2025/26 - 2034/35 Long Term Financial Plan - Draft for Public Consultation

Strategic Alignment - Our Corporation

Public

Thursday, 2 October 2025

Special City Finance and Governance Committee

Program Contact:
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Approving Officer:
Anthony Spartalis, Chief Operating Officer

EXECUTIVE SUMMARY

This report presents the Draft 2025/26 - 2034/35 Long Term Financial Plan for the Committee's consideration for the purposes of public consultation.

The *Local Government Act 1999* (SA) (Act) requires that a council must develop and adopt a Long Term Financial Plan (LTFP), for a period of at least 10 years (s122 (1a) (a)) which is reviewed annually (S122 (4) (a)).

This LTFP takes account of the 2025/26 adopted Business Plan and Budget (BP&B) as the base for its projections, building upon the work undertaken for the Asset Management Plans, and City of Adelaide Strategic Plan 2024-2028. It has been developed with regard to Council's adopted financial principles, Council decisions and the best available economic information. It is therefore a tool to guide decision-making in relation to future financial sustainability.

The Draft LTFP includes:

- A base operating surplus position over the life of the plan
- All Key Financial Indicators are within target ranges except for cashflows from operations between 2030/31 – 2032/33 due to an outlay on significant renewals
- A gradual return of the Asset Renewal Funding Ratio (ARFR) over 8 years to achieve 100% from 2031/32 onwards.
- Continuation of the Asset Renewal Repair Fund (ARRF) to fund the annual increase of $14.9 million from 2025/26 associated with the recently adopted Asset Management Plans (AMPs).
- AMPs are funded through operating revenue but in recognition of the need to balance the community's capacity to pay while ensuring community expectations are met, this LTFP assumes the use of short term borrowings to fund the ARRF.
- Significant renewals are required in the mid-long term of the LTFP in accordance with our AMPs. These assets by nature are intergenerational, and as such it is intended to fund them from borrowings and continue to advocate for external funding contributions (the previous LTFP assumed unsecured external funding of $42 million).

RECOMMENDATION

The following recommendation will be presented to Council on 14 October 2025 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Approves the Draft 2025/2026 – 2034/35 Long Term Financial Plan document contained in Attachment A to Item 5.1 on the Agenda for the Special meeting of the City Finance and Governance Committee held on 2 October 2025 for the purpose of public consultation.

2. Approves a 21 day Public Consultation period in accordance with the *Local Government Act (1999)* (SA), commencing at 9.00am on Wednesday 15 October 2025 and concluding at 11.59pm on Tuesday 4 November 2025.
3. Notes the long term financial sustainability of the Long Term Financial Plan 2024/25 to 2033/34 based on the adopted assumptions.
4. Authorises the Chief Executive Officer to make any necessary changes to the draft 2025/26 Long Term Financial Plan document arising from this meeting, together with any editorial amendments and finalisation of the document's formatting and graphic design.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	**Strategic Alignment – Our Corporation** The Long Term Financial Plan is one of the City of Adelaide's legislatively required Strategic Management Plans. It is a fundamental part of responsible management and reporting of City finances, and underpins the City's financial sustainability.
Policy	The Draft 2025/26 to 2034/35 Long Term Financial Plan has been prepared in accordance with the 2025/26 Business Plan and Budget and endorsed Financial Policies.
Consultation	21 days consultation is recommended, rather than the six weeks for Strategic Management Plan documents outlined in the current CoA Community Consultation Policy. The proposed shorter consultation period is recommended as the community has been recently and extensively consulted on the 2025/26 Business Plan and Budget, and critical long-horizon documents underpinning the LTFP – specifically six Infrastructure and Asset Management Plans during late 2023 and early 2024, and the Strategic Plan 2024-2028. A public consultation on the Draft Long Term Financial Plan 2025/26 will open at 9.00am on Wednesday 15 October and close 11.59pm Tuesday 4 November 2025.
Resource	The 2025/26 BP&B and Draft 2025/26 to 2034/35 Long Term Financial Plan identifies how Council's resources will be allocated in meeting the 2025/26 deliverables and objectives of the Strategic Plan.
Risk / Legal / Legislative	Development of a Long Term Financial Plan is a requirement of the *Local Government Act 1999* (SA).
Opportunities	Public consultation is a key part of the LTFP providing the community with an opportunity to provide feedback on the draft. Community members can provide feedback on issues that affect them with the commitment of Council to provide pathways for their input.
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
25/26 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

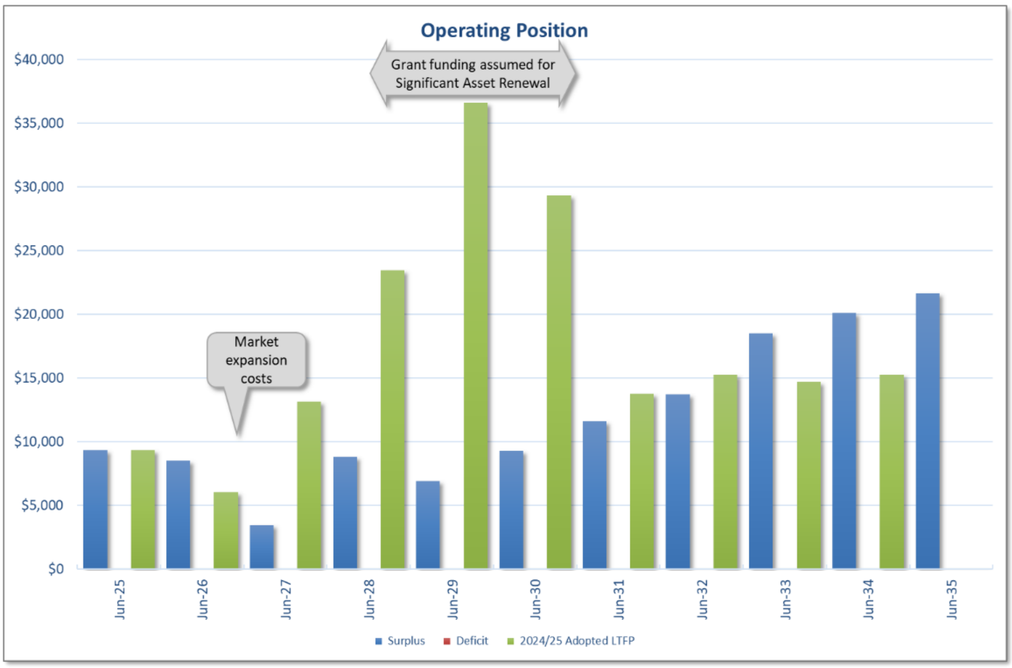
1. The *Local Government Act 1999* (SA) (Act) requires that a council must develop and adopt a Long Term Financial Plan (LTFP), for a period of at least 10 years (s122 (1a) (a)) which is reviewed on an annual basis (S122 (4) (a)).
2. Following the Local Government Reform the LTFP must be provided to the designated authority on or before 30 September in the relevant financial year. Council was reviewed by the Essential Services Commission of SA (ESCOSA) in 2024/25, which for the purposes of the LTFP is the designated authority.
3. As a result of the Central Ward Supplementary Election, the development of the 2025/26 LTFP was delayed to ensure the incoming Councillors were able to provide input into the LTFP.
4. The LTFP forms part of Council's suite of Strategic Management Plans (SMPs), along with the City of Adelaide Strategic Plan 2024-2028 (Strategic Plan), Asset Management Plans (AMPs) and City Plan 2036, which must be adopted within two years of being elected.
5. The Act requires a Council's SMPs to address:
   - 5.1. The sustainability of the Council's financial performance and position
   - 5.2. The maintenance, replacement or development needs for infrastructure within its area, and
   - 5.3. Identification of any anticipated or predicted changes that will have a significant effect upon the costs of the Council's activities/operations.
6. S122 (4a) (a) also requires an annual report from the Chief Executive Officer on the sustainability of the council's long-term financial performance and position.
7. At its 10 June 2025 meeting, Council resolved that the LTFP be presented to Council by the end of October 2025 as part of the approval of the Chief Executive Officer's Draft KPIs.
8. At the Council meeting dated 25 June 2025, Council adopted the 2025/26 annual Business Plan and Budget.
9. This LTFP takes account of the 2025/26 adopted BP&B as the base for its projections and builds upon the work undertaken for the annual Business Plan and Budget, Strategic Plan and AMPs. It has been developed with regard to Council's adopted financial principles, Council decisions and the best available economic information and is a tool to guide decision-making in relation to future financial sustainability.
10. The 2025/26 to 2034/35 LTFP is modelled on certain trends and assumptions, particularly:
    - 10.1. The LTFP assumes rate revenue increases in line with the Consumer Price Index (CPI), combined with growth of 1% associated with new rateable properties.
    - 10.2. Most expenses are escalated by CPI.
    - 10.3. CPI, which is forecast by various bodies, is the preferred escalator over Local Government Pricing Index (LGPI), which is a lag indicator.
    - 10.4. Current assumptions for CPI are based on SA Centre for Economic Studies forecasts, June 2025.
    - 10.5. Enterprise Agreements are used as the basis for salaries and wages increases, noting the differing timeframes associated with each agreement, with CPI used beyond agreement expiries.
    - 10.6. Interest rates are sourced from Reserve Bank of Australia Bond data – updated quarterly.
    - 10.7. Capital renewal expenditure reflects activity programmed within the AMPs, with a transition to 100% Asset Renewal Funding Ratio over an eight year period.
    - 10.8. Capital enhancements (new and upgrade) reflect Council's current commitment to deliver on Mainstreet Upgrades over the current term. The remaining funding outside of existing council decisions remains consistent with the 2024/25 LTFP.
    - 10.9. Significant asset renewals contemplated in the LTFP include the Adelaide Bridge, and Torrens Weir structure and Rundle UPark which have been updated to rehabilitate the assets to extend the useful lives (previous LTFP assumed full replacement of the Adelaide Bridge and Torrens Weir).

Statement of Comprehensive Income

11. The current and following ten years Statement of Comprehensive Income is included in **Attachment A**. The next four years are summarised below:

Statement of Comprehensive Income				
$'000s	2025-26 Budget	2026-27 Plan	2027-28 Plan	2028-29 Plan
Income				
Rates Revenues	154,908	164,079	174,823	181,556
Statutory Charges	17,809	18,254	18,710	19,178
User Charges	70,309	72,067	73,869	75,716
Grants, Subsidies and Contributions	4,896	4,349	4,458	4,569
Investment Income	171	175	179	184
Reimbursements	181	186	190	195
Other Income	694	712	729	748
Total Income	**248,969**	**259,822**	**272,959**	**282,146**
Expenses				
Employee Costs	90,792	94,142	96,496	98,908
Materials, Contracts & Other Expenses	84,413	90,941	93,203	95,918
Depreciation, Amortisation & Impairment	64,506	67,999	69,610	72,661
Interest Cost on borrowings	-	847	2,389	5,320
Finance costs - ROU Assets	717	2,422	2,422	2,422
Total Expenses	**240,428**	**256,351**	**264,120**	**275,229**
Operating Surplus / (Deficit)	**8,541**	**3,470**	**8,839**	**6,917**

12. The projected operating result for 2025/26 is a surplus of $8.541 million, an increase of $2.471million compared to the 2024/25 adopted LTFP projections for the same period.



12.1. The surpluses across the LTFP reflect a robust statement of financial sustainability derived from a positive underlying structural budget, which has been achieved through sound financial management and improved efficiency and performance in the provision of all services and asset management plans.

12.2. The underlying increases in rates and fee revenue are above the percentage increase in key operational costs, contributing to growth in surpluses.

12.3. Three key operational impacts affect the operating position throughout the life of the LTFP, namely:

12.3.1. The assumptions surrounding preparedness for the Adelaide Central Market Authority expansion resulting in a reduced operating position in 2026/27.

12.3.2. Returning revenue from re-opening of the redeveloped Central Market Arcade during 2026/27

12.3.3. Depreciation and interest costs associated with borrowings as Council continue to invest in new and upgraded projects (to meet the emerging needs of the community).

Statement of Financial Position

13. The Statement of Financial Position is included in **Attachment A**.

14. Net Council assets are forecast to increase from $2.028 billion at June 2026 to $2.177 billion in June 2035.

Statement of Cash Flows

15. The Statement of Cash Flows is included in **Attachment A**. The next four years are summarised below:

Statement of Cash flows				
$'000s	2025-26 Budget	2026-27 Plan	2027-28 Plan	2028-29 Plan
Cash Flows from Operating Activities				
Receipts				
Operating Receipts	247,861	258,914	271,860	281,377
Payments				
Finance Payments	(2,913)	(847)	(2,389)	(5,320)
Operating Payments to Suppliers and Employees	(171,901)	(183,689)	(189,495)	(194,956)
Net Cash provided by (or used in) Operating Activities	73,047	74,379	79,976	81,102
Cash Flows from Investing Activities				
Receipts				
Amounts Received Specifically for New/Upgraded Assets	8,018	2,631	4,669	-
Proceeds from Surplus Assets	18,500	-	-	-
Sale of Replaced Assets	500	500	500	500
Payments				
Expenditure on Renewal/Replacement of Assets	(67,937)	(70,940)	(72,165)	(74,657)
Expenditure on New/Upgraded Assets	(46,041)	(35,861)	(37,550)	(5,797)
Net Purchase of Investment Securities	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	(320)	(999)	(320)	(320)
Net Cash provided by (or used in) Investing Activities	(87,280)	(104,669)	(104,866)	(80,274)
Cash Flows from Financing Activities				
Receipts				
Proceeds from Borrowings	19,335	35,514	29,411	3,690
Payments				
Repayment from Borrowings	-	-	-	-
Repayment of Lease Liabilities	(5,102)	(5,224)	(4,521)	(4,518)
Net Cash provided by (or used in) Financing Activities	14,233	30,290	24,890	(828)
Net Increase (Decrease) in Cash Held	-	-	-	-
plus: Cash & Cash Equivalents at beginning of period	800	800	800	800
Cash & Cash Equivalents at end of period	800	800	800	800

15.1. Of note are the Proceeds from Sale of Surplus Assets, allocated to the Future Fund and offsetting the need to draw the full debt required to fund new and upgraded projects.

15.1.1. Note however that when funds in the Future Fund are required to invest in future projects, borrowing levels will reflect the level of debt that would have been carried by Council had it not been offset by the Future Fund.

16. The cash flow from operations is positive over the life of the LTFP, indicating that Council operations will generate enough cashflow to cover ongoing expenses and support the funding of asset replacement over time, noting however that borrowings may be required to fund significant renewal projects - the Torrens Weir, Adelaide Bridge and Rundle UPark.

17. Given the investment preferences of the Council and the commitment to Mainstreet Upgrades over the next four years (new and upgraded projects), it is appropriate to focus on the balance of borrowings rather than the cash balance.

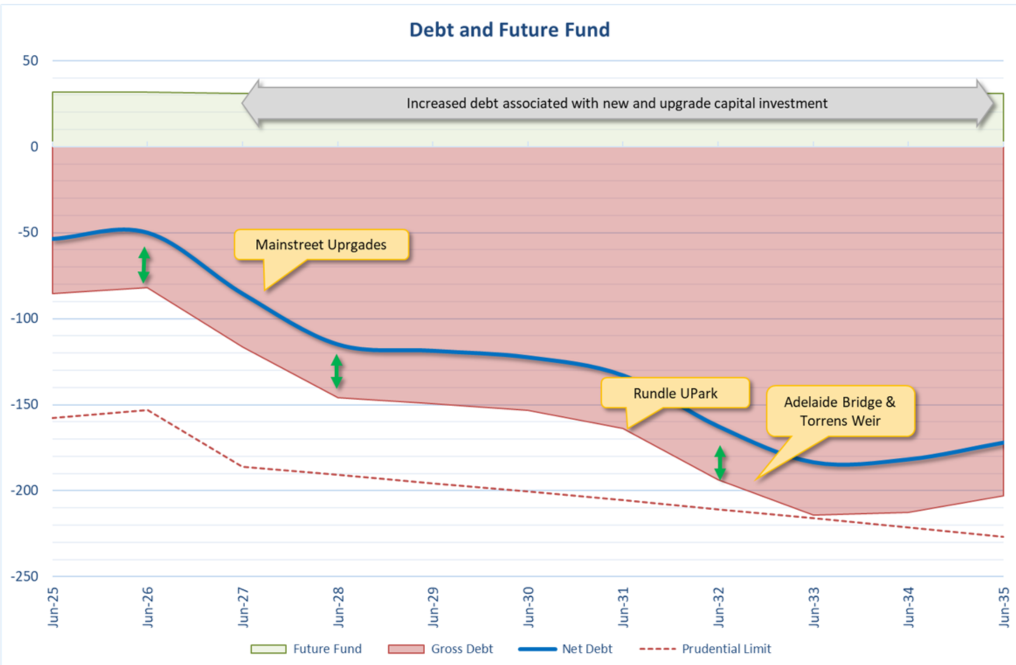
18. The net funding requirement at the end of 2025/26 as contained within the Uniform Presentation of Finances in **Attachment A** is $19.355 million, increasing our forecast borrowings to $50.074 million.

19. The 2024/25 LTFP forecast borrowings of $94.834 million as at 30 June 2026, with the revised LTFP presenting an improvement of $44.760 million. The movement is summarised below:

Borrowings Reconciliation	2024/25 Adopted Budget ($000's)	2024/25 Q3 Budget ($000's)	Movement ($000's)
Opening Cash/(borrowings) – Reconciliation via E-News (26/8/24)	(23,593)	1,635	25,228
Operating Surplus	9,367	9,367	0
Net outlays on Renewal of Assets	1,335	(4,812)	(6,147)
Net outlays on New/Upgraded Assets	(32,283)	(50,840)	(18,557)
Receipt of Long Term Lease Extension Payment	0	16,400	16,400
Cash payment for rental properties	(4,989)	0	4,989
Movement in Net Payables and Receivables	(3,514)	(2,489)	1,025
Forecast Borrowings as at 30 June 2025	**(53,677)**	**(30,739)**	**22,938**

Borrowings Reconciliation	2025/26 Adopted LTFP ($000's)	2025/26 Adopted Budget ($000's)	Movement ($000's)
Opening Cash/(borrowings)	(53,677)	(30,739)	22,938
Operating Surplus	6,070	8,541	2,471
Net outlays on Renewal of Assets	(2,975)	(2,931)	44
Net outlays on New/Upgraded Assets	(39,119)	(19,843)	19,276
Movement in Net Payables and Receivables	(5,133)	(5,102)	31
Forecast Borrowings as at 30 June 2026	**(94,834)**	**(50,074)**	**44,760**

20. A chart of the net funding position showing the gross debt, future fund and net debt ("offset balance") over the LTFP is shown below.



21. Borrowings are steadily increasing in subsequent years principally due to utilising borrowings to fund the new and upgraded capital program (noting that Council uses operating revenue to fund the renewal capital program).

22. Also note the increase in borrowings in years 6 to 8 where it is assumed that Council will fund the renewal costs associated with the Adelaide Bridge, Torrens Weir and Rundle UPark. Given the size of these significant renewals, the LTFP proposes funding them using borrowings to avoid large rate or other revenue increases to fund the works.

23. The LTFP also assumes transitioning from a 92.5% (2024/25) Asset Renewal Funding Ratio (ARFR) to 100% over eight years. This results in less operating revenue required to offset debt payments, contributing to an overall increase in the net funding position.

Capital Investment

24. The Asset Renewal Funding Ratio is shown in **Attachment A**. An ARFR of 100% is forecast to be achieved from 2031/32 onwards, ensuring that assets are being replaced at the same rate as they are wearing out, supporting Council's long term financial sustainability.

25. The adopted 2024/25 LTFP assumed forward allocation of $23.2 million on new and upgraded assets to balance the delivery of infrastructure within prudential borrowing limits. The revised LTFP maintains this forward allocation at the same level.

26. The Essential Services Commission SA (ESCOSA) Advice to Local Government provided in 2024/25 reported that Council has no 'financial cushion' for periods within the 2024/25 LTFP, with Council borrowing to its prudential borrowing limit. The revised LTFP projects that Council will operate within its prudential borrowing limit across the 10-years, including any spend associated with the Future Fund.

Sensitivity Analysis

27. In order to test the LTFP assumptions, sensitivity analyses have been undertaken. Only those with material impacts have been included, noting the sensitivities related to CPI and interest rate variations are immaterial in relative terms.

28. Asset Renewal Funding Ratio (ARFR)

    28.1. The draft 2025/26 LTFP assumes a transition to 100% ARFR over eight years, primarily to reduce the short term impact on rate payers of the increased funding required through the recently adopted AMPs. The following analysis compares the ARFR transition over eight years against funding 100% in 2026/27, showing the relative impact on rates revenue. The impact of increasing the ARFR to 100% in 1 year is a 2.8% increase to rates revenue above CPI.

Renewal Impact on Rate Revenue	2026-27		2027-28		2028-29		2029-30		20230-31		2031-32		Total Increase	
$000's	$	%	$	%	$	%	$	%	$	%	$	%	$	%
ARFR Transition over 1 year	4,096	2.8%	-	-	-	-	-	-	-	-	-	-	4,096	2.76%
ARFR Transition over 8 years	705	0.5%	704	0.4%	704	0.4%	705	0.4%	704	0.4%	1,058	0.6%	4,581	2.70%
Variance	**3,391**	**2.3%**	**(704)**	**(0.4%)**	**(704)**	**(0.4%)**	**(705)**	**(0.4%)**	**(704)**	**(0.4%)**	**(1,058)**	**(0.6%)**	**-485**	**0.06%**

29. Significant Renewals

    29.1. The LTFP reflects significant renewals required in accordance with our AMPs in the mid-long term. These assets by nature are intergenerational, and as such, it is intended to fund them through borrowings. This will eliminate the burden on existing rate payers, and smooth the cost over those who will benefit from the assets.

    29.2. The 2024/25 LTFP assumed the significant renewals are funded through external contributions, in addition to borrowings. Based on the current investigations undertaken on these assets, the assumptions in the draft 2025/26 LTFP have reduced the funding requirement and removed the unsecured external grant contributions.

    29.3. If external funding is secured to renew these significant assets, either a reduction in borrowings will occur, and / or additional funding will be available for new and upgraded assets.

30. Mainstreet Upgrades

    30.1. In the 2023/24 Budget, Council committed to funding the delivery of five Mainstreet upgrades in the current term of Council. The LTFP allocation is $62.6 million for new and upgraded assets, limiting the funding available to deliver on other new and upgraded non-Mainstreets projects.

    30.2. The option to defer the delivery of these upgrades to one Mainstreet at a time is available, while planning and designing the next upgrade as the current upgrade is delivered. This will provide capacity to deliver other priorities in Council's adopted strategies, including the Strategic Plan and Integrated Climate Strategy.

$000's	Previous Year's Budget	2025-26 Budget	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan	2034-35 Plan	Total 10 years
Current Mainstreet Allocation												
Hindley Street Upgrade	460	480	6,640	6,640	-	-	-	-	-	-	-	**14,220**
Gouger Street Upgrade	126	2,209	9,001	3,164	-	-	-	-	-	-	-	**14,500**
O'Connell Street Upgrade	1,000	612	4,135	9,203	-	-	-	-	-	-	-	**14,950**
Melbourne Street Upgrade	100	1,850	1,683	2,867	-	-	-	-	-	-	-	**6,500**
Hutt Street Upgrade	(29)	465	4,330	7,684	-	-	-	-	-	-	-	**12,450**
Total Current Mainstreet Allocation	**1,657**	**5,616**	**25,789**	**29,558**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**62,620**
Deferral Option												
Hindley Street Upgrade	460	-	-	480	6,640	6,640	-	-	-	-	-	**14,220**
Gouger Street Upgrade	126	-	-	-	2,209	9,001	3,164		-	-	-	**14,500**
O'Connell Street Upgrade	1,000	-	-	-	-	-	612	4,135	9,203	-	-	**14,950**
Melbourne Street Upgrade	100	-	-	-	-	-	-		1,850	1,683	2,867	**6,500**
Hutt Street Upgrade	(29)	465	4,330	7,684	-	-	-	-	-	-	-	**12,450**
Total Deferral Option		**465**	**4,330**	**8,164**	**8,849**	**15,641**	**3,776**	**4,135**	**11,053**	**1,683**	**2,867**	**62,620**
Variance		**5,151**	**21,459**	**21,394**	**(8,849)**	**(15,641)**	**(3,776)**	**(4,135)**	**(11,053)**	**(1,683)**	**(2,867)**	**-**

31. Upgrade to Park Lands Buildings

31.1. During the 2024/25 BP&B process, Council made a commitment to invest 1.5% of Rates Revenue to Upgrade buildings within the Park Lands, equating to $25.5 million in today's dollars from years 2-10 of the LTFP. This funding allocation is in addition to the Renewal of the buildings contained within the AMPs.

31.2. Table below compares a 1.5% of Rates Revenue against a 1.0% of Rates Revenue over the same period.

Upgrade to Park Land Buildings Impact on Rate Revenue	2026-27		2027-28		2028-29		2029-30		20230-31		2031-32		2032-33		2033-34		2034-35		Total Increase	
$000's	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%
1.5% Rates Revenue	2,361	1.5%	2,520	1.5%	2,619	1.5%	2,721	1.5%	2,827	1.5%	2,942	1.5%	3,045	1.5%	3,151	1.5%	3,262	1.5%	25,447	13.50%
1.0% Rates Revenue	1,574	1.0%	1,680	1.0%	1,746	1.0%	1,814	1.0%	1,885	1.0%	1,961	1.0%	2,030	1.0%	2,101	1.0%	2,174	1.0%	16,965	9.00%
Variance	**787**	**0.5%**	**840**	**0.5%**	**873**	**0.5%**	**907**	**0.5%**	**942**	**0.5%**	**981**	**0.5%**	**1,015**	**0.5%**	**1,050**	**0.5%**	**1,087**	**0.5%**	**8,482**	**4.50%**

Financial Indicators

32. The key financial indicators (KFIs) required to be reported by councils are the:

32.1. Operating Surplus Ratio

32.2. Net Financial Liabilities Ratio

32.3. Asset Renewal Funding Ratio (ARFR)

33. In addition to the required KFIs, Council has adopted additional KFIs to measure its long term sustainability. These are the:

33.1. Asset Test Ratio

33.2. Interest Expense Ratio

33.3. Leverage Test Ratio

33.4. Cashflow from Operations Ratio

34. The KFIs shown in **Attachment A** demonstrate an improving financial position in the short term and maintaining a sustainable financial position in key components throughout the 10 year period of the plan. However, the following should be noted:

34.1. The Operating Surplus Ratio fluctuates in the short term as a result of the Central Market Arcade Redevelopment. Over the mid-long term, the ratio steadily improves.

34.2. Increased borrowings from continued investment in the City increases the Net Financial Liabilities and Asset Test Ratio indicators from 2031/32. In the 2024/25 LTFP, the Prudential Borrowing Limit was reached in the same year. This suggested that the investment in new and upgraded capital could not be sustained without changes in other parts of the LTFP (for example, additional assistance to fund the significant renewal projects). The draft 2025/26 LTFP has seen a significant improvement, with both ratios maintained within the target limits.

34.3. The ARFR is transitioning to 100% over eight years, achieving 100% from 2031/32 onwards.

34.4. Cash Flow from Operations are negatively impacted by the funding of significant renewal projects – the Adelaide Bridge, Torrens Weir and Rundle UPark from 2030/31.

35. The next four years are summarised below:

Financial Indicator	Explanation	Target	2025-26	2026-27	2027-28	2028-29
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	3.4%	1.3%	3.2%	2.5%
Net Financial Liabilities	Financial liabilities and a percentage of operating income	Less than 80%	35%	49%	58%	58%
Asset Renewal Funding Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	94%	95%	96%	97%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	16%	23%	30%	30%
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	1.5%	2.8%	3.3%	4.0%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.3	0.5	0.7	0.7
Cash Flow fom Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	102%	102%	103%	103%
Borrowings	Borrowings as a percentage of the Prudential Borrowing Limit	Prudential Limit $m	152.9	186.2	190.9	195.6
		Borrowings $m	50.1	85.6	115.0	118.7
		%	33%	46%	60%	61%
Operating Position	Operating Income less Expenditure	$2m - $10m	8.5	3.5	8.8	6.9
Future Fund	Proceeds from the sale of Council assets to fund new income generating assets or new strategic capital projects	N/A	31.8	30.9	30.9	30.9

Consultation Process

36. Council will comply with section 122(6) of the Act to facilitate residents, ratepayers, businesses and other key stakeholders' feedback for Strategic Management Plans and "… adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans."

37. The current City of Adelaide Community Consultation Policy specifies a six week consultation period for Strategic Management Plan documents (including the LTFP). However in this case a 21 day period is recommended by Administration because of the extensive consultation which has already occurred.

38. The community has been recently and extensively consulted on the 2025/26 Business Plan and Budget, and the critical long-horizon documents underpinning the LTFP – specifically six AMPs during late 2023 and early 2024, and the Strategic Plan.

39. A 21 day consultation period satisfies the requirements of section 122 and 50 of the Act.

40. A targeted 21 day period of consultation would allow substantive feedback but avoid the risk of engagement exhaustion with little further additional input.

41. Consultation will focus on our proposed priorities and projects including:

41.1. The rate of return to 100% ARFR

41.2. Confirm community preferences around Mainstreets and Park Lands buildings investments.

42. Consultation will open at 9am Wednesday 15 October 2025 and close at 11.59pm Tuesday 4 November 2025.

Next Steps

43. Present the draft 2025/26 LTFP to the Audit and Risk Committee on 17 October 2025 as part of the Public Consultation process.
44. At its meeting of 18 November 2025, provide for noting to the City Finance and Governance Committee Provide a report that summarises community feedback received through consultation.
45. At its meeting of 18 November 2025, seek City Finance and Governance Committee recommendation for Council approval for the adoption of the LTFP, including any updates incorporated from the consultation, at the 25 November 2025 Council meeting.
46. Update the AMPs to reflect the proposed changes to the Capital Renewal Program represented in the LTFP.

ATTACHMENTS

Attachment A – Draft 2024/25 LTFP

- END OF REPORT -