face inefficiencies and higher operational costs from outdated infrastructure	 
	Market Risks	Local Governments may need to adjust procurement policies, invest in green technologies, or face public pressure to demonstrate sustainability leadership in their operations.	 
Physical risk	Acute	Increased severity and frequency of extreme weather (e.g., heatwaves, floods, bushfires, and cyclones) may adversely affect council infrastructure and services.	  
	Chronic	The medium to long-term changes to the frequency and severity of the weather patterns (e.g., increasing average temperatures, and draughts) may impact the ecosystems, living and working conditions, and infrastructure.	 

*  Short term (0-5years)  Medium term (10-15 years)  Long term (20+ years)

3.3 Climate-related Scenario Analysis

~~As mentioned in 4.1, The CoA's completed~~ climate scenario analysis ~~completed~~ in 2020 was updated in 2025 as part of a second-pass Climate Risk and Opportunity Assessment aligned with emerging AASB S2 climate disclosure requirements (reference: ACC2026/20887). ~~The physical and transition scenario analysis provided long term insights into how risks and opportunities may evolve in the coming decades. It is recommended that this is refreshed with the latest climate data and disclose the approach and key findings (i.e., physical scenario analysis findings and transition scenario analysis findings) within the ICS Annual Report.~~ An example disclosure of what could be provided in the ICS Annual Report is found in Table 5.

Table 5: Example table on how to disclose approach to climate-related scenario analysis

	Transition	Physical
Risk/opportunity	Support community to transition to the low-carbon economy and build climate resilience through services and infrastructure	The impact on Council services and operations from extreme weather events including extreme rain, cyclones, storms, and bushfires.
Climate scenarios	1. Immediate emissions 2. High emissions	
Time horizons	All scenarios assessed were for 2030 and 2050 future time horizons compared to the recent past climate (approximately over the past two decades).	
Climate metrics chosen as proxies for hazards and drivers	• Energy efficiency and electrification • Evolving community expectations	• Extreme rain intensity (1-in-20yr rainfall) • Extreme rain frequency of events • Very high fire weather days per year • Extreme heat days above 35°C per year • Cyclone intensity and frequency • Storm surge events and sea level rise
Assessment boundary	Transition metrics and themes were assessed on state to national levels using climate model outputs and supporting literature	Physical metrics and themes were assessed on a within CoA municipal boundaries

4 Risks and Opportunity Management

4.1 Process for identifying, assessing and managing climate-related risks and opportunities

The CoA identifies and assesses risks and associated impacts leveraging the *Enterprise Risk Management Operating Guidelines*. The Guidelines outline the principles, framework, and processes for managing risk at all levels and maximising opportunities related to the achievement of Council's objectives. Climate-related risks and opportunities are included within the *Enterprise Risk Management Framework* and the identification, assessment, monitoring, and management of climate-related risk and opportunities are integrated across the whole ~~of~~ organisation so that the CoA can adhere to its sustainability and climate related goals (as outlined in the ICS).

The *Enterprise Risk Management Operating Guidelines* are reviewed every two years by SRIA and the Audit Committee.

4.1.1—Climate-related risk and opportunity register

~~The Climate-related Risk and Opportunity Register is a tool for identifying, assessing, and monitoring climate-related risks and opportunities. Responsibility for maintaining the register and escalating risks sits with the ICS Steering Group who control access and safeguards version control.~~

~~The register helps the CoA to understand and manage the potential impacts of climate change on its operations and strategic goals. It allows the CoA to identify potential risks and opportunities, assess their potential impacts, and monitor their evolution over time. This~~

~~proactive approach helps the CoA to mitigate potential negative impacts, take advantage of opportunities arising from climate change and support compliance with best practice reporting practices.~~

~~The *Climate-related Risk and Opportunity Register* is an ongoing tool that needs to be regularly reviewed and updated to reflect the evolving nature of climate-related risks and opportunities and to ensure that it accurately reflects the current climate-related risks and opportunities facing the CoA.~~

~~The register should be used in a way that supports the effective identification and management of ICS risks and opportunities through decision-making processes and structures. The register should also be used to inform the development and implementation of strategies and actions to address these risks and opportunities.~~

~~The register is an excel worksheet which is saved internally in the CoA intranet and can be viewed [here](#).~~

4.2 ICS delivery risks and opportunities

ICS Contributors (**Working Group**) will be responsible for identifying, managing, and escalating risks associated with delivering ICS activities (i.e., projects or BAU) to the ICS Steering Group as required.

The CoA **has have** several tools and resources available via OSCAR for assistance in the risk management process and these tools are made available to all employees, volunteers, and contractors.

The Risk page on OSCAR contains the following tools: *Risk Rating Table*, *Generic Risk Register*, *Construction Works Generic Risk Register*, *Simplified Risk Register & Events Risk Management Plan*.

The ICS **will have has** a dedicated SharePoint page in OSCAR that contains the following tools: *ICS Implementation Plan*, ~~*ICS Implementation Roadmap*~~, *ICS Reporting Framework*, *ICS Supporting documentation*.

The *Enterprise Risk Management Operating Guidelines* can be viewed [here](#).

OSCAR can be accessed [here](#).

The *Strategic Risk & Opportunity Register* can be viewed [here](#).

~~The *Climate-related Risk and Opportunity Register* can be viewed [here](#).~~

5 Metrics and Targets

CoA **has have** developed metrics and targets to track progress against the ICS, and to measure and manage climate-related risks and opportunities. Within the ICS there are 36 targets which are aligned to the Goals and Priorities. Most of these targets are quantitative and aim to increase CoA's climate resilience.

The tracking of progress against the 36 targets can be found within the Implementation Plan. Reporting against the 36 targets will be done annually by the ICS Steering Group.

5.1 Metrics and Targets of the ICS

Table 6 outlines the 36 targets, their associated metric and where the data source is located within CoA. This information will support the reporting of progress against the targets each year. Disclosure against the targets will provide transparency to CoA stakeholders.

Table 6: Targets and Metrics of the ICS

Ref	Target	Metric	Target	Data Source(s)
T1	Target: Reduce the temperature of road, footpath and pavement surfaces by more than 9°C compared to existing bitumen surfaces in full sun	Surface temperature, measured in degrees Celsius	The temperature differential between bitumen surface in the full sun and shaded adjacent surfaces (footpaths and roads) should be less than 9.c Baseline – in 2024, 502 out of 919 CoA road assets recorded as meeting the target.	Heat mapping project – Sustainability team Spreadsheet with road & footpath polygons & average surface temperature devised for the 2024 Urban Greening strategy. Data owned by Asset Management team but should be accessible by CoA GIS team. (High quality data)
T2	Target: 109,000m2 of Adelaide Park Land Trail to be covered by continuous tree canopy	Area covered by tree canopy, measured in m2	109,000m2 – this area represents 100% of Park Lands Trail Baseline – in 2024, 52,440m2 of Park Lands trail is shaded.	Parklands Team
T3	Target: 40% canopy cover by 2035	Streets, roads and park land (public realm) area covered by tree canopy, measured in m2	7% increase Canopy target should be listed as 835,000M2 of net increase in tree canopy (>1m height). Baseline in 2022 is 3,651,197m2 of canopy over 11,214,734m2 of public realm area	Greening program (Asset Management should hold the source of the data or a repeat of the GI Benchmark project needs to be undertaken in 2027 and 2032) ACC2023/77667 – Green Infrastructure Benchmark Project
T4	Target: Net increase of 485 street trees every year until 2035	Number of street trees	Net increase of 485 per year Baseline in 2022 is 44,498 trees in roads, streets and park lands	Greening program (Asset management tree condition audit should be the official count but Grace GIS data can also be used)
T5	Target: 40% of street trees (5,143) have WSUD passive watering by 2030 and 60% by 2035	Percentage of street trees watered by WSUD passive watering system	40% Target is 5,143 street trees have WSUD passive watering. Baseline in 2021 is 150 (referenced in Water Sensitive City Action Plan from assets audit in 2019)	Greening program
T6	Target: Double the permeability in the built city areas	Percentage of permeable surfaces within built city areas	12.2% Baseline in 2022 is 6.1% of land (338,799m2) in the Built City Areas. Built City area recorded as 5,554,095 m2	Sustainability Team 2022 Grace GIS Green Infrastructure Benchmark data and mapping project

Ref	Target	Metric	Target	Data Source(s)
T7	Target: 20% of city stormwater drainage catchment is directed to WSUD green assets (159 ha)	Percentage of city stormwater drainage catchment directed to green assets (159 ha)	20% Target is 159 ha of city drainage area. Baseline in 2020 was 19 ha. Total city stormwater drainage area is 797ha	Sustainability Team – Asset Management
T8	Target: 220 hectares of the Adelaide Park Lands are irrigated, and sustainable water increases to 95% for outdoor use	Percentage sustainable water for outdoor use. Total hectares of Adelaide Park Lands irrigated	95 % of sustainable water for outdoor use 220 ha of Adelaide Park Lands irrigated	Sustainability Team Asset Management – Utility Analyst
T9	Target: Upgrade existing stormwater infrastructure to meet future climate scenarios for rainfall intensity			Infrastructure Asset Management – but also Tech Services (Design)
T10	Target: 2030 Climate Risk ratings for Infrastructure Longevity is Medium or Low	Percentage of Infrastructure Assets rated high medium low	0% are rated high	Climate Corporate Risk Register
T11	Target: Incentives provided for retrofitting to create climate resilient homes	Number or percentage uptake of incentives by community to retrofit homes		Sustainability Incentive Scheme reports – Low Carbon and Circular Economy Team
T12	Target: 500 homes and businesses electrified each year, and all-electric new buildings	Number of homes electrified per year Number of all electric new buildings	500 homes / businesses per year	Electrification program – Low Carbon and Circular Economy Team
T13	Target: 300 new solar installations each year	Number of solar installations	300 new solar installations per year	Sustainability Incentive Scheme reports – Low Carbon and Circular Economy Team
T14	Target: Install an additional 25 public EV public charging bays by 2030 in collaboration with partners	Number of EV charging bays installed	25	EV charging project – Low Carbon and Circular Economy Team Sustainability Team
T15	Target: 10% of city workers choose to cycle to work, at least 10,000 extra people per day	percentage of city workers who choose to cycle to work	7.4% increase	Census data vis annual GHG inventory – Low Carbon and Circular Economy Team
T16	Target: 48% of local residents choosing to walk to work, at least 6,000 extra people per day	percentage of local residents who choose to walk to work	24% increase	Census data
T17	Target: In collaboration with Kaurna, integrated, celebrated, and promoted 'Caring for Country' approaches	'Caring for Country' approaches established		Park Lands and Sustainability Team
T18	Target: There is a net increase in biodiversity, habitats, and ecosystem	Total number of distinct species within a local community;		Park Lands and Sustainability Team

Ref	Target	Metric	Target	Data Source(s)
	health within the City of Adelaide by 2030	Area of available habitat per species; Ecosystem health rating		
T19	Target: 15% of urban stormwater catchment is directed to large-scale treatment systems	Percentage of urban stormwater catchment is directed to large-scale treatment systems	15%	Infrastructure Asset Management – but also Tech Services (Design) Sustainability Team
T20	Target: Greater diversity of aquatic and terrestrial flora and fauna in the River Torrens and urban water courses	Diversity rating of aquatic and terrestrial flora and fauna in the River Torrens and urban water courses		Park Lands and Sustainability Team
T21	Target: Reduce catchment-wide stormwater pollutant discharge loads by 856,922 kg/yr to meet SA Water Quality Targets	Stormwater pollutant discharge loads measured in kg/yr	Reduction of 856,922 kg/yr	Infrastructure Asset Management – but also Tech Services (Design) Sustainability Team
T22	Target: Growth in circular economy industries in the city	Number of circular economy industries		Low Carbon and Circular Economy Team
T23	Target: Increase in sustainable supply chains commonly used by City of Adelaide	Number of sustainable suppliers		Procurement Team
T24	Target: Divert 80% of residential kerbside collected material from landfill	Percentage of residential kerbside collected waste diverted from landfill	80% diverted	Circular economy data project City Operations
T25	Target: Food waste in landfill is below 5% by weight	Percentage volume (by weight) of food waste in landfill	<5% of total weight	Circular economy data project City Operations
T26	Target: Reduce waste generation by 15% per capita	KG of waste generation per capita	499.8 KG	Circular economy data project City Operations
T27	Target: Residential kerbside collected recycling bins contain 10% or less contamination	Percentage of contaminated residential recycling bins	<10% contamination	Circular economy data project City Operations
T28	Target: 75% emission reduction from 2020 by 2030, and absolute zero by 2035	Percentage of operational GHG emission reduction	75%	Annual GHG inventory – Low Carbon and Circular Economy Team
T29	Target: No buildings use natural gas	Number of buildings using natural gas	0	Annual GHG inventory – Low Carbon and Circular Economy Team
T30	Target: Embodied carbon is measured and minimised across all asset renewals and capital works	Emissions measured in a formal corporate inventory		Low Carbon and Circular Economy Team/Infrastructure
T31	Target: Divert 95% of waste from City of	Percentage of waste from activities and	95% diverted	Circular Economy Team City Operations

Ref	Target	Metric	Target	Data Source(s)
	Adelaide activities and events from landfill	events diverted from landfill		
T32	Target: 100% of light passenger vehicles are zero emission	Percentage of zero emission light passenger vehicles	100%	City Operations Support team
T33	Target: Transition over 70 utility vehicles and 20 trucks to zero emission models	Number of utility vehicles and trucks to zero emission models	70	City Operations Support team
T34	Target: Climate resilience and risk are effectively measured and mitigated	Annual reporting complete		Climate Corporate Risk Register
T35	Target: Programmed approach for assets and infrastructure to be climate ready	Programmed approach established		Infrastructure
T36	Target: All Council operations are undertaken with minimum sustainability requirements	Sustainability requirements defined and integrated in CoA operations		Qualitative feedback from staff

5.2 Collection of data

To support ICS implementation and annual reporting, data must be collated and recorded within the *ICS Implementation Plan* worksheet. ICS Contributors (**Working Group**) must work with the relevant data owners to gather and record the data that is relevant to the activities within their remit. The *ICS Implementation Plan* is designed to allow for the capture of both qualitative and quantitative data.

Data collection should be consistent and regularly reviewed, monitored, and updated to track progress of the ICS being implemented. Late emerging data or gaps in the data can be difficult to address later.

Data collection also applies to the identification, assessment, and monitoring of climate-related risks and opportunities. ~~These should be captured in the Climate-related Risk and Opportunity Register.~~

6 Appendix

6.1 Key Considerations of the ICSRRF

6.1.1 Measuring and reporting

Measuring and reporting on climate metrics is inherently challenging as it is based on estimates, inexact data and the use of currently available technology and methodologies. Regarding greenhouse gas (GHG) emissions reporting, the CoA are starting from a solid base given historic reporting through Climate Active. This reporting process is supported via an established GHG inventory and basis of preparation document which drives consistency and transparency each year. It is vital that this analysis is undertaken to estimate impact and report year on year to track change and progress. Over time, climate-related reported data will improve as new methodologies emerge, technology changes and data become more accurate and available. In the short term, the CoA will consider implementing the recommendations within the Reporting Readiness Assessment Recommendations Report (reference ACC2024/112948) to increase its alignment to best practice reporting.

6.1.2 ICSRRF Drivers

The ICSRRF was developed in response to the following internal and external drivers:

Internal

Increased accountability and transparency: Direction has been provided by the Audit and Risk Committee (ARC) for a robust reporting framework to support the delivery and reporting of progress on the ICS.

External

Changing reporting requirements: Currently in Australia no mandate exists for sustainability reporting by local government organisations. However, the sustainability reporting framework space is rapidly evolving, and significant development is underway with respect to sustainability reporting standards in Australia. As a result of the release of the Exposure Draft ED SR1, there is increased likelihood that the South Australian Government will move forward with reporting requirements to align with changes being enacted by the Federal Government. By establishing a mechanism for reporting now, aligned to best practice reporting, the CoA will be better prepared for the likely transition to enhanced sustainability reporting requirements and expectations.

Meeting community expectations: Societal expectations of local governments regarding climate reporting have evolved significantly in recent years. As the impacts of climate change become increasingly visible and pressing, citizens are demanding more accountability, action, and transparency from their local representatives. Reporting on climate change demonstrates that local governments are transparent about their environmental impacts and proactive in managing related risks and opportunities. It holds them accountable to their constituents and other stakeholders.

Mitigate risk and associated costs: Climate change poses significant risks to local infrastructure, ecosystems, and community well-being. By reporting on climate change, CoA

can showcase their understanding and management of these risks, as well as their preparedness and resilience planning.

6.1.3 Risks

Broadly, the risks for the CoA in not implementing the ICS effectively could include:

Environmental Degradation: Without strategic action, the CoA could face exacerbated environmental issues, such as worsening air and water quality, heat island effects, and loss of biodiversity.

Increased Vulnerability to Climate Events: By not preparing for extreme weather events and changes in climate patterns (such as heatwaves, flooding, or droughts), the CoA's infrastructure, ecosystems, and population could become more susceptible to damage and disruption.

Economic Costs: Failure to implement the ICS can result in increased operational costs for CoA in terms of energy, water management, and disaster response. Economic losses could also occur from damaged infrastructure and reduced attractiveness for investments and tourism.

Health Risks: Increased heat and pollution levels can lead to health problems for residents, including respiratory issues and heat-related illnesses, impacting the community's well-being and putting additional strain on healthcare services.

Missed Opportunities: By not pursuing a decarbonised and sustainable growth model, the CoA may miss out on the economic benefits associated with green industries, such as job creation in renewable energy sectors and advancements in waste management.

Social Inequities: Lack of action toward climate resilience could disproportionately affect vulnerable populations in the city, exacerbating social inequities, as these communities often have fewer resources to adapt to environmental stresses.

Legal and Regulatory Risks: There may be future legal and regulatory implications for not taking proactive measures to manage risks associated with climate change, including potential non-compliance with state, federal, or international environmental mandates. Alignment to ASRS which is a more stringent and comprehensive framework will position CoA well to mitigate this risk.

Reputational damage: Residents and businesses may expect local government to lead on climate issues. By not implementing the ICS, the CoA risks losing public trust and support.

The **ICSRRF** is intended to support the implementation of the ICS through transparent measuring and reporting of progress.

6.2 ICS Annual Report – Proposed Table of Contents

As the global emphasis on sustainability grows, so too does the evolution of the Australian Sustainability Reporting Standards (ASRS). Even though currently local governments in Australia are not mandated to report according to the ASRS, adopting a proactive stance towards sustainability reporting can foster greater transparency, accountability, and trust with constituents. CoA will take a gradual approach in how it formats its annual reporting of the ICS. CoA will include the essential components of reporting that ensure alignment to the ASRS whilst considering the other items for development in the future ICS Annual Reports.

The CoA can leverage the ~~following~~ structure (outlined in Table 7) to report progress of the ICS each year in alignment with the required climate-related financial disclosures stipulated in the ASRS.

In 2025/26 the City of Adelaide engaged 2XE to review the voluntary disclosure report for the ICS (ICS Annual Report). The review provides further guidance and refinements to the ICS Annual Report to be implemented from 2025/26 to 2028/29 and should be read in conjunction with the section (reference ACC2026/107550).

Table 7: Annual ICS Report – Table of Contents

Section title	Short description	Items covered
Executive Summary <i>(recommended)</i>	Provides an overview of the ICS, summarising the key points, strategic initiatives, and anticipated impacts. Highlights progress made and outlines the direction for future climate action.	• Acknowledgement of Country • Message from the Lord Mayor • Overview of the ICS • Key achievements and highlights • Future direction and strategic goals
Introduction <i>(recommended)</i>	Explains the purpose, importance, and the strategic objectives of the Integrated Climate Strategy. It sets the context within global and local climate change scenarios and outlines the alignment with sustainability frameworks and ASRS.	• Purpose of the strategy • Context and importance • Scope and ambitions • Alignment with ASRS recommendations
Governance <i>(option to have outside the ICS Annual report, however disclosure recommended)</i>	Details the organisational structure including leadership roles and responsibilities in managing climate-related issues. Discusses processes and methods by which climate-related risks and opportunities are overseen at the governance level and how decision-making incorporates climate considerations.	• ICS governance structure • Role of the council and committees • Engagement with stakeholders
Strategy <i>(recommended)</i>	Outlines the strategies and action plans for mitigating climate change risks and leveraging opportunities, including transitioning to a low-carbon economy and integrating sustainable practises into municipal operations.	• Goals, priorities and objectives within the ICS including: ○ Climate change mitigation plans ○ Adaptation and resilience building ○ Transition to a low-carbon economy ○ Innovation and technology integration
Risk Management <i>(option to have outside the ICS Annual report, however disclosure recommended)</i>	Describes how CoA identifies, assesses, and manages climate-related risks. Emphasises the integration of climate risks into the broader risk management framework and addresses steps taken to mitigate these risks.	• Process for identifying and assessing climate-related risks • Integration into overall risk management • Prioritisation of actionable risks across the short, medium and long term

Section title	Short description	Items covered
Metrics and Targets (recommended)	Details the specific metrics used to measure and monitor climate-related risks and performance, the targets set to manage these risks, and the progress against these targets.	- ICS targets - Metrics used to assess progress - Performance against targets
Monitoring, Reporting, and Review (option to have outside the ICS Annual report, however disclosure recommended)	Describes the systems in place to monitor the implementation of the ICS, the framework for reporting progress, and the processes for regular review and iterative improvements.	ICS Reporting Framework (high-level overview provided)
Annexes (optional)	Includes additional details that support understanding of the main content, such as terminology definitions and acknowledgement of contributors.	- Glossary of Terms - Acknowledgements and Contributors
Appendices (option to have outside the ICS Annual report, however disclosure recommended)	Provides supplementary details on climate initiatives, and metrics that support accountability and transparency in climate-related reporting.	- Basis of preparation - Detailed Metrics and Data Tables - Supplementary Information on Projects and Activities

6.3 Glossary

Table 8: Terms and Definitions

Term	Definition
ABPB	Annual Business Plan and Budget
ASRS	Australian Sustainability Reporting Standards
ARC	Audit and Risk Committee
BAU	Business as Usual
Climate Risk	Climate risk refers to the potential financial impacts of climate change on businesses and investments. This includes both physical risks, such as damage to property and infrastructure from extreme weather events, sea-level rise, and changes in temperature and precipitation patterns, as well as transition risks, such as policy and regulatory changes, technological advancements, market shifts, and shifts in consumer preferences associated with the transition to a low-carbon economy.
CoA	Refers to City of Adelaide
EV	Electric Vehicle
GHG Emissions	Greenhouse Gas Emissions

Term	Definition
ICS	Integrated Climate Strategy
ICSRRF	Integrated Climate Strategy Reporting Framework (this document)
ICS Steering Group	Integrated Climate Strategy Steering Group
OSCAR	CoA's internal document sharing system
PLPS	Park Lands, Policy & Sustainability
RACI	A RACI chart is a matrix used in project management and organisational settings to clarify roles and responsibilities across processes or projects. RACI stands for: Responsible, Accountable, Consulted and Informed.
SA	South Australia
SRIA	Strategic Risk and Internal Audit
Sustainability	Sustainability refers to the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs. Sustainability is a broader concept that encompasses environmental, social, and economic considerations.
Sustainability Reporting	Public-facing document that communicates to stakeholders a company's environmental, social, and governance (ESG) performance. It involves the systematic disclosure of information about the organisation's sustainability-related activities, impacts, and commitments. In the context of the Australian sustainability reporting landscape, sustainability means climate only.
ToR	Terms of Reference

6.4 Document Control

The ICS Reporting Framework has been prepared in consultation with City of Adelaide Park Lands, Policy and Sustainability (PLPS) [program](#) and other stakeholders.

Document Owner

Owner	Role
Ilia Houridis	Director, City Shaping

Document Approver(s)

Approver	Role

Document Reviewers

Reviewers	Role

6.5 Version Control

Version	Date	Changes
V0.1	27/09/24	First draft of document Presented to Audit and Risk Committee
V0.2	23/09/26	Presented to Audit and Risk Committee

6.6 Review Evidence Table

Evidence Record	Reviewer	Date	Action	Link
#1	Document Reviews (multiple)	12/07/2/24 – 19/07/24	Support	
#2	PLPS	19/07/24 – 26/07/24	Support	
#3	Executive Group	15/08/24	Endorse / Approve	

END

Integrated Climate Strategy Annual Report 2025/26

Strategic Alignment - Our Environment

Public

Wednesday, 23 September 2026

Audit and Risk Committee

Program Contact:

Sarah Gilmour, Associate
Director Park Lands, Policy &
Sustainability

Approving Officer:

Ilia Houridis, Director City
Shaping

EXECUTIVE SUMMARY

The purpose of this report is to present the second annual report for the Integrated Climate Strategy 2030 - Resilient, Protected, Sustainable (ICS), adopted by Council on 11 June 2024 ([Link 1](#)). The ICS Annual Report 2025/26 is provided as **Attachment A**.

The City of Adelaide (CoA) is amongst a group of leading Australian local governments voluntarily aligning annual reporting of its climate strategy with the Australian Sustainability Reporting Standards AASB S2 Climate Related Disclosures.

While local government is not required to disclose information about climate-related risk and opportunities, proactive voluntary reporting aims to increase transparency for residents, businesses and partners on how the CoA is acting on and mitigating current and future climate change risks.

The ICS Annual Report is structured to describe progress against the ICS and management of climate-related risk for the 2025/26 financial year, aligned with the core elements of AASB S2:

- Governance – processes for monitoring and managing climate-related risks and opportunities.
- Strategy – our approach to managing climate-related risks and opportunities.
- Risk management – processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities.
- Metrics and targets – our performance related to climate risks and opportunities, including progress on targets.

The ICS Annual Report 2025/26 is consistent with the Risk and Reporting Framework presented to the Audit and Risk Committee on 27 September 2024 ([Link 2](#)) and noted by Council at its meeting on 8 October 2024 ([Link 3](#)).

Priorities in the ICS are funded annually through the CoA's Annual Business Plan and Budget process. The priorities for 2026/27 are detailed in **Attachment B** and included in the ICS Annual Report 2025/26.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Receives the Integrated Climate Strategy 2030 – Resilient, Protected, Sustainable (ICS) Annual Report 2025/26 as contained in Attachment A to Item 6.7 on the Agenda for the Audit and Risk Committee held on 23 September 2026.
2. Receives the 2026/27 Implementation Plan for the Integrated Climate Strategy 2030 – Resilient, Protected, Sustainable (ICS), as contained in Attachment B to Item 6.7 on the Agenda for the Audit and Risk Committee held on 23 September 2026.
3. Authorises the Chief Executive Officer, or delegate, to make minor, typographical and technical amendments to the documents as contained in Attachment A and Attachment B to Item 6.7 on the Agenda for the Audit and Risk Committee held on 23 September 2026 for the purpose of finalising the document.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Environment Outcome: A sustainable City where climate resilience is embedded in all that we do.
Policy	The ICS includes actions to integrate climate risk into governance documents, processes, facility planning and management, and service provisions so that risk can be managed.
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	The Climate-Related Financial Disclosures Framework in Australia mandates that organisations recognise climate change as a material risk. It requires integration of climate risk management and adaptation strategies into operations to mitigate legal and liability exposure and enhance climate resilience. The CoA Strategic Risk Register identifies climate change adaptation and vulnerability as a strategic risk. Climate-related risks and opportunities are included within the CoA's Enterprise Risk Management Framework.
Opportunities	The financial implications of implementing the ICS are being addressed through the CoA's Long Term Financial Plan and Asset Management Plans.
26/27 Budget Allocation	The 2026/27 Annual Business Plan and Budget includes strategic investment in climate initiatives totalling \$5.97M, in addition to standard operating expenditure, which includes: • EV charging: \$0.075M • Apartment Food Organics Pilot: \$0.150M • Resilient Flood Planning: \$0.4M • Park Lands Climate Impact Assessment: \$0.10M • City Public Realm Greening: \$2.30M • Park Lands Trail bike crossings: \$2.6M • Integrated Transport Strategy Implementation: \$0.23M • Nursery and green Waste Recycling Facility: \$0.12M The 2026/27 implementation plan for the ICS is contained in Attachment B .
Proposed 27/28 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
26/27 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Purpose

1. This report presents the second annual report for the Integrated Climate Strategy 2030 – Resilient, Protected, Sustainable (ICS) adopted by the Council on 11 June 2024 ([Link 1](#)). The ICS Annual Report 2025/26 is provided as **Attachment A**.
2. The City of Adelaide (CoA) is amongst a group of leading Australian local governments voluntarily aligning annual reporting against its climate strategy with the Australian Sustainability Reporting Standards (ASRS).
3. While the CoA is not yet captured under the ASRS, proactive voluntary reporting aims to increase transparency for residents, businesses and partners on how the CoA is acting on and mitigating current and future climate change risks.

ICS Annual Report 2025/26

4. The ICS Annual Report is structured to describe progress against the ICS and management of climate related risk for the 2025/26 financial year, aligned with the core elements of the ASRS:
 - 4.1. Governance – processes for monitoring and managing climate-related risks and opportunities.
 - 4.2. Strategy – our approach to managing climate-related risks and opportunities.
 - 4.3. Risk management – processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities.
 - 4.4. Metrics and targets – our performance related to climate risks and opportunities, including progress on targets.
5. The ICS Annual Report 2025/26 is consistent with the Risk and Reporting Framework presented to the Audit and Risk Committee on 27 September 2024 ([Link 2](#)) and noted by Council at its meeting on 8 October 2024 ([Link 3](#)).
6. Key changes made from the first report in 2024/25 include:
 - 6.1. Commitment to transparency and accountability (section 1.3) - is updated to note the annual report is structured around the four AASB S2 core content pillars applied on a voluntary and proportionate basis.
 - 6.2. Basis of preparation and disclosure index (section 1.4) – a new section is included providing a statement covering the five elements required for emissions preparation and disclosure:
 - 6.2.1. Emissions reporting boundary (the City of Adelaide's own operations for FY2025/26, with community emissions on a two-yearly cycle).
 - 6.2.2. Intended users (community and Council rather than investors).
 - 6.2.3. Materiality lens (tied to the climate risk and ICS goals).
 - 6.2.4. Data limitations (including that metrics are not measured annually, Scope 3 estimation methods, community emissions reporting lag and further work required to integrated with the Long Term Financial Plan).
 - 6.2.5. Voluntary context (confirming the CoA's approach to voluntary reporting which is not intended as a compliance statement or external assurance).
 - 6.3. ICS governance structure and roles (section 2.1) - amended to include a diagram outlining the climate risk reporting structure.
 - 6.4. ICS governance capability statement (section 2.2) – new section providing a statement of capability and skills.
 - 6.5. Climate risk method (section 4.2) – new section summarising climate risk method, criteria, review cycle and integration with enterprise risk management and internal audit.
 - 6.6. Linking priority risks and opportunities to assets, actions, metrics and owners (new Section 4.4) – insertion of a table covering the CoA's priority 1 risks (extreme heat, flooding, asset damage/failure, financial and insurance, building transition) and opportunities, each linked to affected assets/services, the ICS actions responding, the ICS metrics, and functional responsibility.
 - 6.7. Appendix 2 Metrics basis of preparation – new appendix describing metrics basis of preparation and target table with scope, base year, review process and limitations.

7. The ICS Annual Report sets out achievements aligned with the Council's Strategic Plan 2024-2028, goals and targets in the ICS, and the 2025/26 climate-related commitments in the Annual Business Plan and Budget 2025/26.
8. The following table summarises the achievement of targets from the Strategic Plan 2024-2028:

Target		Achievement
CoA's target is to halve our climate impact by 2030 and make it nil by 2035. Support a 50% reduction in the city's community greenhouse gas emissions by 2030 from the 2020 baseline, with an ambition to be net zero by 2035	✓	Total emissions for City of Adelaide operations are down 63% since the baseline of FY2020. Community emissions are calculated every two years for the preceding two years due to the time it takes to gather the data. In 2026/27 CoA will be preparing FY2024/25 and FY2025/26 profiles.
Establish a baseline to measure circularity in the City of Adelaide and initiate targets to increase circular economy outcomes	✓	A total of 155 circular businesses were identified, or 1.2% of businesses across the city. Together, their activities generated an estimated \$254.6 million in Sales/Output, contributed \$156 million in value added, and supported approximately 1,080 full-time equivalent jobs in 2023-24.
Support a net increase in street trees annually aligned to heat island data within Council's Climate Strategy	✓	The City Public Realm Greening Program commenced in 2024/25 and was continued in 2025/26. A total of 205 new trees were planted in 2025/26.
All asset investment (design, construct and maintenance) considers and embeds appropriate climate resilient measures	✓	A review of the City of Adelaide's Technical Standard Details investigated material substitution opportunities for asphalt, paving, road base and concrete. Substitution with low-carbon concrete, recycled asphalt product, and recycled crushed concrete as crushed rock placement products was tested with existing suppliers and confirmed to be readily available materials. City of Adelaide is using the material substitutions for projects in design from 1 July 2026 and intends to include them in all capital projects for construction in 2027/28.

9. In addition to the Strategic Plan 2024-2028 targets, 15 commitments from the ICS were identified for delivery in 2025/26. A statement of achievement is provided in **Attachment A**.
10. Council has completed or is progressing projects under all five goals in the ICS. Key highlights include:
 - 10.1. The decommissioning of gas across three CoA buildings (Victoria Park Grandstand, North Adelaide Community Centre and the Bus Station) and partial electrification of London Road Depot was undertaken in 2025/26. As part of the project, the maintenance workshop at London Road Depot is trialling new electric heaters and heated 'wearables' over the coming months with an assessment planned for later this calendar year to determine the path to finalise the electrification of the site.
 - 10.2. Delivery of a successful year of the Sustainability Incentives Scheme, with funding fully expended. The program delivered 156 projects, resulting in an estimated emissions reduction of 246 tCO₂e.
 - 10.3. The City of Adelaide's online Cool Wayfinding Tool was launched to assist people in finding the most comfortable walking routes in the city on hot summer days. A dashboard shows data from 50 microclimate sensors installed in the CBD, North Adelaide and the Adelaide Park Lands. The Cool Wayfinding Tool uses this data, along with other datasets, to create a thermal comfort model of the city. The tool then allows users to select the 'quickest' route and the 'coolest' route in the city or North Adelaide.
 - 10.4. A comprehensive update to Adelaide Park Lands biodiversity management plans was completed through the Key Biodiversity Area (KBA) Management Plan 2026–2031. The update revises the six KBA Management Plans developed in 2018 and extends coverage to a seventh KBA, the Education Hub at G S Kingston / Wirrarninthe (Park 23), designated following the 2024 Biodiversity Survey.

Risk Management

11. The ICS Annual Report identifies the CoA's existing 20 climate-related risks and their priority.
12. The CoA commenced a review of its climate-related risk and opportunity register in June 2025 to ensure that it best aligns with the ICS, informs updates to strategies, and adapts to changes in climate science or CoA operations.
 - 12.1. This review has subsequently informed the integration of climate risk management into the Council's corporate risk framework, following the reduction of 283 climate-related risks to 12 strategic risks and their incorporation into BDO's Strategic Risk Assessment and Alignment Internal Audit. The responses to the audit were endorsed by SRIA on 6 August 2026 and noted by the Audit and Risk Committee (ARC) on 14 August 2026 and will be reflected in the ICS Annual Report in 2026/27.

2026/27 ICS Implementation Plan

13. Priorities in the ICS are funded annually through the CoA's Annual Business Plan and Budget process. The priorities for 2026/27 are detailed in **Attachment B** and included in the ICS Annual Report, as follows:
 - 13.1. Collaborate with the Department for Environment and Water and Green Adelaide to manage the seasonal migration of Tree Martins.
 - 13.2. Deliver projects to narrow roads, reduce through traffic and implement traffic calming measures that contribute to greening and cooling in line with the City of Adelaide Wellbeing Strategy.
 - 13.3. Deliver system improvements for fuel and fleet management.
 - 13.4. Deliver the Adaptive Reuse City Housing Initiative (ARCHI).
 - 13.5. Deliver the City Public Realm Greening Program.
 - 13.6. Deliver the EV Transition Roadmap including on-street EV chargers in select locations which support the transition to EVs and minimise impacts on the public realm.
 - 13.7. Deliver the Sustainability Incentive Scheme, which supports the community to implement changes to reduce carbon emissions.
 - 13.8. Design an Aboriginal Rangers Program for the Adelaide Park Lands to support traditional land management practices.
 - 13.9. Establish a Sustainability Innovation Design Competition to focus on greening, encouraging sustainability, innovation and efficiencies.
 - 13.10. Improve lighting on the Market Link access footpath to the Adelaide Central Market.
 - 13.11. Support city users to utilise public transport around the City of North Adelaide.
 - 13.12. Support city users travelling into and through the city using active transport, cycle routes and separated bike lanes.
 - 13.13. Support the water course rehabilitation of the Botanic Catchment while undertaking resilient flood planning.
 - 13.14. Undertake a climate impact assessment for the Adelaide Park Lands.
 - 13.15. Undertake a kerbside waste audit to measure diversion of waste from landfill.
 - 13.16. Undertake a pilot in high rise buildings to increase diversion of food organics from landfill.
 - 13.17. Undertake an assessment of the City of Adelaide's Nursery, Green Waste, Recycling and Mulch Centre to improve efficient green waste recycling and improved business services.
 - 13.18. Undertake upgrades to SA Power Networks (SAPN) Luminaries.

Next Steps

14. Pending Council decision, the ICS Annual Report 2025/26 will be finalised and published to the CoA website.
15. Key achievements will be reported in the City of Adelaide Annual Report as required under section 131 of the *Local Government Act 1999* (SA).
16. The Administration will work throughout 2026/27 to deliver the ICS to ensure that climate risk continues to be managed.

DATA AND SUPPORTING INFORMATION

Link 1 – [Integrated Climate Strategy 2030 – Resilient, Protected , Sustainable](#)

Link 2 – [Audit and Risk Committee, 27 September 2024, Integrated Climate Strategy Reporting Framework \(Item 8.6\)](#)

Link 3 – [Council Agenda - Tuesday, 8 October 2024, Recommendations of the Audit and Risk Committee \(Item 12\)](#)

ATTACHMENTS

Attachment A – Integrated Climate Strategy 2030 – Resilient, Protected, Sustainable, Annual Report 2025/26

Attachment B – 2026/27 Implementation Plan - Integrated Climate Strategy 2030 – Resilient, Protected, Sustainable

- END OF REPORT -

OUR ADELAIDE.
BOLD.
ASPIRATIONAL.
INNOVATIVE.

Integrated Climate Strategy 2030

Resilient, Protected, Sustainable

2025/26 Annual Report

Acknowledgement of Country

The City of Adelaide acknowledges the Kurna People of the Adelaide Plains as the Traditional Custodians of the land on which we live, work and gather. We acknowledge and honour their spiritual and cultural stewardship of this Country and recognise their deep and enduring relationship with its lands, waters, the sky, and all living things. We pay our respects to Kurna Elders past and present and recognise the important role of emerging leaders in sustaining and strengthening culture.



Contents

Acknowledgement of Country	2
Contents	3
1 Executive Summary	4
2 Governance	10
3 Strategy	14
4 Risk Management	16
5 Metrics and Targets	24
6 Monitoring, Reporting and Review	28
Appendices	29

1 Executive Summary

1.1 About this report

The City of Adelaide (CoA) is amongst a group of leading Australian local governments undertaking voluntary climate-related reporting and financial disclosures in accordance with the Australian Sustainability Reporting Standards (ASRS).

The ASRS establishes a benchmark for promoting transparency and accountability in managing climate-related risks and opportunities. Mandatory reporting commenced 1 January 2025 for larger corporate entities.

The CoA is proactively undertaking voluntary reporting to increase transparency for residents, businesses and partners on how it is acting and mitigating current and future climate change risks.

Local governments in Australia are not mandated to report according to the ASRS, however the CoA meets two of the criteria shown in the table below, which would qualify it in the first group of reporting entities.

This is the CoA's second voluntary report under the ASRS framework. It is structured around the four core content pillars of AASB S2 Climate-related Disclosures: Governance, Strategy, Risk Management, and Metrics and Targets – applied on a voluntary and proportionate basis.

The CoA acts according to the strategies set out in its *Integrated Climate Strategy 2030 – Resilient, Protected, Sustainable (ICS)*.

The purpose of the ICS is to set a vision for a resilient, protected and sustainable city where people can live, work, study and play and adapt to changes in the climate that bring social and economic opportunity and disruption.

The CoA manages climate-related risk aligned with its enterprise-wide risk management framework and the ICS.

This report is structured to describe progress against the ICS and management of climate-related risk for the 2025/26 financial year.

Australian Sustainability Reporting Standards: Group 1 Reporting Thresholds	
Criteria	Council
Has over 500 employees	The CoA has over 1000 employees
Value of total assets at the end of the financial year is \$1 billion or more	The CoA has total assets in excess of \$1 billion
Annual expense for the financial year is \$500 million or more	Not met - the CoA's budgeted expenditure of \$295 million in 2025/26 across operating and capital budgets focused on the prioritisation of community and civic services, activities that support the city's cultural and economic development, and projects that maintain and upgrade infrastructure within the city, North Adelaide and the Adelaide Park Lands

1.2 Commitment to climate action and mitigating risk

The ICS sets a target to: Halve our climate impact by 2030 and make it nil by 2035.

In doing so, the CoA is acting across five goals:

1. A climate resilient city – we adapt to our climate by understanding risks, preparing our infrastructure and assets to withstand change, and ensuring our community is prepared.
2. A net zero ready city – we play our part in global efforts to halt climate change.
3. A city where nature thrives – our natural ecosystems are protected and enhanced in a changing climate.
4. Transition to a decarbonised city – the economy transitions to become low carbon and circular.
5. A climate leading capital city – we accept the challenge as one of the world's leading cities in addressing climate change.

In 2025/26, the CoA invested in four targets and 15 commitments aligned with the ICS through its Annual Business Plan and Budget. Of these, 11 have been delivered with the remainder due for completion in 2026/27. This report focuses on achievement against the funded priorities.

1.3 Commitment to transparency and accountability

Climate change has far-reaching risks for the environment, economy, communities and our lifestyles.

Our policy includes access to data, public reporting and disclosure of emissions for the community and the CoA's own operations.

This report is structured to address the four core content pillars of AASB S2 (as adopted through the ASRS) as described below. A disclosure index identifying where each pillar is addressed in this report is provided in the Basis of Preparation in section 1.4.

AASB S2 pillar (ASRS core content)	CoA's approach to meeting the requirements
Governance – processes for monitoring and managing climate-related risks and opportunities	The CoA operates an Audit and Risk Committee in accordance with the <i>Local Government Act 1999</i> (SA) and a Strategic Risk and Internal Audit Group with accountabilities for climate-related risk and opportunities. Following the adoption of the ICS, the CoA has implemented a governance structure to drive accountability for overseeing climate-related strategies.
Strategy – our approach to managing climate-related risks and opportunities	The ICS and other strategic documents across CoA provide a high-level indication of how climate-related risks and opportunities will impact CoA's prosperity. Climate-related risks and opportunities have been mapped against the ICS with specific time horizons to be set as a later stage.
Risk management – processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities	At an enterprise level, the CoA has Risk Management Operating Guidelines which are used to identify, assess, prioritise and monitor risks. In 2025/26 the CoA completed a second-pass climate risk and opportunity assessment aligned with AASB S2 climate disclosure requirements which will be used to inform a revision to the enterprise-wide risk management framework in 2026/27.
Metrics and targets – our performance related to climate risks and opportunities, including progress on targets	For metrics within the ICS, there is a clear articulation of the metric used to set the target and monitor progress towards reaching the target linked to a strategic priority and ICS goal.

1.4 Basis of preparation and disclosure index

This section summarises the basis on which this report has been prepared. It is intended to help readers understand the scope, purpose and limitations of the disclosures. Further information is provided in Appendix 1 - Metrics basis of preparation.

Element	Basis of preparation
Emissions reporting boundary	Disclosures cover the CoA's own operations (corporate emissions, assets and services) for the 2025/26 financial year. Community-scale emissions for the city, North Adelaide and the Adelaide Park Lands are reported separately consistent with the Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (revised edition) and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. CoA continues to align with the Australian Government's Climate Active Standard, under which it was certified from FY2020 to FY2024. Emissions are reported by scope in accordance with the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories and are updated on a two-yearly cycle.
Intended users	Residents, businesses, community partners, Council and its committees, and other levels of government. The report supports transparency and accountability rather than investment decision-making.
Materiality lens	Content is included where climate-related risks and opportunities could reasonably be expected to affect the CoA's service delivery, assets, finances, environment or reputation, informed by the climate-related risk and opportunity register and the ICS goals and priorities.
Data limitations	Some metrics are not measured every year (such as community emissions, waste diversion, canopy cover and electrification counts). Scope 3 estimates rely on third-party and spend-based data. Community emissions lag by up to two years. In 2025/26 the CoA completed a second-pass climate risk and opportunity assessment aligned with AASB S2 climate disclosure requirements which will be used to inform a revision to the enterprise-wide risk management framework in 2026/27. Quantified financial impacts are not yet incorporated into the Long Term Financial Plan.
Voluntary context	Local governments are not mandated to report under the ASRS. The CoA reports voluntarily and proportionately; disclosures aim to align with the intent of AASB S2 but do not constitute a statement of compliance, and no external assurance has been obtained.

The table below indexes where each AASB S2 pillar is addressed in this report.

AASB S2 pillar	Where addressed in this report
Governance	Section 2 – Governance (governance structure, roles and responsibilities); Section 6 – Monitoring, Reporting, and Review.
Strategy	Section 3 – Strategy (context, goals, priorities and supporting policies); Section 1 – Executive Summary (commitments and future direction).
Risk management	Section 4 – Risk management (framework, climate-related risk and opportunity register, time horizons and scenarios, financial implications).
Metrics and targets	Section 5 – Metrics and targets (emissions profile and progress against ICS targets); Appendix 2 – ICS commitments 2025/26.

1.5 Key achievements and highlights

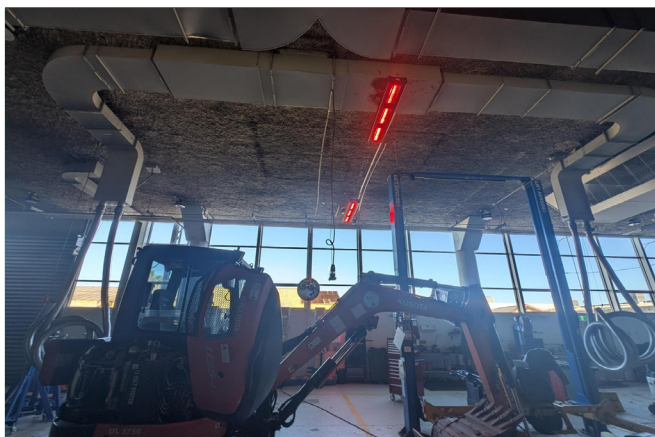
The ICS was established under a strategic planning framework where the Strategic Plan 2024-2028 sets the first-order priorities.

The following table summarises the 2025/26 targets from the Strategic Plan 2024-2028 and provides a statement of achievement.

Target		Achievement
CoA's target is to halve our climate impact by 2030 and make it nil by 2035.		Total emissions for City of Adelaide operations are down 63% since our baseline of FY2020.
Support a 50% reduction in the city's community greenhouse gas emissions by 2030 from the 2020 baseline, with an ambition to be net zero by 2035	✓	Our community emissions are calculated every two years for the proceeding two years due to the time it takes to gather the data. In 2026/27 CoA will be preparing FY2024/25 and FY2025/26 profiles.
Establish a baseline to measure circularity in the City of Adelaide and initiate targets to increase circular economy outcomes	✓	A total of 155 circular businesses were identified, or 1.2% of businesses across the city. Together, their activities generated an estimated \$254.6 million in Sales/Output, contributed \$156 million in value added, and supported approximately 1,080 full-time equivalent jobs in 2023-24.
Support a net increase in street trees annually aligned to heat island data within Council's Climate Strategy	✓	The City Public Realm Greening Program commenced in 2024/25 and was continued in 2025/26. A total of 205 new trees were planted in 2025/26.
All asset investment (design, construct and maintenance) considers and embeds appropriate climate resilient measures	✓	A review of the City of Adelaide's Technical Standard Details investigated material substitution opportunities for asphalt, paving, road base and concrete. Substitution with low-carbon concrete, recycled asphalt product, and recycled crushed concrete as crushed rock placement products was tested with existing suppliers and confirmed to be readily available materials. The City of Adelaide is using the material substitutions for projects in design from 1 June 2026 and intends to include them in all capital projects for construction from 2027/28, noting that the overall cost difference across three test projects was negligible.

1.6 Key highlights for 2025/26

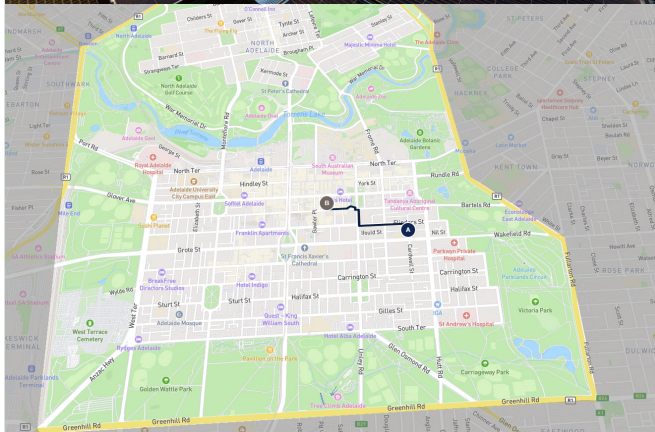
In addition to the Strategic Plan 2024-2028 targets, 15 commitments from the ICS were identified for delivery in 2025/26. A statement of achievement is provided in Appendix 2.



The decommissioning of gas across three CoA buildings (Victoria Park Grandstand, North Adelaide Community Centre and the Bus Station) and partial electrification of London Road Operations Centre was undertaken in 2025/26. As part of the project, the maintenance workshop at London Road Operations Centre is trialling new electric heaters and heated 'wearables' with an assessment planned in 2026/27 to determine the path to finalise the electrification of the site.



Delivery of a successful year of the Sustainability Incentives Scheme, with funding fully expended. The program delivered 156 projects, resulting in an estimated emissions reduction of 246 tCO₂e.



The CoA's online Cool Wayfinding Tool was launched to assist people in finding the most comfortable walking routes in the city on hot summer days. A dashboard shows data from 50 microclimate sensors installed in the CBD, North Adelaide and the Adelaide Park Lands. The Cool Wayfinding Tool uses this data, along with other datasets, to create a thermal comfort model of the city. The tool then allows users to select the 'quickest' route and the 'coolest' route in the city or North Adelaide.



A comprehensive update to Adelaide Park Lands biodiversity management plans was completed through the Key Biodiversity Area (KBA) Management Plan 2026–2031. The update revises the six KBA Management Plans developed in 2018 and extends coverage to a seventh KBA, the Education Hub at G S Kingston / Wirrarninithi (Park 23), designated following the 2024 Biodiversity Survey.

1.7 Future direction and strategic goals

The CoA's ICS priorities for 2026/27 as determined through the Annual Business Plan and Budget process are:

Urban heat	Deliver projects to narrow roads, reduce through traffic and implement traffic calming measures that contribute to greening and cooling in line with the City of Adelaide Community Wellbeing Strategy Deliver the City Public Realm Greening Program Establish a Sustainability Innovation Design Competition to focus on greening, encouraging sustainability, innovation and efficiencies
Urban responses	Deliver the Adaptive Reuse City Housing Initiative (ARCHI) Deliver the Sustainability Incentive Scheme, which supports the community to implement changes to reduce carbon emissions Undertake upgrades to SA Power Networks (SAPN) Luminaries
Biodiversity	Collaborate with the Department for Environment and Water and Green Adelaide to manage the seasonal migration of Tree Martins Design an Aboriginal Rangers Program for the Adelaide Park Lands to support traditional land management practices Undertake a climate impact assessment for the Adelaide Park Lands
Flooding	Support the water course rehabilitation of the Botanic Catchment while undertaking resilient flood planning
Movement and transport	Deliver system improvements for fuel and fleet management Deliver the EV Transition Roadmap including on-street EV chargers in select locations to support the transition to Eva while minimising impacts on the public realm Improve lighting on the Market Link access footpath to the Adelaide Central Market Support city users to utilise public transport around the City of North Adelaide Support city users travelling into and through the city using active transport, cycle routes and separated bike lanes
Waste management	Undertake a kerbside waste audit to measure diversion of waste from landfill Undertake a pilot in high-rise buildings to increase diversion of food organics from landfill Undertake an assessment of the City of Adelaide Nursery and Green Waste Recycling and Mulch Centre to improve efficient green waste recycling and improve business services

2 Governance

2.1 ICS governance structure and roles

The CoA has an established governance structure comprising strategic, tactical and operational management of the ICS and management of climate-related risks and opportunities.

Strategic	Oversight, Strategic Direction and Decision Making Audit and Risk Committee, Executive, Strategic Risk and Internal Audit Group
Tactical	ICS and Climate Risk Register Ownership and Governance Integrated Climate Strategy Steering Group (ICS Steering Group)
Operational	ICS Delivery and Operations ICS collaborators across CoA

To support the delivery and reporting of the ICS and management of climate-related risks and opportunities, roles and responsibilities have been defined to drive accountability. In summary, these roles and responsibilities are outlined as follows and shown in the figure overleaf:

Council	Demonstrates and communicates commitment to climate change by setting policy reflective of the community and endorsement of the ICS Annual Report.
Audit and Risk Committee (ARC)	Provides independent assurance and advice to the Council on accounting, financial management, internal controls, risk management, and governance matters related to climate.
Executive	The Executive Team is responsible for the oversight, strategic direction, and decision-making of the ICS. The Executive is supported by the ICS Steering Group and provides updates to the Council on the progress of the ICS.
Strategic Risk and Internal Audit Group (SRIA)	The Strategic Risk and Internal Audit Group (SRIA) is responsible for the management of climate-related risks and opportunities. SRIA is supported by the Executive Team and informs the Audit and Risk Committee (ARC) on items that require escalation to Council.
Integrated Climate Strategy Steering Group (ICS Steering Group)	The Integrated Climate Strategy Steering Group (ICS Steering Group) is responsible for progress and day to day resolution of operational items to do with implementation of the ICS and the identification, assessment and monitoring climate-related risks and opportunities.
ICS Working Group	The ICS Working Group coordinate with the key responsible teams across the CoA that have a role in delivery the ICS and managing risk. The ICS Working Group meetings quarterly escalating matters to the ICS Steering Group as required.

Reporting Structure for the ICS and Climate-related risks and opportunities

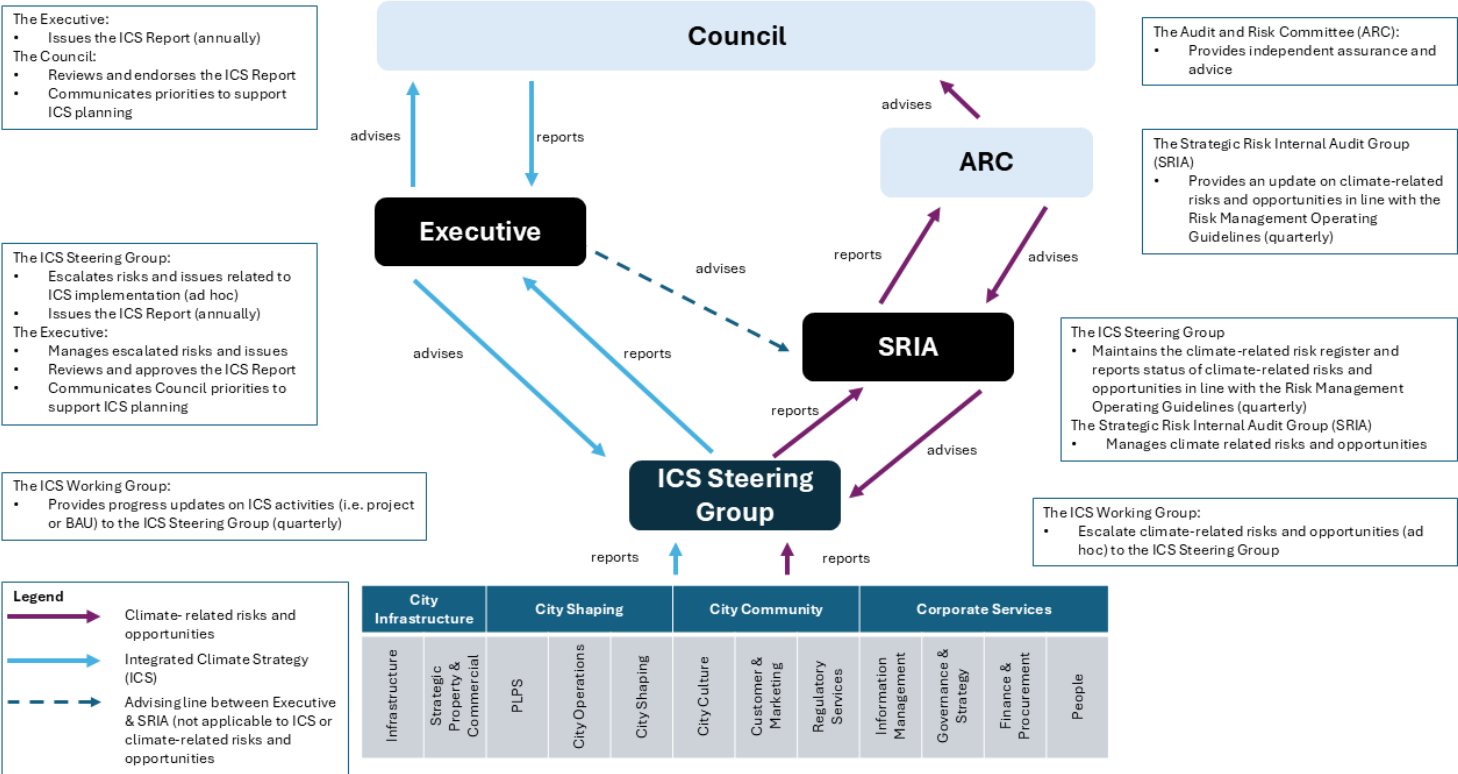


Figure 1 Reporting structure for the ICS and climate-related risks and opportunities



2.2 ICS governance capability statement

The City of Adelaide draws on internal expertise for strategic planning, climate adaptation, low carbon and circular economy, sustainability reporting, risk management, asset management and financial planning.

External advice is procured as needed. The City of Adelaide participates in a broad range of local, national and international climate networks such as the Global Covenant of Mayors, Capital City Committee of Lord Mayors (CCCLM), International Council of Local Environmental Initiatives (ICLEI), the Carbon Neutral Cities Alliance and Resilient East.

Council Members and Executive receive briefings on climate risk and disclosure through the Audit and Risk Committee. Reporting cadence is shown in the table overleaf.

Executive performance measures are linked to the Strategic Plan, which includes objectives for climate resilience and climate action.



Reporting Cadence

Recipient	Information received	Frequency	Decision Purpose
Council	ICS Annual Report (progress against 36 targets, risk and opportunity summary, AASB S2-aligned disclosures)	Annually	Endorse disclosures; confirm priorities and targets
Annual Business Plan and Budget	ICS-informed budget priorities in the quarterly budget reviews	Annually; quarterly	Resourcing of climate actions and treatments
Audit and Risk Committee	Strategic Risk Register review	Quarterly	Independent assurance; escalation of rating changes
Audit and Risk Committee	ICS Reporting Framework, internal audit reports and Administration responses	As required	Assurance over governance design
Strategic Risk and Internal Audit Group / Audit and Risk Committee	Enterprise Risk Management (ERM) Operating Guidelines review	Every two years	Confirm climate remains integrated in ERM
Strategic Risk and Internal Audit Group	Strategic Risk Register review, including causes, consequences, controls and treatment progress	Six-monthly	Confirm risk rating, control adequacy and treatment progress
Executive Team	ICS Steering Group progress and policy recommendations; ICS Annual Report for approval; items for SRIA	Annually; quarterly; as required	Strategic direction; approve disclosures
ICS Steering Group	ICS Implementation Plan progress from ICS Contributors; risk treatment and control status from owners	Quarterly	Track delivery; escalate issues, report to Executive and SRIA
ICS Steering Group	Annual prioritisation and budget-bid scoping for the Annual Business Plan and Budget	Annually (pre-budget)	Align funding to climate risks and targets

3 Strategy

3.1 Context and importance

Climate change is impacting all aspects of life in Australia, from the way our community functions, through to our economy and environment. Without a coordinated global response, conditions will become more challenging as greenhouse gases continue to increase in the atmosphere over the coming century.

The outlook for Adelaide is a hotter, drier climate with increasing frequency and intensity of extreme events such as heatwaves and floods. To remain a liveable and prosperous community we need to adapt, prepare and develop resilience to a changing climate.

Increasing temperatures, reduced rainfall and flooding account for 76% of the CoA's operational climate risks.

3.2 Climate-related goals and priorities

Addressing climate change is a key priority in CoA's plans and strategies, which are part of an integrated strategic approach.

At the organisational level the Strategic Plan 2024 – 2028 sets a vision for the future and is guided for our long-term aspirations. The CoA's aspiration under the Environment pillar is that:

In ten years, Adelaide will be a nation leading Green City in a Park showcasing our advanced green infrastructure, increased biodiversity and sustainability and a community that is more resilient to climate change.

The ICS is the primary document for guiding climate related delivery and focuses CoA's efforts on the priorities and scale of action required by the community and through its own operations across five goals, each with three priorities as outlined in Figure 2.

Goal 1. A climate resilient city	Goal 2. A net zero ready city	Goal 3. A city where nature thrives	Goal 4. Transition to a decarbonised economy	Goal 5. A climate leading capital city council
Priority: A cool city with no urban heat island effect	Priority: All homes and businesses will be electrified and powered by renewables	Priority: Caring for Country in partnership with Kurna Miyurna	Priority: Growth in circular economy industries in the city	Priority: Reduce City of Adelaide's operational carbon emissions by 75% from 2020 to 2030 and achieve absolute zero emission by 2035
Priority: Greening supported by sustainable water resources	Priority: Public EV charging infrastructure is available for all users, including micro-mobility, catalysing the uptake of EVs in Adelaide	Priority: Biodiversity, native grasslands and woodlands are protected and enhanced	Priority: Procurement decisions that localise supply, prioritise reuse and drive green industries	Priority: Transitioning our corporate fleet to zero emissions
Priority: Homes and businesses are protected from climate hazards	Priority: Triple the number of city workers who cycle to work, and double the number of local residents who walk to work	Priority: Karrawirra Pari, waterways, Adelaide Park Lands, streets and squares act as arteries connecting our native species	Priority: Zero avoidable kerbside waste to landfill ('zero waste') by 2030	Priority: Climate change and sustainability are integrated into how we do business

Figure 2 ICS Goals and Priorities



A summary of climate-related policies and strategies follows:

Strategic Plan 2024-2028	<i>Resilient, protected and sustainable.</i> The CoA seeks to embed climate resilience in all that we do.
Integrated Climate Strategy (ICS)	The ICS sets out a comprehensive suite of priorities grouped into goals. It sets a vision for a resilient, protected, and sustainable city where people can live, work and play and adapt to changes in the climate that bring social and economic opportunity and disruption.
Economic Development Strategy	Climate risk is inherently an economic risk to a capital city. A green economy improves our capacity to adapt to climate change, develop systems built on circular economy principles, and reduce waste and consumption, leading to more effective resource use.
City Plan - Adelaide 2036	City Plan is an urban design framework and digital spatial tool that allows for modelling growth that includes climate considerations.
Housing Strategy	The Housing Strategy seeks innovation and sustainability in new housing to create climate ready housing solutions.
Annual Business Plan and Budget	ICS priorities are used to inform annual business plan and budget processes and deliberations.

4 Risk Management

4.1 Managing risk

The CoA's approach to managing risk includes:

Risk management framework	Climate-related risks and opportunities are included within the Enterprise Risk Management Framework and the identification, assessment, monitoring, and management of climate-related risk and opportunities are integrated across the organisation so that the CoA can adhere to its sustainability and climate related goals (as outlined in the ICS). The Enterprise Risk Management Operating Guidelines are reviewed every two years by the Strategic Risk and Internal Audit Group and the Audit and Risk Committee.
Strategic risk register	CoA maintains a strategic risk register to manage risk that may impact on the ability to obtain strategic objectives. The Strategic Risk and Internal Audit Group and the Audit and Risk Committee have identified 10 strategic risks for the CoA. One of those risks is: Risk 5 – Climate change adaptation and vulnerability - Impact of changing climate conditions and an increase in extreme weather events presents a risk to Council, community, infrastructure and natural environment.
Climate-related risk and opportunity register	The climate-related risk and opportunity register is a tool used to identify, assess and monitor risks and opportunities associated with climate change. It helps track both physical and transitions risks. The register allows the Administration to better integrate climate-related risks into enterprise risk management processes as it relates to immediate and longer-term impacts. Climate risks may be complex, interconnected, and are often longer-term, requiring scenario planning due to uncertainty. They have broader, potentially compounding impacts on areas like infrastructure, health and the economy. In 2025/26 the City of Adelaide completed a second-pass Climate Risk and Opportunity Assessment. This assessment will inform a review of the enterprise risk management framework in 2026/27.
Internal audit program	CoA conducts an internal audit program to ensure operations and relevant processes are evaluated and performing effectively.

4.2 Climate risk method

The City of Adelaide's climate risks were identified in 2020 using ISO 31000 methodology, informed by research, previous assessments and plans, surveys, interviews and desktop analysis. The assessment had regard to Australian Standard AS/NZS 4360: Risk Management Process, and published advice of the Australian Greenhouse Office and the then

Department of Climate Change.

The Risk Assessment identified 283 individual climate risks. An internal review of the register was completed in 2024/25 and updated to 20 risks to be managed as part of the ICS implementation.

4.3 Climate-related risk and opportunity register

The climate-related risk and opportunity register allows the CoA to identify potential risks and opportunities, assess their potential impacts and monitor their evolution over time. The register is reviewed annually to reflect the evolving nature of climate-related risks and opportunities.

The register identifies 20 risks including those associated with decreased annual rainfall, but with increased rainfall intensity and increased urban heat. Risk have been evaluated based on their potential consequences, the likelihood of occurrence, and the effectiveness of existing controls.

Out of these, one was rated as 'moderate', 12 were rated as 'high' and seven were rated as 'extreme' in the current period, where no additional controls were applied.

The following table is a summary of CoA's 2025/26 climate-related risks and their priority.

Risk	Impact Category	ICS Priority Alignment	Risk Area	Risk Priority (1: high 2: medium 3: low)
Extreme heat, heat stress, duration of heatwaves, frequency of very hot days, and increased average temperatures	Service Delivery	Priority 1.1, 1.2, 1.3, 5.15	Physical	1
Heat stress, biodiversity loss, increased water demand, loss of green space/cover, frequency and severe droughts	Environment	Priority 1.1, 1.2, 1.3, 3.7, 3.8, 3.9, 5.15	Physical	2
Storm, urban flooding, heavy precipitation, hail and extreme winds	Service Delivery	Priority 1.1, 1.2, 1.3, 5.15	Physical	1
Asset damage or failure	Service Delivery	Priority 4.11, 5.13 and 5.15	Physical	1
Information/communication, financial and insurance	Service Delivery	Priority 5.15	Physical	1
Bushfire smoke	Service Delivery	Priority 5.15	Physical	-

Risk	Impact Category	ICS Priority Alignment	Risk Area	Risk Priority (1: high 2: medium 3: low)
Cost implications associated with lack of position/policies supporting climate action	Service Delivery	Priority 4.11, 5.13 and 5.15	Financial	2
Long term financial plan cost implications	Service Delivery	Priority 4.11, 5.13 and 5.15	Financial	2
Cost implications for not considering climate change in asset management	Service Delivery	Priority 4.11, 5.13 and 5.15	Financial	2
Increased low carbon travel (e.g. public transport, cycling, walking and shared mobility schemes)	Financial	Priority 4.11; 5.14 and 5.15	Transitional	2
Revenue model	Financial	Priority 4.11; 5.14 and 5.15	Transitional	2
Building Code	Reputation/ Political	Priority 4.11; 5.14 and 5.15	Transitional	1
Climate change adaptation not integrated into corporate governance	Financial	Priority 5.15	Governance	2
Climate change adaptation not integrated into corporate operations, governance	Financial	Priority 5.15	Governance	2
Climate change adaptation policy development	Reputation / Political	Priority 5.15	Governance	3
Utilities and solar energy	Environment	Priority 2.4, 5.13, 5.15	Opportunity	3
Resilient property portfolio	Financial	Priority 2.4, 5.15, 5.13	Opportunity	1
	Environment	Priority 2.4, 5.15, 5.13	Opportunity	3
Climate leadership	Environment	All priorities	Opportunity	2

4.4 Actionable risks across the short, medium and long term

The CoA will review its climate-related risks and opportunities annually and consider the classes of transitional and physical risks and their likelihood of impact on operations over their short term (0-5 years), medium term (10-15 years) and long term (20+ years).

The updated register includes chronic and acute physical risks, transition and liability transitional risks, as well as opportunities. The focus is on strategic risks, not risks specific to a single site, program, project or policy.

The following table indicates short, medium and long-term impact horizons and timeframe for action.

Risk type	Risk class	Impact	Timeframe
Physical risk	Acute	Increased severity and frequency of extreme weather (eg, heatwaves, floods, and bushfires,) may adversely affect council infrastructure and services.	
	Chronic	The medium to long-term changes to the frequency and severity of the weather patterns (eg, increasing average temperatures, and draughts) may impact the ecosystems, living and working conditions, and infrastructure.	
Transitional risk	Policy and Legal Risks	Non-compliance may lead to legal penalties, increased operational costs, and the need for rapid policy adjustments, potentially straining resources.	
	Technological Risks	Local governments may need to allocate budget resources for technology upgrades or face inefficiencies and higher operational costs from outdated infrastructure.	
	Market and Reputational Risks	Local governments may need to adjust procurement policies, invest in green technologies, or face public pressure to demonstrate sustainability leadership in their operations.	

Short term (0 to 5 years) ● Medium term (10 to 15 years) ● Long term (20+ years) ●

The CoA manages a broad range of services and assets with different decision lifetimes. For example, a stormwater system being designed today needs to withstand long-term climate conditions (2090), road surfaces need to consider medium-term climate conditions (2050), while a light vehicle purchase or new garden bed design need only consider short term conditions (2030).

Aligned with the SA Government Sustainability Report 2024 and the South Australian Climate Change Risk Assessment, the 2025/26 climate related risks and opportunity assessment considered the following scenarios:

- Short-term: 2030 RCP 4.5 (medium emissions)
- Mid-term: 2050 RCP 4.5 (medium emissions)
- Long-term: 2090 RCP 4.5 (medium emissions).

4.5 Linking priority risks and opportunities to assets, actions, metrics and owners

The table below links the highest-priority climate-related risks and opportunities from the climate related risks and opportunities register to the assets and services they affect, the ICS actions responding to them, the metrics used to track progress, and the

accountable owner within the ICS governance structure. Owners operate under the oversight of the ICS Steering Group, with escalation through the Strategic Risk and Internal Audit Group (SRIA) and the Audit and Risk Committee.

Priority risk / opportunity	Affected assets and services	ICS actions	Metrics	Responsible
Extreme heat and heatwaves (Physical – Priority 1)	Public realm, streets and Adelaide Park Lands; community facilities; outdoor events and workforce	City Public Realm Greening Program; Cool Wayfinding Tool; 5-Year Green Infrastructure Plan	40% canopy cover by 2035; net +485 street trees per year (205 planted in 2025/26)	Park Lands, Policy and Sustainability and city operations and infrastructure teams
Storm, urban flooding and intense rainfall (Physical – Priority 1)	Stormwater network; roads; watercourses and low-lying areas of the Adelaide Park Lands and city	Stormwater Management Plan; Botanic Catchment rehabilitation; Resilient flood planning	20% of stormwater catchment directed to WSUD green assets (159 ha)	Infrastructure and asset planning teams
Asset damage or failure (Physical – Priority 1)	Buildings, roads and civil infrastructure; continuity of Council services	Climate-resilient technical standards; low-carbon and recycled material substitution; embodied carbon procurement template	Embodied carbon measured across asset renewals and capital works	Asset management and capital works teams. Embodied carbon reported via Low Carbon and Circular Economy team
Financial, insurance and information implications (Physical – Priority 1)	Long Term Financial Plan; insurance and asset renewal budgets	Review of the climate-related risk register; integration of climate risk into the Long Term Financial Plan (identified next step)	Annual ICS reporting complete; updated risk registers by 2026/27	Finance, supported by SRIA
Building and policy transition (Transitional – Priority 1)	Council property portfolio; planning and development services	Electrification of CoA buildings; ARCHI adaptive reuse; advocacy on the Planning and Design Code	Buildings using natural gas (7, down from 12); 50 dwellings per year via ARCHI	Low Carbon and Circular Economy Team with property teams

Priority risk / opportunity	Affected assets and services	ICS actions	Metrics	Responsible
Resilient property portfolio (Opportunity – Priority 1)	CoA buildings and community facilities; energy costs and supply security	Gas decommissioning and depot electrification; solar, storage and efficiency via the Sustainability Incentives Scheme	246 tCO ₂ e saved across 156 SIS rebates; progress to no buildings using natural gas	Low Carbon and Circular Economy Team with property teams
Increased low-carbon travel (Transitional opportunity – Priority 2)	Street network and separated bike lanes; public EV charging; fleet	Peacock Road Cycle Route; EV Transition Roadmap and on-street charging trial; fuel and fleet system improvements	10% of city workers cycling; +25 public EV charging bays by 2030 (8 negotiated); 100% zero-emission light fleet (70%)	Transport teams with Low Carbon and Circular Economy team

Owner assignments will be confirmed through the 2026/27 update of the climate-related risk and opportunity register and reflected in the enterprise risk management framework.



4.6 Financial implications of climate-related risk

Priorities in the ICS are funded annually through the CoA's Annual Business Plan and Budget process.

Council is required to adopt a Long Term Financial Plan (LTFP) for a period of at least 10 years and review it annually. It is a tool to guide long-term sustainable financial decision-making. The LTFP is one of Council's central strategic management plans.

Unforeseen economic, political, environmental and market changes can impact the long-term financial sustainability of Council. Council monitors identified risks and/or opportunities including:

- Revenues growth (rates, fees/charges)
- State Government legislation impacting Council ability to raise revenues
- Unexpected interest rates increases
- Uncertainty securing State and Federal Government grant funding
- Market conditions impacting sale of identified Council assets
- Inflationary pressures on materials and wages
- Changing value of assets
- Council decisions.

The future incorporation of climate risk into the LTFP is an identified next step. Broadly, the risks for the CoA in not addressing climate-related risk include:

Environmental Degradation: Without strategic action, the CoA could face exacerbated environmental issues, such as worsening air and water quality, heat island effects and loss of biodiversity.

Increased Vulnerability to Climate Events: By not preparing for extreme weather events and changes in climate patterns (such as heatwaves, flooding, or droughts), the CoA's infrastructure, ecosystems and

population could become more susceptible to damage and disruption.

Economic Costs: Failure to implement the ICS can result in increased operational costs for CoA in terms of energy, water management and disaster response. Economic losses could also occur from damaged infrastructure and reduced attractiveness for investments and tourism.

Health Risks: Increased heat and pollution levels can lead to health problems for residents, including respiratory issues and heat-related illnesses, impacting the community's well-being and putting additional strain on healthcare services.

Missed Opportunities: By not pursuing a decarbonised and sustainable growth model, the CoA may miss out on the economic benefits associated with green industries, such as job creation in renewable energy sectors, knowledge exports and advancements in waste management.

Social Inequities: Lack of action toward climate resilience could disproportionately affect vulnerable populations in the city, exacerbating social inequities, as these communities often have fewer resources to adapt to environmental stresses.

Legal and Regulatory Risks: There may be future legal and regulatory implications for not taking proactive measures to manage risks associated with climate change, including potential non-compliance with State, Federal, or international environmental obligations. Alignment to ASRS which is a more stringent and comprehensive framework will position CoA well to mitigate this risk.

Reputational damage: Residents and businesses may expect local government to lead on climate issues. By not implementing the ICS, the CoA risks losing public trust and support.



5 Metrics and Targets

5.1 Understanding the emissions profile

The CoA measures and reports greenhouse gas emissions for corporate emissions and community emissions.

Corporate emissions – direct and indirect emissions are tracked annually and published to the CoA public website.

Target	Achievement
CoA’s target is to halve our climate impact by 2030 and make it nil by 2035	In 2023/24 CoA reduced emissions 54% on base year 2020 and 8% from 2022/23. In 2024/25 CoA reduced emissions by 63% from our base year 2020.

The CoA will continue to work on reducing operational carbon emissions through a variety of mechanisms, including sustainable procurement practices, waste diversion and resource recovery, and fleet management.

Measurements are taken from base year FY2020, with an interim target for a 75% reduction by FY2030. In FY2024/25, emissions have reduced by 63% from the FY2020 base year.

Community emissions

Community emissions are calculated in an inventory prepared in accordance with the Greenhouse Gas Protocol for Community Scale Greenhouse Gas Emissions inventories (GPC) and published to the CoA public website.

Community emissions are calculated every two years for the proceeding two years due to the time it takes to gather the data. In 2026/27 CoA will be preparing FY2024/25 and FY2025/26 profiles.

The City of Adelaide community greenhouse gas emissions inventory is prepared in accordance with the Global Protocol for Community Scale Greenhouse Gas Emissions Inventories.

The protocol measures the emissions within the City of Adelaide boundary, using “scopes” which allows international comparisons (see definitions). This methodology is used to report internationally to the CDP platform (formerly Carbon Disclosure Project) on climate data and action.

The City of Adelaide scored A- rating for 2024/25, the same as 2023/24.

Total emissions are down 63% since the baseline of FY2020, driven largely by the closure and replacement of the Adelaide Aquatic Centre in 2024/25. The closure of the Aquatic Centre is primarily responsible for the following reductions:

- Total emissions down 20%
- Scope 1 emissions down 55%
- Natural gas emissions are down 75%.

In 2024/25 fleet emissions were down 2%, and refrigerant emissions were negligible and continually improving due to industry improvements.

In 2024/25 Scope 3 emissions remained stable with a 1% increase. These are comprised of 21 categories of indirect emissions as per the pie chart below.

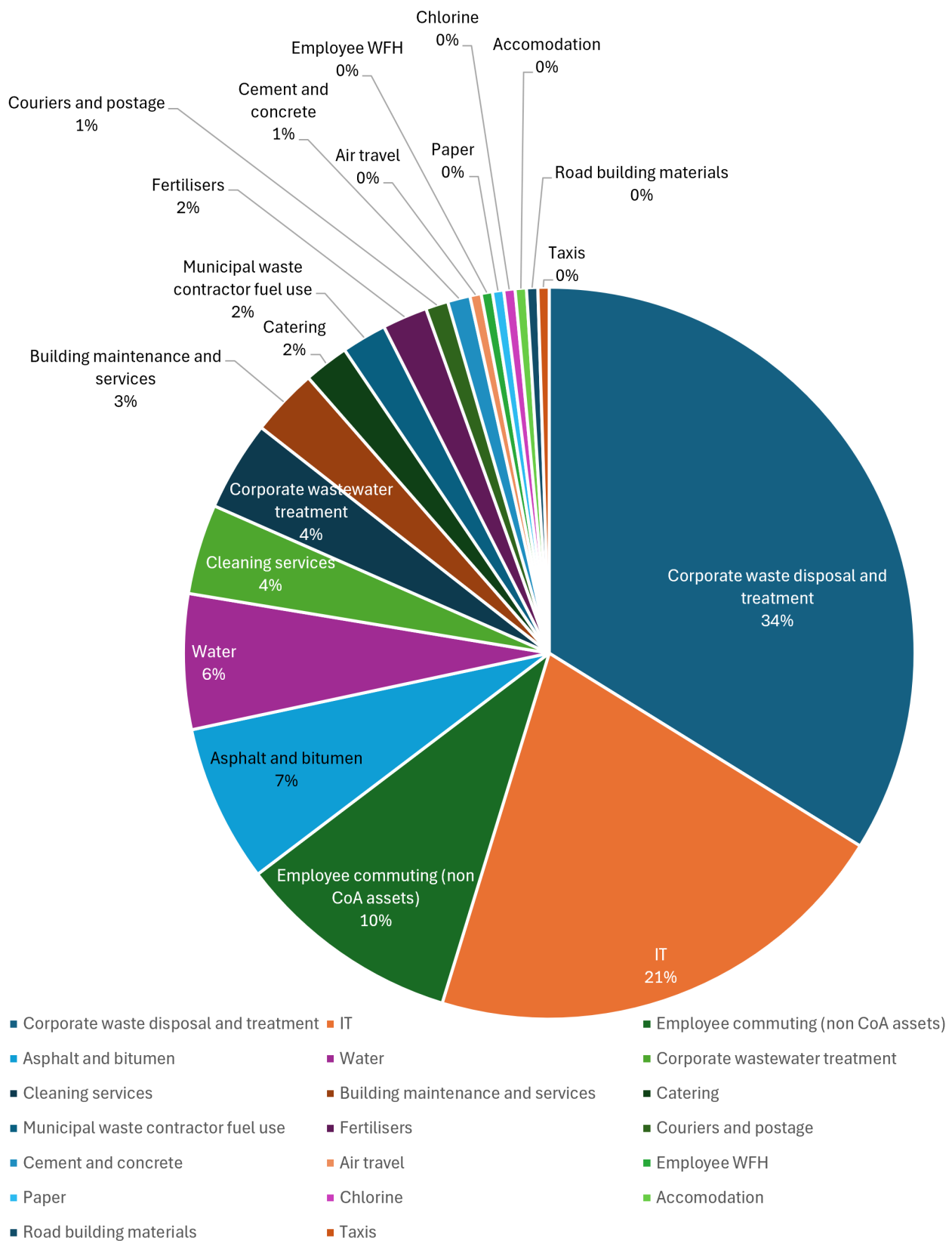


Figure 3 CoA Scope 3 Emissions FY 2025

5.2 Targets

The ICS contains metrics and targets to monitor progress, measure and manage climate-related risks and opportunities aligned with Goals and Priorities. Most of these targets are quantitative and aim to increase the CoA's climate resilience. Not all metrics are measured each year.

The table below includes targets relevant to commitments in 2025/26.

A metrics basis of preparation is provided in Appendix 1.

Progress toward key targets in 2025/26

Icon Key: ↑ Positive progress | ↓ Indication of decline | ↔ Not measured in 2025/26

Target	Metric		Progress toward target in 2025/26
Target: Reduce the temperature of road, footpath and pavement surfaces by more than 9°C compared to existing bitumen surfaces in full sun	Surface temperature, measured in degrees Celsius	↔	Baseline not yet established.
Target: 40% canopy cover by 2035 Target: Net increase of 485 street trees every year until 2035	Streets, roads and park land (public realm) area covered by tree canopy, measured in m2 Number of street trees	↑	205 new street trees planted in 2025/2026. A 5-Year Green Infrastructure Plan was approved by Council that documents a notional 5-year street tree planting program that is subject to future design investigations.
Target: 20% of city stormwater drainage catchment is directed to WSUD green assets (159 ha) Target: Upgrade existing stormwater infrastructure to meet future climate scenarios for rainfall intensity	Percentage of city stormwater drainage catchment directed to green assets (159 ha)	↑	A Stormwater Management Plan (SMP) is in progress - targeting 1 in 20 ARI (5%AEP) or 1 in 10 ARI (10% AEP) minor drainage service level.
Target: Incentives provided for retrofitting to create climate resilient homes	Number or percentage uptake of incentives by community to retrofit homes	↑	For the 2025/26 financial year, the CoA supported the community through the Sustainability Incentives Scheme. \$227,347 was invested across 156 rebates, resulting in 246 tCO2e in cumulative annual emissions savings.
Target: 500 homes and businesses electrified each year, and all-electric new buildings	Number of homes electrified per year Number of all electric new buildings	↑	Number of homes and all electric new builds not measured in 2025/26. The Sustainability Incentives Scheme provided 92 Smart and Green Energy incentives to support electrification (appliance electrification, energy storage and solar, switchboard upgrades, climate smart buildings).
Target: Install an additional 25 public EV public charging bays by 2030 in collaboration with partners	Number of EV charging bays installed	↑	Eight additional charging bays were negotiated with the State Government as part of the redevelopment of the Adelaide Aquatic Centre. Administration is in the final stages of negotiating with its preferred provider for the delivery of additional public charging stations. A strategic project for 2026/27 is funded to design and trial on-street charging in residential areas with limited private off-street charging and constrained charging options.

Target	Metric		Progress toward target in 2025/26
Target: 10% of city workers choose to cycle to work, at least 10,000 extra people per day	Percentage of city workers who choose to cycle to work	↓	Across the 21 city sites counted in both 2025 and 2026, total cycling was 8% lower in 2026 — compared with a 6% decline recorded across the broader Adelaide area. Based on Super Tuesday counts, the main inbound routes, which total 1,940 cyclists across the eight busiest corridors (Porter Street 320, Anzac / Greenhill Road underpass 300, Mike Turtur / King William Road Bikeway 300, River Torrens / Karrawirra Pari Trail east 280, Rundle Street Kent Town 230, Grant Avenue 170, River Torrens / Karrawirra Pari Trail west 170, Outer Harbor Greenway 170).
Target: Greater diversity of aquatic and terrestrial flora and fauna in the River Torrens and urban water courses	Diversity rating of aquatic and terrestrial flora and fauna in the River Torrens and urban water courses	↑	A comprehensive Stormwater Management Plan (SMP) was developed in 2025/26, that enables flood mitigation, healthy waterways, liveability and biodiversity outcomes via integrated water management and water sensitive urban design. Key objectives include reducing pollution impacts of stormwater runoff on downstream environments in line with current and future State WSUD policy, providing erosion mitigation measures at new outfalls to Parkland creeks, and increasing permeable area across built areas and roads,
Target: There is a net increase in biodiversity, habitats, and ecosystem health within the City of Adelaide by 2030	Total number of distinct species within a local community; Area of available habitat per species; Ecosystem health rating	↑	A comprehensive update to the Adelaide Park Lands biodiversity management plans was completed through the Key Biodiversity Area (KBA) Management Plan 2026–2031. The update revises the six KBA Management Plans developed in 2018 and extends coverage to a seventh KBA, the Education Hub at G S Kingston / Wirrarninthe (Park 23), designated following the 2024 Biodiversity Survey.
Target: Increase in sustainable supply chains commonly used by City of Adelaide	Number of sustainable suppliers	↑	A total of 155 circular businesses were identified, or 1.2% of businesses across the city.
Target: Divert 80% of residential kerbside collected material from landfill	Percentage of residential kerbside collected waste diverted from landfill	↔	A review of Council's waste service commenced in 2024/25 and is due for completion in 2026/27. A waste audit is funded to be undertaken in 2026/27.
Target: No buildings use natural gas	Number of buildings using natural gas	↑	Presently, 7 CoA buildings use natural gas, down from 12 in 2024/25.
Target: Embodied carbon is measured and minimised across all asset renewals and capital works	Emissions measured in a formal corporate inventory	↑	As part of an embodied carbon investigation undertaken in 2024/25, a procurement template has been implemented to facilitate accurate measurement of embodied carbon. CoA technical standards have been updated after a costing case study was conducted in 2025/26.
Target: 100% of light passenger vehicles are zero emission	Percentage of zero emission light passenger vehicles	↔	70% of CoA light passenger vehicles are zero emission.
Target: Climate resilience and risk are effectively measured and mitigated	Annual reporting complete	↔	Council completed its first annual report for the Integrated Climate Strategy 2030. A second-pass climate risk assessment was completed in 2025/26 to inform a review of the enterprise-wide strategic risk register in 2026/27.

6 Monitoring, Reporting and Review

6.1 Reporting Framework

To enable the implementation and reporting of the ICS and the identification, monitoring and management of climate-related risks and opportunities, reporting is established across the governance structure (refer to Section 2).

6.2 Climate programs and projects in 2025/26

Priorities in the ICS are funded annually through the Annual Business Plan and Budget process. The ICS Steering Committee supports the budget priorities through its review of budget proposals. In 2025/26, 15 projects were commenced in alignment with the ICS as outlined in the table below:

Goal	Projects Completed	Projects Progressing
Goal 1: A Climate Resilient City	2	1
Goal 2: A Net Zero Ready City	2	1
Goal 3: A City Where Nature Thrives	4	2
Goal 4: Transition to a decarbonised economy	2	-
Goal 5: A Climate-Leading Capital City Council	1	-



Appendix 1 – Metrics basis of preparation

Table 1: Basis of preparation

Element	Basis
Reporting entity and boundary	Corporation of the City of Adelaide, using an organisation and service boundary: emissions from Council-controlled operations, facilities, fleet and the services it delivers directly, including operational control over Adelaide Park Lands and civic assets. Community (city-wide) emissions are reported biannually separately using the Greenhouse Gas Protocol for Community Scale Greenhouse Gas Emissions Inventories method and are outside the corporate target.
Reporting period and base year	Corporate inventory prepared for each financial year (1 July – 30 June). Base year FY2019/20 for the operational emissions target.
Measurement approach	Inventory prepared in accordance with the Climate Active Carbon Neutral Standard for Organisations, which is consistent with the GHG Protocol Corporate Standard and the Corporate Value Chain (Scope 3) Standard, using Australian National Greenhouse Accounts emission factors and the Climate Active Scope 3 guidance. Following the end of Climate Active certification in 2024, CoA continues to apply the same method to preserve comparability.
Scope 1	Direct emissions from Council-owned fleet and plant fuel, natural gas in Council buildings, and refrigerants. Reported as gross tCO ₂ -e.
Scope 2	Purchased electricity. Market-based figure is the headline measure (Climate Active basis), reflecting renewable electricity procurement [confirm: GreenPower / Large Scale Generation Certificates / Power Purchase Agreement share]. Location-based figure to be disclosed alongside from FY2025/26, using the SA grid emission factor.
Scope 3 – categories included	Categories 1 (purchased goods and services), 2 (capital goods), 3 (fuel- and energy-related), 4 (upstream transport), 5 (waste generated in operations), 6 (business travel), 7 (employee commuting), 8 (upstream leased assets), 9 (downstream transport) and 13 (downstream leased assets), per the internal inventory. Activity data are drawn from procurement spend, utility and waste contractor data, travel systems and surveys; spend-based factors are used where activity data are unavailable.
Scope 3 – material exclusions	Residential and business kerbside waste to landfill (collected by Council but not treated as operational waste), and embodied carbon in capital works and asset renewals beyond the spend-based estimate in Category 2. These are tracked under ICS targets T24–T27 and T30 respectively and will be brought into the inventory as data quality allows.
Data quality and assumptions	Metered utility data and fuel records: high quality. Waste, travel and commuting: contractor reports and survey-based estimates. Purchased goods and services: spend-based, moderate quality. Inventory is reviewed internally by the Low Carbon and Circular Economy team.

Element	Basis
Changes in the period	From FY2024/25 CoA no longer purchases carbon credits and reinvests offset funding into emissions reduction; the target is therefore a gross target with no planned reliance on carbon credits. No change to boundary or emission factor sources have been made.
Community emissions	City-wide emissions are calculated using the Global Protocol for Community-Scale GHG Emissions (GPC), BASIC level, using State and utility datasets. They inform ICS goals but are not part of the corporate target.
Non-GHG metrics	ICS metrics are defined in the ICS Reporting Framework with a metric, target value, baseline and data source for each of the 36 targets. Not all metrics are measured annually.

Table 2: Scope 3 category coverage (corporate inventory)

Cat.	Category	Status	Method	Data quality
1	Purchased goods and services	Included	Spend-based (procurement data × Environmentally Extended Input-Output factors)	Moderate
2	Capital goods	Included (spend-based)	Spend-based	Low–moderate
3	Fuel- and energy-related activities	Included	Activity data × National Greenhouse Accounts factors	High
4	Upstream transportation	Included	Contractor and courier data	Moderate
5	Waste generated in operations	Included	Contractor tonnage × National Greenhouse Accounts factors	Moderate
6	Business travel	Included	Travel bookings and expense data	High
7	Employee commuting	Included	Staff survey estimate	Low
8	Upstream leased assets	Included	Utility data	High
9	Downstream transportation	Included	Estimate	Low
10–12, 14, 15	Processing/use/end-of-life of sold products; franchises; investments	Not material / not applicable	–	–
13	Downstream leased assets	Included	Tenant utility data where available	Moderate
–	Kerbside residential and business waste; embodied carbon in capital works	Excluded – material	Not yet quantified in inventory	–

Appendices

Appendix 2 – ICS commitments 2025/26

Icon Key: ✓ Complete | ● In progress (on track) | ● In progress (behind schedule)

No.	2025/26 Commitments		ICS Alignment	Annual Statement of Achievement
1	Collaborate with the Department for Environment and Water and Green Adelaide to develop a Tree Martin Management Plan.	●	Goal 3.2	The 2025/26 Tree Martin roosting season, expected to end by late May 2026, continued past 30 June 2026. A Tree Martin End of Season report and a Tree Martin Management Plan are being progressed concurrently in preparation for next season.
2	Design an Aboriginal Rangers Program for the Adelaide Park Lands to support traditional land management practices.	●	Goal 3.1	Work focused on engaging with the new Kurna Yerta Aboriginal Corporation (KYAC) Board to understand their objectives for the KYAC Aboriginal Ranger Program and the development of the KYAC Healthy Country Plan. The outcomes of this engagement will help inform and refine the CoA's Aboriginal Ranger Program.
3	Identify urban biodiversity corridors and connection mapping.	✓	Goal 3.3	Preliminary water course corridor mapping is complete with Key Biodiversity Area (KBA) linkages in development through expansion of the KBA network and tree and understorey planting.
4	Partner with Green Adelaide to update tree canopy mapping	✓	Goal 3.3	Green Adelaide with the support of partner councils including the CoA completed the tree canopy mapping project, with the outcomes of light detection and ranging (LiDAR) and multispectral imagery capture due to be published and shared with participating councils in 2026/27.
5	Strengthen land management practices by embedding cultural burn practices into City of Adelaide practices and undertake a cultural burn in the Adelaide Park Lands	✓	Goal 3.1	This commitment was completed on 2 October 2025 with a Cultural Burn taking place in Victoria Park / Pakapakanthi (Park 16) Conservation Area.
6	Deliver the Adaptive Reuse City Housing Initiative (ARCHI). Target: Deliver 50 dwellings annually through adaptive reuse of underutilised buildings.	✓	Goal 1.3	The ARCHI program has 5 active funding agreements, supporting delivery of 3 dwellings (9 beds) with \$79,374 in funding allocated in 2025/26. ARCHI received a Commendation for Planning Research at the Planning Institute of Australia (PIA) National Awards for Planning Excellence, convened an industry roundtable on seismic upgrade implications for adaptive reuse, and was presented at the Planning Institute of Australia Emerging Planners Forum and the Adelaide Developer Symposium.
7	Deliver the city public realm greening program	✓	Goal 3.3	A total of 205 trees were planted in 2025/26.
8	Deliver a cool wayfinding tool	✓	Goal 1.1	The Cool Wayfinding Tool was completed in Quarter 3, with enhancements made in Quarter 4, including the addition of building and tree canopy shade data, and the inclusion of time and seasonal timescale variables.
9	Deliver the London Road Works Depot electrification project	✓	Goal 5.1	Practical completion was achieved for the electrification project on 30 June 2026. Work was completed across multiple sites: London Road Depot, North Adelaide Community Centre, Flinders Street Bus Station and Victoria Park / Pakapakanthi racecourse building. Completion of heritage repair works at the North Adelaide Community Centre is planned for Quarter 1 of 2026/27 dependent on gas network distributor meter removal.
10	Deliver the Peacock Road Cycle Route and separated bike lanes	✓	Goal 2.3	Community notification is complete. Department for Infrastructure and Transport design comment process was completed, with traffic control approvals in progress. Procurement is underway in Quarter 4, with Contract Award expected in late July 2026.

No.	2025/26 Commitments	ICS Alignment	Annual Statement of Achievement
11	Deliver the Sustainability Incentive Scheme, which supports the community to implement changes to reduce carbon emissions	✓ Goal 2.1	For the 2025/26 financial year, the SIS delivered: • \$227,347 invested across 156 rebates. • \$6.10 in community investment for every \$1 spent by Council. • 246 tonnes of CO2e in cumulative annual emissions savings • The scheme funded: - o 41 battery storage systems - o 25 appliance electrifications - o 23 e-bikes, cargo bikes & bike racks - o 14 solar installations - o 14 shading devices - o 14 thermal efficient windows and doors - o 11 switchboard upgrades - o 8 EV charging stations - o 4 insulation upgrades - o 1 Climate smart building assessment - o 1 Trees and native plants project.
12	Develop a baseline of circular industries in the City of Adelaide	✓ Goal 4.1	A report has been prepared which sets out baseline measurements of: 1. Local Circular Industry Activity - a measure of how much of the City of Adelaide's economic activity is generated by businesses offering circular products and services. 2. Circularity of Other Industries - an examination of the level of adoption of circular business practices across six priority industry sectors present in the City of Adelaide.
13	Develop a Stormwater Management Plan for the City of Adelaide. Undertake resilient flood planning.	● Goal 1.3	The draft Stormwater Management Plan progressed, with the third and final workshop held on 24 March 2026, focused on short-listing priority locations for stormwater interventions.
14	Enable on-street EV chargers in select locations which support the transition to EVs and minimise impacts on the public realm	● Goal 2.2	Negotiations with the preferred provider for destination EV chargers progressed. Design development of sites has progressed with sites grouped into four tranches for staged installation.
15	Work with the State Government to build the case for a Planning and Design Code Amendment that improves waste management systems for multi-unit dwellings	✓ Goal 4.3	The Minister for Planning advised the City of Adelaide that its proposed Council-led Code Amendment will not progress and that work to improve waste management policies in the Planning and Design Code will be undertaken by the State Government in 2027/28. The City of Adelaide worked with Green Industries SA to recommend improvements to policy guidance outside of the Planning and Design Code, for multi-unit dwellings.







City of Adelaide
25 Pirie Street
Adelaide SA 5000

P 08 8203 7203

W cityofadelaide.com.au

Year 3 (2026/27) Implementation

Climate change has far-reaching risks for the environment, economy, communities and our lifestyles.

The City of Adelaide supports meaningful and immediate climate action to reduce emissions and address the impacts of climate change risk.

This summary sets out the commitments for Year 3 of the 6-year Integrated Climate Strategy and aligns with the City of Adelaide's Annual Business Plan and Budget for 2026/27.

Goals

- A climate resilient city
- A net zero ready city
- A city where nature thrives
- Transition to a decarbonised city
- A climate leading capital city

2026/27 Commitments

- ☐ Collaborate with the Department for Environment and Water and Green Adelaide to manage the seasonal migration of Tree Martins
- ☐ Deliver projects to narrow roads, reduce through traffic and implement traffic calming measures that contribute to greening and cooling in line with the City of Adelaide Wellbeing Strategy
- ☐ Deliver system improvements for fuel and fleet management
- ☐ Deliver the Adaptive Reuse City Housing Initiative (ARCHI)
- ☐ Deliver the City Public Realm Greening Program
- ☐ Deliver the EV Transition Roadmap including on-street EV chargers in select locations which support the transition to EVs and minimise impacts on the public realm
- ☐ Deliver the Sustainability Incentive Scheme to support the community to implement changes to reduce carbon emissions
- ☐ Design an Aboriginal Rangers Program for the Adelaide Park Lands to support traditional land management practices
- ☐ Establish a Sustainability Innovation Design Competition to focus on greening, encouraging sustainability, innovation and efficiencies
- ☐ Improve lighting on the Market Link access footpath to the Adelaide Central Market
- ☐ Support city users to utilise public transport around the City of North Adelaide
- ☐ Support city users travelling into and through the city using active transport, cycle routes and separated bike lanes
- ☐ Support the water course rehabilitation of the Botanic Catchment while undertaking resilient flood planning
- ☐ Undertake a climate impact assessment for the Adelaide Park Lands
- ☐ Undertake a kerbside waste audit to measure diversion of waste from landfill
- ☐ Undertake a pilot in high rise buildings to increase diversion of food organics from landfill
- ☐ Undertake an assessment of the City of Adelaide's Nursery and Green Waste Recycling and Mulch Centre to improve efficient green waste recycling and improved business services
- ☐ Undertake upgrades to SA Power Networks (SAPN) Luminaries

Acknowledgement of Country

The City of Adelaide acknowledges the Kurna People of the Adelaide Plains as the Traditional Custodians of the land on which we live, work and gather. We acknowledge and honour their spiritual and cultural stewardship of this Country and recognise their deep and enduring relationship with its lands, waters, the sky, and all living things. We pay our respects to Kaurna Elders past and present and recognise the important role of emerging leaders in sustaining and strengthening culture.

Exclusion of the Public

Public

EXECUTIVE SUMMARY

Section 90(2) of the *Local Government Act 1999 (SA)* (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.

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 Confidential Meeting with External Auditors [section 90(3) (b) of the Act]
- 11.2 Confidential Meeting with Internal Auditors [section 90(3) (b) of the Act]

The Order to Exclude for Items 11.1 & 11.2:

1. Identifies the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
2. 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.
3. 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

1. 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 23 September 2026 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 11.1 [Confidential Meeting with External Auditors] listed on the Agenda.

Grounds and Basis

Under Section 11.5.3 of the Audit and Risk Committee Terms of Reference, the Audit and Risk Committee is required to meet with Council's external auditors, at least annually, without management being present to discuss issues arising from the External Audit. The disclosure of information in this report may result in the release of information that would breach the Audit and Risk Committee's Terms of Reference and may adversely impact the commercial position of the Council.

Public Interest

The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information may result in the release of information of a commercial advantage that may adversely impact the Council and would breach the Terms of Reference of the Audit and Risk Committee.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 23 September 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 [Confidential Meeting with External Auditors] 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.

ORDER TO EXCLUDE FOR ITEM 11.2

THAT THE AUDIT AND RISK COMMITTEE

1. 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 23 September 2026 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 11.2 [Confidential Meeting with Internal Auditors] listed on the Agenda.

Grounds and Basis

The discussion in this item could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting or proposing to do business.

The disclosure of information discussed may adversely impact the commercial position of the Council.

Public Interest

The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information may result in release of information of 'commercial advantage' of the person conducting business with Council.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 23 September 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 11.2 [Confidential Meeting with Internal Auditors] 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

1. 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.
2. 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 Items;
 - 11.1 Confidential Meeting with External Auditors
 - 11.2 Confidential Meeting with Internal Auditors
 - 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) (e) of the Act
 - (b) information the disclosure of which—
 - i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council, and
 - ii) would, on balance, be contrary to the public interest.

ATTACHMENTS

Nil

- END OF REPORT -

Document is Restricted

Document is Restricted