City of Adelaide

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2026

Our Adelaide. Bold. Aspirational. Innovative.

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Certification of Financial Statements

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

In our opinion:

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

George Anthony Spartalis
Acting Chief Executive Officer

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Dr Jane Lomax-Smith
Lord Mayor

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City of Adelaide

Statement of Comprehensive Income

for the year ended 30 June 2026

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

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

City of Adelaide

Statement of Financial Position
as at 30 June 2026

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

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

City of Adelaide

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

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

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

City of Adelaide

Statement of Cash Flows

for the year ended 30 June 2026

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

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

Contents of the Notes accompanying the General Purpose Financial Statements

Note 1. Summary of Material Accounting Policy Information

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

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

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Critical accounting estimates

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

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

1.3 Rounding

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

1.4 Estimates and assumptions

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

(2) The local government reporting entity

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

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

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

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

(3) Income recognition

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

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

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

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

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

Rates and utility charges

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

Fee & statutory charges

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

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

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

Expiations

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

Grant income

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

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

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

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

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

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

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

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

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

(4) Cash, cash equivalents and other financial instruments

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

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

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

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

(5) Inventories

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

(6) Infrastructure, property, plant and equipment

6.1 Initial recognition

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

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

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

6.2 Materiality

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

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

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

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6.3 Subsequent recognition

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

6.4 Depreciation of non-current assets

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

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

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

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

Plant, Furniture & Equipment	
Office Furniture & Equipment	3 to 25 years
Vehicles and Road-making Equipment	2 to 20 years
Other Plant & Equipment	3 to 30 years
Buildings	
Structure – Other	30 to 150 years
Structure – Heritage	250 years
Other Building Components	10 to 100 years
Infrastructure	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	30 to 80 years
Sealed Roads - Formation	Indefinite
Bridges – Major	20 to 100 years
Bridges – Minor	25 to 75 years
Footpaths and Bikeways - Surface	20 to 50 years
Footpaths and Bikeways - Pavement	30 to 100 years
Footpaths and Bikeways - Formation	Indefinite
Kerb and Water Table	60 to 120 years
Stormwater Drainage Networks	50 to 125 years
Culverts	80 years
Weir Components	25 to 100 years
Basins	50 to 80 years
Earth Retaining Structures	30 to 80 years
Gross Pollutant Traps	80 years
Irrigation	10 to 30 years
Traffic Signals	10 to 40 years
Lighting and Electricals	10 to 60 years
Electrical Switch Boards	30 years
Ticket Machines	10 years
CCTV	5 to 10 years
Sports Fields	15 to 50 years

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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

Other Assets

Civic Collection	Indefinite

6.5 Impairment

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

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

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

6.6 Borrowing costs

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

(7) Investment property

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

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

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

Revaluations are undertaken on an annual basis by external valuers.

(8) Payables

8.1 Goods and services

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

8.2 Payments received in advance and deposits

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

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(9) Borrowings

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

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

(10) Employee benefits

10.1 Salaries, wages and compensated absences

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

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

Weighted average discount rate 4.83% (2025, 4.21%)
Weighted average settlement period 10 years (2025, 10 years)

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

10.2 Superannuation

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

(11) Provisions for reinstatement, restoration and rehabilitation

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

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

(12) Leases

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

12.1 Council as a lessee

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

i) Right-of-Use-Assets

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

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

Buildings	3 to 60 years

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

ii) Lease Liabilities

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

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

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

iv) Leases with variable payments

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

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

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

12.2 Council as a lessor

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

(13) Equity accounted Council businesses

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

(14) Non-Current Assets Held for Sale

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

(15) GST implications

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

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

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

(16) New accounting standards

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

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

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

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

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

- AASB 18 Presentation and Disclosure in Financial Statements

(17) Comparative figures

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

(18) Disclaimer

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

Note 2. Financial indicators

$ '000	Amounts 2026	Indicator 2026	Indicators 2025	Indicators 2024

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

1. Operating Surplus Ratio

	Amounts 2026	Indicator 2026	2025	2024
Operating surplus	9,205	3.5%	3.9%	3.6%
Total operating income	259,326			

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

2. Net Financial Liabilities Ratio

	Amounts 2026	Indicator 2026	2025	2024
Net financial liabilities	100,608	39%	44%	29%
Total operating income	259,326			

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

Adjustments to Ratios

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

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

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

Adjusted Operating Surplus Ratio

	Amounts 2026	Indicator 2026	2025	2024
Operating surplus	7,596	2.9%	3.7%	3.6%
Total operating income	257,717			

Adjusted Net Financial Liabilities Ratio

	Amounts 2026	Indicator 2026	2025	2024
Net financial liabilities	53,247	21%	23%	29%
Total operating income	257,309			

3. Asset Renewal Funding Ratio

	Amounts 2026	Indicator 2026	2025	2024
Asset renewals	68,356	94%	85%	94%
Infrastructure and Asset Management Plan required expenditure	72,660			

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.

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Note 2. Financial indicators (continued)

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

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

Note 3. Uniform presentation of finances

$ '000	2026	2025

The following is a high-level summary of both operating and capital investment activities of the Council prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards.

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

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

$ '000	2026	2025
Income		
Rates	154,817	144,084
Statutory charges	18,083	17,193
User charges	75,966	71,385
Grants, subsidies and contributions - capital	1,201	19
Grants, subsidies and contributions - operating	5,539	6,801
Investment income	504	1,048
Reimbursements	1,747	1,659
Other income	1,469	988
Net gain - equity accounted council businesses	–	13
Total Income	259,326	243,190
Expenses		
Employee costs	(86,357)	(80,062)
Materials, contracts and other expenses	(99,809)	(92,246)
Depreciation, amortisation and impairment	(61,464)	(60,332)
Finance costs	(2,483)	(1,075)
Net loss - equity accounted council businesses	(8)	–
Total Expenses	(250,121)	(233,715)
Operating surplus / (deficit)	9,205	9,475
Net timing adjustment for general purpose grant funding	(408)	(574)
Less: grants, subsidies and contributions - capital	(1,201)	(19)
Adjusted Operating surplus / (deficit) before capital amounts	7,596	8,882
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(68,356)	(51,655)
Finance lease payments for right of use assets (principal)	(3,778)	(5,408)
Add back depreciation, amortisation and impairment	61,464	60,332
Add back grants, subsidies and contributions - capital renewal	1,201	19
Add back proceeds from sale of replaced assets	191	603
	(9,278)	3,891
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(17,038)	(47,059)
Finance lease payments for right of use assets (principal)	–	(4)
Add back grants, subsidies and contributions - capital new/upgraded	–	(19)
Add back amounts received specifically for new and upgraded assets	3,169	6,360
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	18,500	3
	4,631	(40,719)
Adjusted annual net impact to financing activities (surplus/(deficit))	2,949	(27,946)

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

Note 4. Income

$ '000	2026	2025
(a) Rates		
General rates		
General rates	156,379	147,269
Less: mandatory rebates	(6,610)	(6,241)
Less: discretionary rebates, remissions and write-offs	(2,374)	(4,131)
Total general rates	147,395	136,897
Other rates (including service charges)		
Landscape levy	1,893	1,966
Rundle Mall Separate Rate	4,194	4,076
Building Upgrade Finance	41	41
Total other rates (including service charges)	6,128	6,083
Other charges		
Penalties for late payment	1,294	1,104
Total other charges	1,294	1,104
Total rates	154,817	144,084

(b) Statutory charges

$ '000	2026	2025
Planning, Development and Infrastructure Act fees	1,806	2,054
Animal registration fees and fines	38	43
Parking fines / expiation fees	14,042	12,687
Other Fees, Fines, Penalties and Expiations	283	649
Encroachments Fees	370	274
Food Inspections Fees / Fines	162	141
Outdoor Dining Fees	567	567
Residential Parking Permits	61	59
Section 7 Searches	139	120
Temporary Parking Control Permits	615	591
Water Systems Fees	–	8
Total statutory charges	18,083	17,193

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Note 4. Income (continued)

$ '000	2026	2025
(c) User charges		
Parking fees	14,208	13,370
Property lease	12,100	11,824
Sundry	295	101
Adelaide Aquatic Centre Charges	–	169
North Adelaide Public Golf Course	183	–
Adelaide Golf Links Charges	3,838	4,940
Adelaide Town Hall Charges	3,601	2,330
Compost Sales	999	982
Event Fees	1,096	1,011
Library Centre	3	2
Off-Street Parking	36,256	33,639
Park Lands Events Fees	216	294
Property Recovery	2,648	2,149
Rundle Mall	523	574
Total user charges	75,966	71,385
(d) Investment income		
Interest on investments		
- Local Government Finance Authority	194	715
- Banks and other	34	84
Investment property rental income	153	225
Financial Instrument - Fair Value Increase / (Decrease)	113	14
Interest on Finance Leases	10	10
Total investment income	504	1,048
(e) Reimbursements		
Private works	1,098	1,428
North Adelaide Public Golf Course	296	–
Other	353	231
Total reimbursements	1,747	1,659
(f) Other income		
Insurance & Other Recoupments	714	503
Sundry	28	16
Merchandise Sales	77	78
Commission	367	289
Other	283	102
Total other income	1,469	988

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Note 4. Income (continued)

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

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

Note 4. Income (continued)

(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:

$ '000	2026	2025
Unexpended at the close of the previous reporting period	83	269
Less:		
Expended during the current period from revenues recognised in previous reporting periods		
Heritage and cultural services	–	(130)
Parks and Gardens	–	(50)
City housing	(38)	(51)
Administration activities	(42)	–
Subtotal	(80)	(231)
Plus:		
Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Administration activities	–	45
Subtotal	–	45
Unexpended at the close of this reporting period	3	83
Net increase (decrease) in assets subject to conditions in the current reporting period	(80)	(186)

(i) Physical resources received free of charge

$ '000	2026	2025
Land and improvements	–	3
Public Lighting	82	59
Urban Elements	–	17
Transportation	569	1,183
Total physical resources received free of charge	651	1,262

Note 5. Expenses

$ '000	Notes	2026	2025
(a) Employee costs			
Salaries and wages		74,234	69,707
Employee leave expense		10,985	9,255
Superannuation - defined contribution plan contributions	16	9,466	8,482
Workers' compensation insurance		1,902	1,746
Income Protection Insurance		352	404
Less: capitalised and distributed costs		(10,582)	(9,532)
Total operating employee costs		**86,357**	**80,062**
Number of Employees (full time equivalent at end of reporting period)		676	627
Number of Employees (temporary full time equivalent at end of reporting period)		98	89
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's Remuneration		122	116
- Other services - Internal audit		180	234
Bad and doubtful debts		606	117
Elected members' expenses		627	688
Election expenses		691	53
Lease expense - low value assets / short term leases		857	395
Lease expense - variable payments		842	777
Other		42	–
Subtotal - prescribed expenses		**3,967**	**2,380**

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

Note 5. Expenses (continued)

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

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Note 5. Expenses (continued)

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

(d) Finance costs

	2026	2025
Interest on loans	257	121
Interest on leases	2,481	1,075
Less: capitalised and distributed costs	(255)	(121)
Total finance costs	2,483	1,075

Note 6. Asset disposal and fair value adjustments

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

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

Note 7. Current assets

$ '000	2026	2025

(a) Cash and cash equivalent assets

Cash on hand and at bank	787	1,823
Deposits at call	489	465
Total cash and cash equivalent assets	1,276	2,288

(b) Trade and other receivables

Rates - general and other	10,492	10,972
Accrued revenues	4,521	2,202
Debtors - general	7,300	11,496
GST recoupment	2,101	2,745
Prepayments	3,768	3,677
Deferred Rent	53	15
Finance Lease Receivable	11	10
Subtotal	28,246	31,117
Less: provision for expected credit losses	(2,199)	(1,257)
Total trade and other receivables	26,047	29,860

(c) Other financial assets

Ergo Apartments - Shared Equity Loans	100	60
Total other financial assets (investments)	100	60

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 12.

(d) Inventories

Stores and materials	418	548
Trading stock	117	152
Fuel	107	49
Total inventories	642	749

(e) Other current assets

Other financial asset at cost	–	18,500
Prepayment for development contract	–	27,000
Total other current assets	–	45,500

Note 8. Non-current assets

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

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

Infrastructure, property, plant and equipment

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

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

Investment property

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

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

Valuation of assets

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

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

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

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

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

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

Information on valuations

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

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

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

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

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

Other information

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

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

Highest and best use

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

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

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

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

Transition to AASB 13 - Fair Value Measurement

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

Park Land & Open Space Assets

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

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

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

Land

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

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

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

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

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

Buildings

- Date of Valuation: 1 January 2026

Fair Value Level 2

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

Fair Value Level 3

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

Leasehold Improvements

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

Infrastructure

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

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

Bridges

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

Footpaths

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

Kerb and Water Table

- Date of Valuation: 30 June 2024

continued on next page ...

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

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

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

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

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

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

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

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

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

Plant & Equipment

Plant and equipment is valued at historical cost less depreciation.

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

Equipment, Furniture & Fittings

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

Civic Collection

The civic collection is recognised at historical cost.

Investment Property

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

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

Note 10. Liabilities

$ '000	Notes	2026 Current	2026 Non Current	2025 Current	2025 Non Current
(a) Trade and other payables					
Goods and services		6,944	–	9,477	–
Payments received in advance		12,699	15,895	12,592	16,063
Accrued expenses - employee entitlements		5,574	–	3,545	–
Accrued expenses - other		11,206	–	6,415	–
Deposits, retentions and bonds		742	–	388	–
Other		476	–	499	–
Total trade and other payables		**37,641**	**15,895**	**32,916**	**16,063**
(b) Borrowings					
Loans		–	9,600	–	23,820
Total Borrowings		**–**	**9,600**	**–**	**23,820**

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

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

$ '000	Notes	2026 Current	2026 Non Current	2025 Current	2025 Non Current
(c) Provisions					
Annual Leave Employee Entitlements		7,367	–	6,766	–
Long Service Leave Employee Entitlements		6,833	2,749	6,728	2,076
Other		353	–	383	–
Total provisions		**14,553**	**2,749**	**13,877**	**2,076**

Note 11. Reserves

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

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

(i) Future Fund Reserve

Purposes of reserves

Asset revaluation reserves

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

Future Fund Reserve

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

Note 12. Reconciliation to Statement of Cash Flows

$ '000	Notes	2026	2025

(a) Reconciliation of cash

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

	Notes	2026	2025
Total cash and equivalent assets	7a	1,276	2,288
Balances per Statement of Cash Flows		1,276	2,288

(b) Reconciliation of Operating Result

	2026	2025
Net surplus/(deficit)	(44,848)	3,893
Non-cash items in income statements		
Depreciation, amortisation and impairment	61,464	60,332
Fair value adjustments	(90)	(1,357)
Equity Movements in Equity Accounted Investments (Increase) / Decrease	8	(13)
Non-cash asset acquisitions	(651)	(1,262)
Grants for capital acquisitions treated as investing activity	(4,920)	(4,722)
Net (gain)/loss on disposals	58,513	12,904
Interest on Financing Activity	2,481	1,075
	71,957	70,850
Add (less): changes in net current assets		
Net (Increase) / Decrease in Receivables	3,420	7,378
Change in allowances for under-recovery of receivables	942	66
Net (Increase) / Decrease in Inventories	107	55
Net (Increase) / Decrease in Other Assets	(31)	(924)
Net Increase / (Decrease) in Trade & Other Payables	4,203	2,256
Net Increase / (Decrease) in Unpaid Employee Benefits	601	(46)
Net Increase / (Decrease) in Other Provisions	748	(4,857)
Net cash provided by (or used in) operations	81,947	74,778

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

(c) Reconciliation of Liabilities Arising from Financing Activities

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

(d) Financing arrangements

	2026	2025
Unrestricted access was available at reporting date to the following lines of credit:		
Bank overdrafts	1,000	1,000
Corporate credit cards	600	600
LGFA cash advance debenture facility	60,400	46,180

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

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

Note 13. Financial instruments

Recognised financial instruments

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

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

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

Carrying Amount:
Approximates fair value (after deduction of any allowance).

Receivables - fees and other charges

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

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

Carrying Amount:
Approximates fair value (after deduction of any allowance).

Receivables - other levels of government

Accounting Policy:
Carried at nominal value.

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

Carrying Amount:
Approximates fair value.

Receivables - Other Financial Assets

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

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

Carrying Amount:
At amortised cost.

Liabilities - creditors

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

Terms and conditions:

continued on next page ...

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.

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Note 13. Financial instruments (continued)

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

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

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

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

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Note 13. Financial instruments (continued)

Risk exposures

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

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

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

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

Note 14. Capital expenditure and investment property commitments

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

Note 15. Leases

(i) Council as a lessee

Terms and conditions of leases

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

(a) Right of use assets

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

(b) Lease liabilities

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

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

The maturity analysis of lease liabilities is included in Note 13.
The Council had total cash outflows for leases of $6.247m.

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Note 15. Leases (continued)

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

(ii) Council as a lessor

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

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

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

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

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

Note 16. Superannuation

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

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

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

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

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

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

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

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

(i) Joint ventures, associates and joint operations

(a) Carrying amounts

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

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

(b) Relevant interests

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

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

(c) Movement in investment in joint venture or associate

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

Note 17(b). Controlled entities

Subsidiaries

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

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

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

The nature of risks associated with Council's interests in the Subsidiary
As per the ACMA Charter, City of Adelaide provides financial support by way of a loan until there are sufficient reserves for the Market to be self-sustainable.

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

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

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

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Note 17(b). Controlled entities (continued)

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

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

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

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

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

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

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

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

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

Details of assets and disposal groups

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

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

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

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

1. Land under roads

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

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

2. Potential insurance losses

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

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

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

3. Legal expenses

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

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

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

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

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

4. Other contingent liabilities

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

Note 20. Events after the Reporting Date

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

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

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

Note 21. Related party transactions

Key management personnel

Transactions with key management personnel

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

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

Compensation paid excludes reimbursement of expenses incurred on behalf of Council

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Note 21. Related party transactions (continued)

Receipts from key management personnel comprise:

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

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

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

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

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

Independent Auditor's Report - Financial Statements

Independent Auditor's Report - Internal Controls

Certification of Auditor Independence

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

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

George Anthony Spartalis
Acting Chief Executive Officer

Mark Davies
Presiding Member, Audit and Risk Committee

Date: dd MMMM yyyy

Statement by Auditor

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

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

Auditor's Name

Audit Firm Name

Date: dd MMMM yyyy