

City of Adelaide

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2025

Adelaide. Designed for Life.



General Purpose Financial Statements

for the year ended 30 June 2025

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General Purpose Financial Statements
for the year ended 30 June 2025

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 2025 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.


Michael Sedgman
Chief Executive Officer

Date: 24.09.2025


Keiran Spane
Acting Lord Mayor

Date:

City of Adelaide

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Income			
Rates	2a	144,084	135,538
Statutory charges	2b	17,193	15,598
User charges	2c	71,385	74,435
Grants, subsidies and contributions - operating	2g	6,820	8,638
Investment income	2d	1,048	1,265
Reimbursements	2e	1,659	1,639
Other income	2f	988	1,292
Net gain - equity accounted council businesses	17(a)	13	3
Total income		243,190	238,408
Expenses			
Employee costs	3a	80,062	77,786
Materials, contracts and other expenses	3b	92,246	96,247
Depreciation, amortisation and impairment	3c	60,332	55,008
Finance costs	3d	1,075	891
Total expenses		233,715	229,932
Operating surplus / (deficit)		9,475	8,476
Physical resources received free of charge	2i	1,262	464
Asset disposal and fair value adjustments	4	(11,547)	(6,160)
Amounts received specifically for new or upgraded assets	2g	4,703	5,521
Net surplus / (deficit)		3,893	8,301
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9a	124,105	158,673
Share of other comprehensive income - equity accounted council businesses	17(a)i	666	2,125
Impairment (expense) / recoupments offset to asset revaluation reserve	9a	(11,424)	—
Rehabilitation Provision recognised directly in the asset revaluation reserve	9a	—	(4,950)
Total amounts which will not be reclassified subsequently to operating result		113,347	155,848
Total other comprehensive income		113,347	155,848
Total comprehensive income		117,240	164,149

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

City of Adelaide

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	2,288	2,077
Trade and other receivables	5b	29,860	38,314
Inventories	5c	749	804
Other current assets	5d	45,500	18,500
Total current assets		78,397	59,695
Non-current assets			
Trade and other receivables	6a	812	932
Equity accounted investments in council businesses	6b	5,065	4,066
Other non-current assets	6c	87	26,153
Infrastructure, property, plant and equipment	7	2,159,705	2,009,872
Investment property	7	4,705	3,065
Total non-current assets		2,170,374	2,044,088
TOTAL ASSETS		2,248,771	2,103,783
LIABILITIES			
Current liabilities			
Trade and other payables	8a	32,916	30,087
Borrowings	8b	3,314	5,077
Provisions	8c	13,877	18,858
Total current liabilities		50,107	54,022
Non-current liabilities			
Trade and other payables	8a	16,063	16,232
Borrowings	8b	71,072	39,318
Provisions	8c	2,076	1,998
Total non-current liabilities		89,211	57,548
TOTAL LIABILITIES		139,318	111,570
Net assets		2,109,453	1,992,213
EQUITY			
Accumulated surplus		810,417	783,588
Asset revaluation reserves	9a	1,284,676	1,171,995
Other reserves	9b	14,360	36,630
Total equity		2,109,453	1,992,213

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

City of Adelaide

Statement of Changes in Equity for the year ended 30 June 2025

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2025					
Balance at the end of previous reporting period		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	7a	—	124,105	—	124,105
- IPP&E impairment (expense) / recoupments offset to asset revaluation reserve	7a	—	(11,424)	—	(11,424)
- Rehabilitation Provision recognised directly in asset revaluation reserve	8c	—	—	—	—
- 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
2024					
Balance at the end of previous reporting period		781,667	1,018,226	28,171	1,828,064
Restated opening balance		781,667	1,018,226	28,171	1,828,064
Net surplus / (deficit) for year		8,301	—	—	8,301
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	158,673	—	158,673
- IPP&E impairment (expense) / recoupments offset to asset revaluation reserve	7a	—	—	—	—
- Rehabilitation Provision recognised directly in asset revaluation reserve	8c	—	(4,950)	—	(4,950)
- Share of OCI - equity accounted council businesses		2,079	46	—	2,125
Other comprehensive income		2,079	153,769	—	155,848
Total comprehensive income		10,380	153,769	—	164,149
Transfers between reserves		(8,459)	—	8,459	—
Balance at the end of period		783,588	1,171,995	36,630	1,992,213

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

City of Adelaide

Statement of Cash Flows

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Cash flows from operating activities			
<u>Receipts</u>			
Operating receipts		249,117	233,628
Investment receipts		1,048	1,265
<u>Payments</u>			
Operating payments to suppliers and employees		(175,367)	(172,057)
Net cash provided by (or used in) operating activities	10b	74,798	62,836
Cash flows from investing activities			
<u>Receipts</u>			
Amounts received specifically for new or upgraded assets		6,360	4,951
Sale of replaced assets		603	495
Sale of surplus assets		3	—
Sale of non current assets "held for sale"		—	27,100
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(51,655)	(52,667)
Expenditure on new/upgraded assets		(47,059)	(37,844)
Net return of / (payment for) investment securities		—	10,633
Capital contributed to equity accounted Council businesses		(320)	(320)
Net cash provided (or used in) investing activities		(92,068)	(47,652)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from borrowings		53,221	63,920
Proceeds from bonds and deposits		148	—
<u>Payments</u>			
Repayments of borrowings		(29,401)	(71,439)
Repayment of lease liabilities		(6,487)	(6,336)
Repayment of bonds and deposits		—	(123)
Net cash provided by (or used in) financing activities		17,481	(13,978)
Net increase (decrease) in cash held		211	1,206
plus: cash & cash equivalents at beginning of period		2,077	871
Cash and cash equivalents held at end of period	10a	2,288	2,077

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 2025

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Notes to and forming part of the Financial Statements for the year ended 30 June 2025

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 24 September 2025.

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 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 2025

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 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 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 receive 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.

(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. A detailed statement of the accounting policies applied to financial instruments forms part of Note 11.

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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

(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 7.

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. 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 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 7.

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
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Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

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

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
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
Right-of-Use Assets	3 to 15 years

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 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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

(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.

(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 oncosts) measured in accordance with AASB 119.

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 oncosts) 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 4.21% (2024, 4.24%)

Weighted average settlement period 10 years (2024, 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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

(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 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.

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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

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.

(16) New accounting standards

The Adelaide City Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2024, none of the standards had an impact on the reported position, performance and cash flows.

The relevant standards for Adelaide City Council were:

- AASB 101 Presentation of Financial Statements (amended by AASB 2020-1, AASB 2020-6, AASB 2022-6, AASB 2023-3) relating to current / non-current classification of liabilities
- AASB 13 Fair Value Measurement (amended by AASB 2022-10)

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2025, 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 2025

- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability

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

- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments

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

- AASB 17 Insurance Contracts (amended by AASB 2020-5, AASB 2023-1, AASB 2023-8 and AASB 2023-9 Insurance Contracts in the Public Sector)

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

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5, AASB 2023-7 and AASB 2024-4)
- AASB 18 Presentation and Disclosure in Financial Statements

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

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

(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.

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 2. Income

\$ '000	2025	2024
(a) Rates		
General rates		
General rates	147,269	137,630
Less: mandatory rebates	(6,241)	(6,050)
Less: discretionary rebates, remissions and write-offs	(4,131)	(2,768)
Total general rates	136,897	128,812
Other rates (including service charges)		
Landscape levy	1,966	1,866
Rundle Mall Separate Rate	4,076	3,936
Building Upgrade Finance	41	41
Total other rates (including service charges)	6,083	5,843
Other charges		
Penalties for late payment	1,104	883
Total other charges	1,104	883
Total rates	144,084	135,538

(b) Statutory charges

Planning, Development and Infrastructure Act fees	2,054	2,134
Animal registration fees and fines	43	36
Parking fines / expiation fees	12,687	10,846
Other Fees, Fines, Penalties and Expiations	649	696
Encroachments Fees	274	488
Food Inspections Fees / Fines	141	88
Outdoor Dining Fees	567	526
Residential Parking Permits	59	54
Section 7 Searches	120	115
Temporary Parking Control Permits	591	608
Water Systems Fees	8	7
Total statutory charges	17,193	15,598

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 2. Income (continued)

\$ '000	2025	2024
(c) User charges		
Parking fees	13,370	12,913
Property lease	11,824	11,002
Sundry	101	119
Adelaide Aquatic Centre Charges	169	6,701
Adelaide Golf Links Charges	4,940	4,679
Adelaide Town Hall Charges	2,330	2,367
Compost Sales	982	881
Event Fees	1,011	1,013
Library Centre	2	1
Off-Street Parking	33,639	31,784
Park Lands Events Fees	294	184
Property Recovery	2,149	2,259
Rundle Mall	574	532
Total user charges	71,385	74,435
(d) Investment income		
Interest on investments		
- Local Government Finance Authority	715	82
- Banks and other	84	275
Investment property rental income	225	208
Unwinding of premiums and discounts	—	584
Financial Instrument - Fair Value Increase / (Decrease)	14	106
Interest on Finance Leases	10	10
Total investment income	1,048	1,265
(e) Reimbursements		
Private works	1,428	1,275
Other	231	364
Total reimbursements	1,659	1,639
(f) Other income		
Insurance & Other Recoupments	503	322
Sundry	16	23
Merchandise Sales	78	63
Commission	289	403
Other	102	481
Total other income	988	1,292

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 2. Income (continued)

\$ '000	2025	2024
(g) Grants, subsidies and contributions		
Capital grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	4,703	5,521
Total amounts received for new or upgraded assets	4,703	5,521
Operating grants, subsidies and contributions		
Other grants, subsidies and contributions	3,996	7,195
Untied - Financial Assistance Grant	1,778	174
Home and Community Care Grant	322	268
Library and communications	493	489
Roads to Recovery	169	511
Sundry	62	1
Other grants, subsidies and contributions - operating	6,820	8,638
Total other grants, subsidies and contributions - operating	6,820	8,638
Total grants, subsidies and contributions	11,523	14,159
(i) Sources of grants		
Commonwealth Government	1,893	5,468
State Government	9,568	8,670
Other	62	21
Total	11,523	14,159

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 2. Income (continued)

\$ '000	2025	2024
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(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	269	55
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 Activation	(51)	—
Subtotal	(231)	—
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Heritage and cultural services	—	75
Parks and Gardens	—	50
City Activation	—	89
Administration activities	40	—
Subtotal	40	214
Unexpended at the close of this reporting period	78	269
Net increase (decrease) in assets subject to conditions in the current reporting period	(191)	214

(i) Physical resources received free of charge

Land and improvements	3	—
Public Lighting	59	19
Urban Elements	17	121
Transportation	1,183	143
Stormwater drainage	—	181
Total physical resources received free of charge	1,262	464

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 3. Expenses

\$ '000	Notes	2025	2024
(a) Employee costs			
Salaries and wages		70,107	68,238
Employee leave expense		8,855	9,288
Superannuation - defined contribution plan contributions	16	8,482	7,972
Workers' compensation insurance		1,746	2,145
Income Protection Insurance		404	378
Less: capitalised and distributed costs		(9,532)	(10,235)
Total operating employee costs		80,062	77,786
Number of Employees (full time equivalent at end of reporting period)		627	597
Number of Employees (temporary full time equivalent at end of reporting period)		89	119

(b) Materials, contracts and other expenses

(i) Prescribed expenses

Auditor's Remuneration	116	88
- Other services - Internal audit	234	314
Bad and doubtful debts	117	882
Elected members' expenses	688	573
Election expenses	53	-
Lease expense - low value assets / short term leases	395	186
Lease expense - variable payments	777	746
Other	71	101
Subtotal - prescribed expenses	2,451	2,890

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 3. Expenses (continued)

\$ '000	2025	2024
(ii) Other materials, contracts and expenses		
Contractors	22,409	24,701
Energy	6,416	6,699
Maintenance	10,616	9,267
Legal expenses	1,449	1,716
Levies Paid to Government - including NRM levy	3,117	2,317
Levies - other	65	41
Parts, accessories and consumables	4,376	5,354
Professional services	6,009	6,348
Advertising and Promotion	3,655	3,786
Bank Charges and Cash Collection	865	971
Catering	941	1,334
Cleaning	2,457	2,848
Communications	570	542
Contractual Expenses	1,178	980
Water	2,884	2,616
Entertainment - Council and Civic Events	40	113
External Plant Hire	1,203	1,519
Insurance	2,681	2,897
Investment Property Expenses	66	55
Minor Plant and Equipment	601	707
Printing, Freight and Postage	772	672
Rates and Taxes	291	346
Registrations	203	214
Searches	652	456
Security	2,273	2,452
Sponsorships, Contributions and Donations	7,324	8,238
Subscriptions	2,371	1,697
Training and Development	607	570
Waste Services	3,592	3,742
Other	112	159
Subtotal - Other material, contracts and expenses	89,795	93,357
Total materials, contracts and other expenses	92,246	96,247

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 3. Expenses (continued)

\$ '000	2025	2024
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings	9,175	10,024
Infrastructure		
- Stormwater and Drainage	3,808	2,923
- Public Art	59	48
- Bridges	2,913	2,107
- Footpaths	8,956	7,911
- Kerb & Water Table	1,876	1,461
- Public Lighting	5,243	5,233
- Roads	8,609	7,248
- Ticket Machines	151	169
- Traffic Signals	2,783	2,846
- Urban Elements	3,436	3,591
Right-of-use assets	5,521	5,569
Plant and equipment	1,921	1,967
Furniture and fittings	1,846	1,686
Library books	345	347
Park Land Improvements	1,867	1,842
Subtotal	58,509	54,972
(ii) Impairment		
Office, Furniture and Equipment	—	36
Park Land Improvements	1,823	—
Subtotal	1,823	36
Total depreciation, amortisation and impairment	60,332	55,008
(d) Finance costs		
Interest on loans	121	190
Interest on leases	1,075	891
Less: capitalised and distributed costs	(121)	(190)
Total finance costs	1,075	891

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 4. Asset disposal and fair value adjustments

\$ '000	2025	2024
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	603	495
Less: carrying amount of assets sold	(14,133)	(7,687)
Gain (loss) on disposal	(13,530)	(7,192)
(ii) Assets surplus to requirements		
Proceeds from disposal	3	27,100
Less: carrying amount of assets sold	(874)	(26,223)
Gain (loss) on disposal	(871)	877
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)	1,357	155
Total fair value adjustments	1,357	155
Net gain (loss) on disposal or revaluation of assets	(11,547)	(6,160)

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 5. Current assets

\$ '000	2025	2024
(a) Cash and cash equivalent assets		
Cash on hand and at bank	1,823	1,635
Deposits at call	465	442
Total cash and cash equivalent assets	2,288	2,077
(b) Trade and other receivables		
Rates - general and other	10,972	8,872
Accrued revenues	2,202	3,137
Debtors - general	11,496	23,801
GST recoupment	2,745	207
Prepayments	3,677	3,437
Deferred Rent	15	41
Finance Lease Receivable	10	10
Subtotal	31,117	39,505
Less: provision for expected credit losses	(1,257)	(1,191)
Total trade and other receivables	29,860	38,314
(c) Inventories		
Stores and materials	548	602
Trading stock	152	147
Other	49	55
Total inventories	749	804
(d) Other current assets		
Other financial asset at cost	18,500	18,500
Prepayment for development contract	27,000	—
Total other current assets	45,500	18,500

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 6. Non-current assets

\$ '000	Notes	2025	2024
(a) Trade and other receivables			
Receivables			
Finance Lease Receivable		452	462
Total receivables		452	462
Other financial assets (investments)			
Ergo Apartments - Shared Equity Loans at Fair Value through Surplus/(Deficit)		360	470
Total other financial assets (investments)		360	470
Total financial assets		812	932
(b) Equity accounted investments in council businesses			
The Brown Hill and Keswick Creeks Stormwater Board	17(a)i	5,065	4,066
Total equity accounted investments in Council businesses		5,065	4,066
(c) Other non-current assets			
Deferred rent		87	53
Prepayment for development contract		—	26,100
Total other non-current assets		87	26,153

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 7. Infrastructure, property, plant & equipment and investment property

Infrastructure, property, plant and equipment

S.260	Particulars	as at 30/06/24										as at 30/06/25									
		Actual movement during the reporting period					Actual movement during the reporting period					Actual movement during the reporting period					Actual movement during the reporting period				
		At 01/07/24	At Cost	Accumulated Depreciation	Carrying Amount	At 30/06/24	At 01/07/24	At Cost	Accumulated Depreciation	Carrying Amount	At 30/06/25	At 01/07/24	At Cost	Accumulated Depreciation	Carrying Amount	At 30/06/25	At 01/07/24	At Cost	Accumulated Depreciation	Carrying Amount	At 30/06/25
	Capital in progress																				
	Land																				
	Land - other																				
	Community Land																				
	Land - Crown																				
	Buildings																				
	Buildings																				
	Park Land & Open Space Assets																				
	Infrastructure																				
	- Stormwater and Drainage																				
	- Bridges																				
	- Footpaths																				
	- Kerb & Water Table																				
	- Public Lighting																				
	- Roads																				
	- Ticket Machines																				
	- Traffic Signals																				
	- Urban Elements																				
	- Public Art																				
	Other																				
	Right-of-use assets																				
	Library books																				
	Equipment, Furniture and Fittings																				
	Plant and equipment																				
	Civic Collection																				
	Total Infrastructure, property, plant and equipment																				
	Comparatives																				

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Investment property

		as at 30/06/24										as at 30/06/25			
\$ '000	Fair Value Level	Asset movements during the reporting period													
		Carrying amount	Accumulated Depreciation	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	WIP Transfers	Revaluation Increments/ Decrements to P&L - Investment Properties (Note 4)	Revaluation Decrements to Equity (ARR) (Note 5)	Revaluation Increments to Equity (ARR) (Note 5)	At Fair Value	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
2		3,065	-	-	-	-	283	1,357	-	-	4,705	-	-	-	4,705
		3,065	-	-	-	-	283	1,357	-	-	4,705	-	-	-	4,705
Comparatives		2,910	-	-	-	-	-	155	-	-	3,065	-	-	-	3,065

Buildings and structures
Total investment property

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 7. 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 7(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.

Where there is no known market for buildings, infrastructure and other assets. These assets are valued at current replacement cost. 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

A majority of the land under Council's care and control has been declared as community land under the provisions of the *Local Government Act 1999*.

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Council's principal role as a provider of services to the community, promotes alignment with strategic outcomes as opposed to outright revenue generation. 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" incorporating such restrictions as mentioned above.

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

Park Land and Open Space assets were valued by Council officers at current replacement cost during the reporting period ended 30 June 2023.

Land

An independent valuation was conducted of Council's land assets, excluding Park Lands and Land under Roads, in FY2020/21 by Opteon Property Group Pty Ltd based on the fair value of the assets as at 1 July 2020. The market approach was adopted using level two inputs or level three where the land was of a specialised and restricted nature.

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these 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.

Buildings

Building assets were valued using the market or current replacement cost approach with the most recent valuation conducted during the reporting period ended 30 June 2021 by independent valuers. Acquisitions subsequent to the most recent valuation have been measured at cost.

Infrastructure

Bridges

Bridge assets are revalued periodically by independent valuers. The most recent valuation was completed during the period ended 30 June 2024 by GHD, using unit rates developed by Rider Levitt Bucknell. Bridge assets are valued at current replacement cost less depreciation. A desktop revaluation was conducted as at 30 June 2025 using the LGPI capital index as the basis for indexation.

Footpaths

Footpaths were valued by Council officers using the current replacement cost approach. The most recent valuation was conducted during the period ended 30 June 2022 and was based on unit rates to replace the associated footpath component. A desktop revaluation was conducted as at 30 June 2025 using the LGPI capital index as the basis for indexation.

Kerb and Water Table

Kerb and water table were valued by Council officers using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2024 and was based on unit rates to replace the associated kerb component, as provided by Rider Levitt Bucknell. A desktop revaluation was conducted as at 30 June 2025 using the LGPI capital index as the basis for indexation.

Public Art

Public art assets are revalued periodically by independent valuers. The most recent revaluation was completed as at 30 June 2022 by Kate Oster PGDip. Art Curatorship, BA of Theodore Bruce Auctions Pty Ltd. Public art assets are valued using the current replacement cost approach. All acquisitions made after the date of valuation are recorded at cost.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Public Lighting and Electrical

Public lighting and electrical assets were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2025 and was conducted by Council officers and utilised condition audit data and unit rates to replace the associated components, as provided by Sproutt, Deadshort Electrical and Ronstan Tensile Architecture. Due to the long life nature the underground components, the condition audit data was calculated on an aged based approach.

Roads

Road assets were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2024 and was based on the unit rates to replace the associated road component from CoA's asphalt contracts. A desktop revaluation was conducted as at 30 June 2025 using the LGPI capital index as the basis for indexation.

Stormwater and Drainage

Stormwater and drainage assets are periodically valued with the most recent revaluation conducted for the period ended 30 June 2024 using the current replacement cost approach. The revaluation was conducted by Council officers, utilising unit rates to replace similar components from Rider Levitt Bucknell. Due to the long life nature of water infrastructure assets the condition audit data was calculated on an aged based approach. A desktop revaluation was conducted as at 30 June 2025 using the LGPI capital index as the basis for indexation.

Ticket Machines

Ticket machines were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2022 and was based on the unit rates to replace the associated ticket machine component. All acquisitions made after the date of valuation are recorded at cost.

Traffic Signals

Traffic Signal assets were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2025 and was conducted by Council officers and utilised condition audit data and unit rates to replace the associated traffic signal component, as provided by Gridlock Electrical.

Urban Elements

Urban elements were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2021 and was based on unit rates to replace the associated asset. All acquisitions made after the date of valuation are recorded at cost.

Plant & Equipment

Plant and equipment is valued at historical cost less depreciation.

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.

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 8. Liabilities

\$ '000	Notes	2025 Current	2025 Non Current	2024 Current	2024 Non Current
(a) Trade and other payables					
Goods and services		9,477	—	7,869	—
Payments received in advance		12,592	16,063	11,689	16,232
Accrued expenses - employee entitlements		3,545	—	2,703	—
Accrued expenses - other		6,415	—	6,865	—
Deposits, retentions and bonds		388	—	240	—
Other		499	—	721	—
Total trade and other payables		32,916	16,063	30,087	16,232

(b) Borrowings

Loans		—	23,820	—	—
Lease liabilities	15b	3,314	47,252	5,077	39,318
Total Borrowings		3,314	71,072	5,077	39,318

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

Borrowings as at 30 June 2025 are offset by the Future Fund Reserve of \$14,359,548 as disclosed under Note 9b.

(c) Provisions

Annual Leave Employee Entitlements		6,766	—	6,812	—
Long Service Leave Employee Entitlements		6,728	2,076	6,594	1,998
Rehabilitation Provision		—	—	4,950	—
Other		383	—	502	—
Total provisions		13,877	2,076	18,858	1,998

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 9. Reserves

	as at 30/06/24				as at 30/06/25
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset revaluation reserve					
Land - other	170,564	—	—	—	170,564
Buildings	204,736	—	—	(6,065)	198,671
Infrastructure					
- Stormwater and Drainage	119,819	15,313	—	(835)	134,297
- Public Art	4,165	2	(785)	—	3,382
- Bridges	78,236	1,799	—	—	80,035
- Footpaths	252,303	11,521	—	(2,707)	261,117
- Kerb & Water Table	74,204	1,506	—	(95)	75,615
- Public Lighting	7,527	68,519	—	(118)	75,928
- Roads	218,255	6,631	—	(258)	224,628
- Ticket Machines	1,629	—	—	—	1,629
- Traffic Signals	8,970	18,814	—	—	27,784
- Urban Elements	30,538	—	(41)	(1,346)	29,151
Park Land Improvements	—	—	826	—	826
Other assets	1,003	—	—	—	1,003
JV's / associates - other comprehensive income	46	—	—	—	46
Total asset revaluation reserve	1,171,995	124,105	—	(11,424)	1,284,676
Comparatives	1,018,225	158,719	—	(4,950)	1,171,994

	as at 30/06/24				as at 30/06/25
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other reserves					
Other reserves	36,630	—	(22,270)	—	14,360
Total other reserves	36,630	—	(22,270)	—	14,360
Comparatives	28,171	27,100	(18,641)	—	36,630

(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.

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 10. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2025	2024
(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	5a	2,288	2,077
Balances per Statement of Cash Flows		2,288	2,077
(b) Reconciliation of Operating Result			
Net surplus/(deficit)		3,893	8,301
Non-cash items in income statements			
Depreciation, amortisation and impairment		60,332	55,008
Fair value adjustments		(1,357)	(155)
Equity Movements in Equity Accounted Investments (Increase) / Decrease		(13)	(3)
Premiums and discounts recognised and unwound		—	(584)
Non-cash asset acquisitions		(1,262)	(464)
Grants for capital acquisitions treated as investing activity		(4,703)	(5,521)
Net (gain)/loss on disposals		12,904	6,315
Interest on Financing Activity		1,075	891
		70,869	63,788
Add (less): changes in net current assets			
Net (Increase) / Decrease in Receivables		7,378	(16,529)
Change in allowances for under-recovery of receivables		66	917
Net (Increase) / Decrease in Inventories		55	(63)
Net (Increase) / Decrease in Other Assets		(924)	(603)
Net Increase / (Decrease) in Trade & Other Payables		2,257	10,083
Net Increase / (Decrease) in Unpaid Employee Benefits		(46)	266
Net Increase / (Decrease) in Other Provisions		(4,857)	4,977
Net cash provided by (or used in) operations		74,798	62,836

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 10. Reconciliation to Statement of Cash Flows (continued)

\$ '000	2025	2024
(c) Reconciliation of Liabilities Arising from Financing Activities		
Borrowings and Lease Liabilities		
Opening Balance	44,395	56,276
Net Proceeds from/(Repayments of) Borrowings	23,820	(7,519)
Non-Cash Lease Additions	22,466	1,083
Non-Cash Lease Terminations	(10,883)	—
Non-Cash Accretion of interest	1,075	891
Lease Payments	(6,487)	(6,336)
Closing Balance	74,386	44,395
Non-cash financing (other)		
Bonds & Deposits		
Opening Balance	240	363
Bond / Deposit Proceeds Received/(Repayments Made) During the Year	148	(123)
Total Liabilities from Financing Activities	74,774	44,635

(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	70,000	70,000

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

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 11. 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 9.15% (2024: 9.05%). 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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 11. Financial instruments (continued)

Terms and conditions:

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 2025

Note 11. 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					
2025					
Financial assets					
Cash and cash equivalents	2,288	–	–	2,288	2,288
Receivables	12,446	79	536	13,061	12,903
Other financial assets	18,500	–	360	18,860	18,860
Total financial assets	33,234	79	896	34,209	34,051
Financial liabilities					
Payables	20,266	–	–	20,266	20,324
Non-current borrowings	–	–	23,820	23,820	23,820
Lease liabilities	6,279	17,551	97,904	121,734	50,566
Total financial liabilities	26,545	17,551	121,724	165,820	94,710
Total financial assets and liabilities	59,779	17,630	122,620	200,029	128,761
2024					
Financial assets					
Cash and cash equivalents	2,077	–	–	2,077	2,077
Receivables	24,067	79	555	24,701	26,219
Other financial assets	18,500	–	470	18,970	18,970
Total financial assets	44,644	79	1,025	45,748	47,266
Financial liabilities					
Payables	16,295	–	–	16,295	16,295
Non-current borrowings	–	–	–	–	–
Lease liabilities	5,828	23,560	18,685	48,073	44,395
Total financial liabilities	22,123	23,560	18,685	64,368	60,690
Total financial assets and liabilities	66,767	23,639	19,710	110,116	107,956

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

\$ '000	2025		2024	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other variable rates	5.26%	23,820	5.48%	–
Fixed interest rates	0.00%	–	0.00%	(526)
		23,820		(526)

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.

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 11. 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 5 & 6 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 variable interest rate borrowings and fixed cash investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 12. Capital expenditure and investment property commitments

\$ '000	2025	2024
Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	6,237	27,019
Drainage & Waterways	3,195	186
IT Corporate System	80	419
Lighting & Electrical	941	1,423
Park Lands & Squares	712	8,410
Plant & Equipment	473	829
Streetscapes	4,971	4,085
Transportation	5,919	7,511
Urban Elements	454	360
	22,982	50,242
These expenditures are payable:		
Not later than one year	22,982	36,430
Later than one year and not later than 5 years	—	13,812
	22,982	50,242

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 13. Financial indicators

\$ '000	Amounts 2025	Indicator 2025	Indicators 2024	Indicators 2023
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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	9,475	3.9%	3.6%	0.8%
Total operating income	243,190			

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

2. Net Financial Liabilities Ratio

Net financial liabilities	106,358	44%	29%	33%
Total operating income	243,190			

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. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio

Operating surplus	8,901	3.7%	3.6%	0.6%
Total operating income	242,616			

Adjusted Net Financial Liabilities Ratio

Net financial liabilities	106,932	44%	29%	33%
Total operating income	242,616			

3. Asset Renewal Funding Ratio

Asset renewals	51,655	85%	94%	73%
Infrastructure and Asset Management Plan required expenditure	60,564			

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.

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 13. Financial indicators (continued)

\$ '000	Amounts	Indicator	Indicators	
	2025	2025	2024	2023
Adjusted Asset Renewal Funding Ratio				
Asset renewals	53,394			
Infrastructure and Asset Management Plan required expenditure	55,920	95%	97%	72%

The Asset Renewal Funding Ratio 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 does not take into account the proportion of works completed but not yet paid, nor any contingency contained within the Infrastructure and Asset Management Plan required expenditure. A contingency element was introduced into the 2024 revised Asset Management Plans from 2024/25 financial year. This adjusted ratio includes the cost of works completed but not yet paid and adjusts for performance against contingency. This corrects the resulting distortion for each year and provides a more accurate basis for comparison.

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 14. Uniform presentation of finances

\$ '000	2025	2024
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
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	144,084	135,538
Statutory charges	17,193	15,598
User charges	71,385	74,435
Grants, subsidies and contributions - operating	6,820	8,638
Investment income	1,048	1,265
Reimbursements	1,659	1,639
Other income	988	1,292
Net gain - equity accounted council businesses	13	3
Total Income	243,190	238,408
Expenses		
Employee costs	(80,062)	(77,786)
Materials, contracts and other expenses	(92,246)	(96,247)
Depreciation, amortisation and impairment	(60,332)	(55,008)
Finance costs	(1,075)	(891)
Total Expenses	(233,715)	(229,932)
Operating surplus / (deficit)	9,475	8,476
Adjusted Operating surplus / (deficit)	9,475	8,476
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(51,655)	(52,667)
Finance lease payments for right of use assets on existing assets	(5,412)	(5,444)
Add back depreciation, amortisation and impairment	60,332	55,008
Add back proceeds from sale of replaced assets	603	495
	3,868	(2,608)
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(47,059)	(37,844)
Add back amounts received specifically for new and upgraded assets	6,360	4,951
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	3	27,100
	(40,696)	(5,793)
Annual net impact to financing activities (surplus/(deficit))	(27,353)	75

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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.

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:

(a) Right of use assets

\$ '000	Buildings	Total
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
Adjustment to right-of-use asset due to early termination of lease	(9,369)	(9,369)
Depreciation charge	(5,521)	(5,521)
Balance at 30 June	49,208	49,208
2024		
Opening balance	46,137	46,137
Additions to right-of-use assets	—	—
Adjustments to right-of-use assets due to re-measurement of lease liability	1,081	1,081
Adjustment to right-of-use asset due to early termination of lease	—	—
Depreciation charge	(5,569)	(5,569)
Balance at 30 June	41,649	41,649

(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	2025	2024
Balance at 1 July	44,395	48,757
Additions	75	146
Adjustment to lease liabilities due to lease modifications	22,374	937
Adjustment to lease liabilities due to early termination	(10,866)	—
Accretion of interest	1,075	891
Payments	(6,487)	(6,336)
Balance at 30 June	50,566	44,395
Classified as:		
Current	3,314	5,077
Non-current	47,252	39,318

The maturity analysis of lease liabilities is included in Note 11.
The Council had total cash outflows for leases of \$6.487m

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 15. Leases (continued)

\$ '000	2025	2024
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	5,521	5,569
Interest expense on lease liabilities	1,075	891
Expense relating to short term leases	333	170
Expense relating to leases of low-value assets	62	16
Variable lease payments	777	746
Other	71	101
Total amount recognised in profit or loss	7,839	7,493

(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 2.

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. 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 5 and 6.

\$ '000	2025	2024
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	7,782	7,354
Later than one year and not later than 5 years	18,522	13,006
Later than 5 years	27,021	21,834
	53,325	42,194

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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 (11.50% in 2024/25; 11.00% in 2023/24). 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 2023/24) 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.

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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	
	2025	2024	2025	2024
Council's share of net income				
Joint ventures	13	3	5,065	4,066
Total Council's share of net income	13	3	5,065	4,066

(i) Joint ventures, associates and joint operations

(a) Carrying amounts

\$ '000	Principal Activity	2025	2024
The Brown Hill and Keswick Creeks Stormwater Board	Implementation & oversight of stormwater infrastructure	5,065	4,066
Total carrying amounts - joint ventures and associates		5,065	4,066

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	
	2025	2024	2025	2024	2025	2024
The Brown Hill and Keswick Creeks Stormwater Board	8.00%	8.00%	8.00%	8.00%	20.00%	20.00%

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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	
	2025	2024
Opening Balance	4,066	1,618
Share in Operating Result	13	3
Share in Other Comprehensive Income	666	2,079
New Capital Contributions	320	320
Asset Revaluation Reserve Adjustment	—	46
Council's equity share in the joint venture or associate	5,065	4,066

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 2025	Ownership 2024	Voting Rights 2025	Voting Rights 2024
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 on 20 years. The lease contains payment terms of \$1 per annum and is deemed a "Peppercorn" lease.

ACMA contracts staff from Council with the cost totalling \$1,443,661 for the year (2023-24: \$1,199,753).

Council, as the parent entity, has provided an equity contribution of \$167,929 (2024: Nil) 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.

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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 2025	Ownership 2024	Voting Rights 2025	Voting Rights 2024
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 2024-25 totalled \$306,399 (2023-24: \$234,088).

Other disclosures

APLA contracts staff from Council with the cost totalling \$153,855 for the year (2023-24: \$134,361).

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 2025	Ownership 2024	Voting Rights 2025	Voting Rights 2024
Council's Interest in Subsidiary	100%	100%	100%	100%

Other disclosures

AEDA contracts staff from Council with the costs totalling \$4,182,801 (2023-24: \$3,792,993).

In the period an amount of \$8,412,973 (2023-24: \$8,890,960) 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 2025

Note 18. 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.

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 \$1,340,965 as at 30 June 2025 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.

Council is in negotiation with a property owner to execute a new long term lease agreement and relocate from its existing premises. There is a possible obligation regarding the make-good of the existing facility which will only be confirmed by the signing of the final agreement and negotiations with the existing property owner regarding make-good requirements. This had not occurred at the time the financial statements were approved and as such, no provision has been recognised as a reliable estimate cannot be determined.

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 19. Events after the Reporting Date

Events that occur after the reporting date of 30 June 2025, 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 of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

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

Note 20. 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, 22 persons were paid the following total compensation:

\$ '000	2025	2024
The compensation paid to key management personnel comprises:		
Short-term employee benefits	2,025	2,289
Post-employment benefits	168	185
Long-term benefits	1	12
Termination benefits	—	248
Total	2,194	2,734

Compensation paid excludes reimbursement of expenses incurred on behalf of Council

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 \$120,927
- LGFA for whom M. Sedgman, CEO, is Board Chair - Interest and special distributions received from LGFA of \$833,231
- J Giles, Councillor, received a grant payment to the value of \$2,357.35 under the Heritage Incentive Scheme.

Note 21. Capital City Development and Economic Development

Expenditure incurred in accordance with the Capital City Committee Capital City Development Program per Section 34(1)(b) of the *City of Adelaide Act 1998* totalled \$62.8m for 2024-25 (2023-24: \$49.4m). This represents 20.18% (2023-24: 16.61%) of total expenditure for the year ended 30 June 2025.

In accordance with the requirements of the *City of Adelaide Act 1998*, expenditure of \$19.1m (2023-24: \$19.1m) was incurred for works, services and activities that directly related to Council's economic development program. This represents 6.12% (2023-24 6.43%) of the total expenditure for the year ended 30 June 2025.

INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF CITY OF ADELAIDE

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Adelaide (the Company) and its subsidiaries (the Council), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows 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 of presents fairly, in all material respects, the financial position of the Council as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with 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 Local Government Act 1999 and 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 confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a 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 of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 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 an 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

A stylized blue ink signature of the BDO firm, consisting of the letters 'BDO' in a cursive, handwritten style.

BDO Audit Pty Ltd

A blue ink signature of Linh Dao, written in a cursive, handwritten style.

Linh Dao
Director

Adelaide, 24 September 2025

INDEPENDENT ASSURANCE REPORT OF THE INTERNAL CONTROLS OF CITY OF ADELAIDE

Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Adelaide ('Council') in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2024 to 30 June 2025 relevant to ensuring such transaction have been conducted properly and in accordance with the law.

In our opinion, in all material respects:

- (a) The controls established by the Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- (b) The controls operated effectively as designed throughout the period from 1 July 2024 to 30 June 2025.

Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

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

The Council's responsibilities for the Internal Controls

The Council is responsible for:

- a) The receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) Identifying the control objectives
- c) Identifying the risks that threaten achievement of the control objectives
- d) Designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- e) Operating effectively the controls as designed throughout the period.

Our independence and quality management

We have complied with the independence and 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.



Assurance practitioner's responsibilities

Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, with the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

Limitations of controls

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

An assurance engagement on operating effectiveness of 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.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit Pty Ltd

A handwritten signature in blue ink that appears to read 'Linh Dao'.

Linh Dao
Director

Adelaide, 24 September 2025

General Purpose Financial Statements
for the year ended 30 June 2025

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 2024, the Council's Auditor, BDO Audit 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*.



Michael Seagman
Chief Executive Officer

Nicolle Rantanen Reynolds
Presiding Member, Audit and Risk Committee

Date: 24.09.2025

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of Adelaide for the year ended 30 June 2025, I have maintained my independence in accordance with the requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), 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 the Act.

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



Linh Dao
Director

BDO Audit Pty Ltd

Adelaide, 16 September 2025