

CPI Update - Draft Annual Business Plan and Budget 2026–27

The March 2026 Consumer Price Index (CPI) for Adelaide has been released at 4.9 per cent, higher than the December 2025 figure of 3.3 per cent used in the City of Onkaparinga's draft Annual Business Plan and Budget 2026–27.

The draft budget, currently out for community engagement, noted that the proposed general rate revenue increase would be aligned with CPI.

It further noted that the December 2025 CPI was used for the draft budget, which was the most recent data available at the time, and that the final budget would be updated to reflect the March 2026 CPI.

We've worked to keep rate increases as low as possible (aligned to CPI) so that we can balance affordability with the delivery of services valued by our community.

We know any increase can be challenging, and we're committed to balancing affordability while keeping the services the community depends upon.

CPI is one of several inputs used in building the budget.

The final rate increase will be determined by Council at adoption.

Councils are required to release their draft Annual Business Plan and Budget for community engagement within legislated timeframes.

Using the most recent available CPI allows engagement to proceed on schedule, with updates made prior to adoption once newer data becomes available.

The draft budget outlines proposed services, projects and the overall financial approach for 2026–27.

Community feedback is part of this process and will be considered alongside updated CPI data before the final budget is adopted.

The City of Onkaparinga provides support for residents who may have difficulty paying their rates, including concessions, rebates and payment arrangements.

Further information is available on the council's rates rebates and financial assistance page. Residents can also call council to discuss assistance on 8384 0666.

www.onkaparingacity.com/Services/Rates/Rebates

Common questions

What is CPI and why does council use it to develop the budget?

CPI stands for Consumer Price Index.

It measures how much the price of goods and services changes over time. It is widely used by businesses, banks, and all levels of government to plan budgets and set prices.

CPI reflects increases in the cost of many things councils, businesses and governments buy.

When CPI rises, it means it costs more to deliver the same services.

Councils do not operate in isolation from these cost pressures. A rising tide lifts all boats.

Put simply: CPI is a standard economic benchmark used to measure cost increases across the entire economy.

The draft budget used 3.3 per cent CPI. Why has it changed?

The 3.3 per cent figure was based on the December 2025 CPI for Adelaide, which was the most recent data available when the draft budget was prepared.

It was noted in the draft that this would be updated to reflect the March 2026 CPI when available.

The March 2026 CPI for Adelaide is 4.9 per cent.

This updated figure will be considered in the final budget presented to Council in June. The final rate increase has not been set.

Does this change mean the rate increase will now be 4.9 per cent?

CPI is one input into the budget process.

Council also considers service levels, infrastructure needs, long-term financial sustainability, and community feedback.

The final rate decision is made by Council at budget adoption.

Council remains committed to aligning rate increases to CPI and will continue to use this measure as a guide for budget setting.

Why was the draft budget released before the March CPI was available?

Councils are legally required to release draft Annual Business Plans and Budgets within set timeframes.

This means the draft must be prepared using the most recent available data at the time.

Waiting for later CPI releases would delay community consultation and the overall budget process.

The budget is then updated before adoption once new data is available.

This ensures Council has an adopted budget before the new financial year begins.

Has council used this approach before?

Yes. Using the most recent available CPI at the time of drafting, then updating it prior to adoption, is standard practice.

What is the difference between operational and capital expenditure?

Operational expenditure (opex) is the day-to-day cost of running council services.

This includes things like:

- Waste collection
- maintenance
- Parks and facility operations
- Staff and contractor services
- Utilities and consumables

These costs are ongoing and recur every year.

Council aims to achieve an operating surplus each year.

This means operating expenditure is not more than operating income (such as rates, some grants, and fees and charges).

Capital expenditure (capex) is money spent on building or upgrading assets.

This includes:

- New roads or upgrades
- Building community facilities
- Major renewals (e.g. stormwater systems, buildings, sporting infrastructure)

Capital projects are usually planned over multiple years and tied to specific funding allocations.

Why can't money just be moved between projects or budgets?

Council budgets are structured and legally controlled.

Capital budgets is allocated to specific projects. If a project is deferred, the budget is not automatically 'freed up' for other uses.

This is because:

- It may be tied to grants or external funding conditions
- It may be part of long-term asset renewal schedules
- It may be required to maintain safety or service standards in future years
- Reallocating it can create gaps in future infrastructure planning.

Operational budgets are also tightly set based on service delivery requirements.

Reducing or shifting funding in one area usually means reducing service levels in that same area.

In short, council budgets are not a single flexible pool of money.

They are structured to deliver agreed services and long-term infrastructure commitments.

What will this CPI change mean for an average household?

On **average**, the increase resulting from a general rate revenue increase of 3.3 per cent to 4.9 per cent equates to an additional \$32.66 per property.

The type of property and value of land are factors that can impact on this figure.

Does this mean Onkaparinga has the highest proposed rate increase in Adelaide?

No.

The list below shows where Onkaparinga sits in terms of proposed rate increases across councils in Adelaide, based on information available at the time of publication:

Proposed rate increases for Adelaide Councils (1 May 2026)
6 per cent and above
Norwood, Payneham & St Peters – 7.00%
Port Adelaide Enfield – 6.80%
Mitcham – 6.65%
Holdfast Bay – 6.60%
Charles Sturt – 6.21%
Between 5 and 6 per cent
Burnside – 5.69%
Tea Tree Gully – 5.50%
Between 4 and 5 per cent
Onkaparinga – 4.90%
Marion – 4.80%
Salisbury – 4.50%
West Torrens – 4.35%
Campbelltown – 4.09%
Below 4 per cent
Unley – 3.80%
Playford – 3.50%

How can the community provide feedback if CPI has changed?

The draft budget sets out proposed services, projects and overall financial direction.

Community feedback is still relevant and will be considered alongside updated CPI data before the final budget is adopted.

What support is available for residents who may have difficulty paying rates?

Council offers concessions, rebates and payment arrangements.

Information is available on the City of Onkaparinga rates rebates and financial assistance page:

www.onkaparingacity.com/Services/Rates/Rebates

Residents experiencing difficulty are encouraged to contact council early to discuss options on 8384 0666.