

Our Corporation

2026/27 Business Plan and Budget

Base budget position (LTFP)
and AEDA allocation

9 December 2025
Anthony Spartalis, Chief Operating Officer

Introduction

Building a Business Plan and Budget



Proposed revised roadmap

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

Current Budget Position

As per the LTFP

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

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

OPERATING

Operating Budget

Business as usual budget for services.

Some discretion in the short term

Strategic Projects

Projects delivering on our Strategic Plan and Strategies.

Full discretion in the short term

CAPITAL

Asset Renewal Program

Replacement of assets like-for-like (or modern equivalent).

Limited discretion in the short term

New and Upgrade

Projects that create new or upgrade existing assets.

Some/full discretion in the short term

Current Budget Position

As per the LTFP

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

100% of the forecasted 2026/27 **New & Upgrade Capital** expenditure would be pre-committed based on continuing projects from 2025/26 and Council Decisions (Main Streets, 1.5% rate income to upgrade buildings in the Park Lands, etc.).

OUR BUDGET

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

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

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

Current Budget Position

\$'000s	2026-27 per Adopted LTFP		
	Operating Budget	Strategic Projects	Total LTFP
Income			
Rates Revenues	164,079	-	164,079
Fees and Charges	90,321	-	90,321
Grants, Subsidies and Contributions	4,349	-	4,349
Other Income	1,072	-	1,072
Total Income	259,822	-	259,822
Expenses			
Employee Costs	94,142	-	94,142
Materials, Contracts & Other Expenses	83,616	7,325	90,941
Depreciation, Amortisation & Impairment	67,999	-	67,999
Sponsorships, Contributions and Donations	734	-	734
Finance Costs	2,422	-	2,422
Total Expenses	248,914	7,325	256,239
Operating Surplus / (Deficit)	10,908	(7,325)	3,583
add back Depreciation, Amortisation and Impairment			67,999
Cash Surplus			71,582
Asset Renewal Program			
Capital Expenditure on Renewal & Replacement of Existing Assets		(70,940)	(70,940)
Finance lease payments for right of use assets on existing assets		(3,314)	(3,314)
Proceeds from Sale of Replaced Assets		500	500
Net Outlays on Existing Assets		(73,754)	(73,754)
New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets		(34,553)	(34,553)
Amounts received specifically for New and Upgraded Assets		2,631	2,631
Net Outlays on New and Upgraded Assets		(31,922)	(31,922)
Net Lending / (Borrowing) for Financial Year	10,908	(45,001)	(34,094)
Forecast Borrowings			84,168*

* Based on assumed closing balance in 2025/26 based on final debt position.

Current Budget Position

As per the LTFP



Capital New and Upgrade projects

The projects listed pre-commit 100% of the Capital New and Upgrade budget for 2026/27. Changes/additions to this list would require reprioritisation or an increase in the budget parameter, noting any changes directly impact borrowings.

New and Upgrade Projects	2026/27 LTFP (\$'000)
Hindley Street Upgrade	6,640
Gouger Street Upgrade	9,001
O'Connell Street Upgrade	4,135
Melbourne Street Upgrade	1,683
Hutt Street Upgrade	4,330
Brown Hill Keswick Creek	320
School Safety Implementation Project	805
Franklin Street Pedestrian Crossing	500
Minor Works Building – Security Upgrades	100
West Pallant Street Improvements	60
UPark Central Market – Parking Guidance System	600
Flinders Street Housing	750
Upgrade to Park Lands Buildings (portion of 1.5% Rates Revenue)	1,049
Project Delivery Costs	4,580
Total New and Upgraded Expenditure	34,553
Confirmed External Funding	2,631
Net New and Upgrade	31,922

Current Budget Position

As per the LTFP



Capital Renewal program

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

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

AEDA Allocation

Context



On June 10 2025 Council resolved:

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

Key Drivers And Funding

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

These services are directed and driven through:

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

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

AEDA Allocation

Budget components



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

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

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

AEDA Allocation

2025/26 budget



Operating Budget (Business as usual budget for services)

(\$'000)	FTE	2024/25 (Q3 Budget)			Total (Net)	2025/26 Budget (BP&B)			Total (Net)
		Inc.	Exp.			Inc.	Exp.		
General Manager AEDA (office)	2	-	(587)	(587)	2	-	(546)	(546)	
Business and Investment	7	100	(2,718)	(2,618)	7	-	(2,787)	(2,787)	
Marketing	8	-	(1,918)	(1,918)	8	-	(2,144)	(2,144)	
Rundle Mall Management	9.6	4,518	(4,490)	28	9.6	4,518	(4,518)	-	
Visitor Economy	5	19	(2,957)	(2,938)	5	10	(3,139)	(3,129)	
TOTAL	31.6	4,637	(12,670)	(8,033)	31.6	4,528	(13,134)	(8,606)	

Strategic Projects (Projects delivering on our Strategic Plan and Strategies)

	\$'000	2024/25 (Q3 Budget)		2025/26 Budget (BP&B)	
		Inc.	Exp.	Inc.	Exp.
Rundle Mall Live Music Program		-	(100)	-	(100)
Tourism and Business attraction		-	(133)	-	(150)
Partner Marketing – Winter Focus		-	-	-	(75)
City Brand Development		-	-	-	(100)
Investment Attraction Program		-	-	-	(100)
Commercial Events Funding Program		-	(500)	-	-
TOTAL		-	(733)	-	(525)

AEDA Allocation

Determining an appropriate funding level



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

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

AEDA Allocation

Determining an appropriate funding level

Not funded
Discretionary spend

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

AEDA Allocation

Funding proposal



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

AEDA Allocation

Funding proposal



KEY QUESTION FUNDING AMOUNT

Does Council support an additional \$2.1m in funding to AEDA in 2026/27?

KEY QUESTION TIMING

Does Council support this proposed allocation increase being funded over 3 years (gradual introduction of identified priorities)?

(\$700k to find annually to 2028/29)

KEY QUESTION FUNDING SOURCE

How should the increase be funded?

1. Funding reduction for other services
2. Balanced with other strategies (allocate budget based on estimated cost of their delivery)
3. From potential new rates growth
4. Combination of the above

Next Steps

Roadmap



Proposed revised roadmap

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