2024-25 to 2033-34
LONG-TERM FINANCIAL PLAN

THE CITY of Unley

KAURNA ACKNOWLEDGEMENT

We would like to acknowledge the City of Unley is part of the traditional lands for the Kaurna people and we respect their spiritual relationship with their country.

We acknowledge the Kaurna people as the traditional custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kaurna people today.

All images within this document are from the City of Unley portfolio of photos.

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Chief Executive Officer's Introduction

The City of Unley spans 14 square kilometres, has a population of nearly 40,000 and over 19,600 rateable properties. The City contains five vibrant shopping precincts nestled in character residential settings with infrastructure and assets worth in excess of $700M.

In accordance with Section 122(1)(a) of the *Local Government Act 1999*, (the Act), Council is required to develop and adopt a Long Term Financial Plan (LTFP) for a period of at least 10 years, which forms part of its suite of Strategic Management Plans.

Council uses the Long-Term Financial Plan (LTFP) to guide its financial decisions to ensure its financial sustainability.

The LTFP is underpinned by Council's Financial Planning Framework, Local Government financial sustainability principles, and Council's Treasury Management Policy.

The LTFP for 2024-25 to 2033-34 is based on a series of assumptions and the best information available at the time. These include:

- The City of Unley Community Plan 2033,
- Council's 4 Delivery Year Plan 2021-2025,
- Council's Asset Management Plans (AMP),
- current and future levels of service,
- projected rating strategies, and
- economic forecasts.

In preparing the LTFP, consideration has been given to:

- what services are to be provided,
- the level of those services,
- the rating impost to avoid unexpected rate shocks,
- income from other sources,
- potential new assets and service demands,
- the level of funding required from borrowings, and
- the ability to service those borrowings.

The LTFP has been divided into three phases relative to the level of confidence in future forecasts may diminish over the period of the Plan:

- Years 1-3: 2024-25 to 2026-27 – Higher confidence in forecasts
- Years 4-6: 2027-28 to 2029-30 – Moderate confidence in forecasts
- Years 7-10: 2030-31 to 2033-24 – Lower level of confidence.

A further explanation of these phases is contained within this Plan.

The following table provides a financial overview of the Long-term Financial Plan from 2024-25 to 2033-34, with a full summary of the LTFP on page 23.

Chief Executive Officer's Introduction

LTFP Averages over the life of the Plan	
General Rate Increase	2.7%
General Rates Growth	0.5%
Total Increase in Revenue from Rates	3.2%
General Rates	$56.7M
Other Operating Income	$12.3M
	$69.0M
less Operating Expenses	$65.4M
Net Operating Surplus	$3.6M
Operating Surplus Ratio	5.2%
Net Financial Liabilities Ratio	15%
Asset Renewal Funding Ratio (relative to IAMPs)	100%
Asset Sustainability Ratio (relative to depreciation)	99%
LTFP Totals	
General Rates	$567M
Other Operating Income	$123M
	$690M
less Operating Expenses	$654M
Net Operating Surplus	$36M
Net Capital Replacement Expenditure	$140M
Net New Capital Expenditure	$46M
Total Capital Expenditure	$186M
Depreciation	$142M
At Year 10 (2023-34)	
Total Borrowings	$9.6M

This LTFP has been prepared excluding the equity accounted businesses of Council, namely the Centennial Park Cemetery Authority, the Brown Hill Keswick Creek Stormwater Project, and Eastern Waste Management Authority.

In summary, the LTFP forecasts the City of Unley will remain financially sustainable.

Current service levels can be maintained with rate stability and the minimum target operating surplus ratio will be achieved.

The Asset Management Plans are fully funded to undertake the asset renewals required. Sufficient funding capacity has also been provided to progressively deliver new and upgraded infrastructure.

Council has the borrowing capacity to respond should unforeseen circumstances or opportunities arise.

The LTFP is reviewed regularly (at least annually) and updated to reflect the most current information available. Further explanation of the financial ratios and targets, and the basis of Council's financial sustainability, are contained within this Plan on pages 17 to 21.

Council's Community Plan 2033 and Long-Term Objectives

Our City is recognised for its enviable lifestyle, environment, business strength and civic leadership. Our plans are broken into four key themes that describe the future for the City together with strategic directions and strategies required to deliver key outcomes.
The themes are as follows:

Community Living
People value our City with its enviable lifestyle, activities, facilities and services

Environmental Stewardship
We will maintain and enhance our urban environment, and strengthen our City's resilience to climate change by providing

Economic Prosperity
Our businesses are valued because of the range of goods, services and facilities they provide, and new businesses are supported, not burdened with bureaucracy

Civic Leadership
Council will listen to the community and make transparent decisions for the long term benefit of the City

Council is about to commence a review of its Community Plan. The next iteration of the LTFP will be updated to reflect this.

Council uses the LTFP to guide the development of its Annual Business Plan and Budget by setting the high level parameters and targets that will assist Council in maintaining the current level of services, without unplanned or significant increases to the rates paid by ratepayers or unplanned cuts to services. Council also aims to achieve 'intergenerational equity' as explained on the following page.

What is financial sustainability

The three key principles that underlie financial sustainability within local government are:

- Program Stability
- Rate Stability
- Intergenerational Equity

In simple terms, it means delivering consistent levels of service over the long term, avoiding unnecessary fluctuations in annual rate increases, and ensuring each generation 'pays their way' for the services and assets they utilised.

Where a council records operating deficits, it means that future generations will be subsidising the current costs of services and will be responsible for addressing the issue of funding the replacement of worn out assets. On the flip side, where a council records significant operating surpluses, the current generation may be contributing more than required to fund the services they use, and the assets they consume.

Program stability

This relates to the provision of reliable quality services over time, and requires a stable and consistent set of actions, from the perspective of day-to-day operations and infrastructure management.

Rate stability

This relates to charging ratepayers reasonably to fund the services, underpinned by the program of works noted previously (program stability). Rates should be stable, noting that stable does not mean fixed, but rather the absence of large or unplanned year-on-year variances.

Intergenerational equity

This relates to fairly sharing services and the associated cost between current and future ratepayers. It requires adopting sound long-term financial management principles, particularly in relation to the balance between debt and cash in financing service delivery.

Considerations in preparing the Plan

In preparing the LTFP, consideration has been given to:

- what services are to be provided,
- the level of those services,
- the rating impost to avoid unexpected rate shocks,
- income from other sources,
- potential new assets and changes to service demands,
- the level of funding required from borrowings, and
- the ability to service those borrowings.

The key objective of Council's LTFP is to help ensure financial sustainability in the medium to long term, while still achieving the objectives detailed in the Council's Community Plan.

Council uses the LTFP to guide the development of its Annual Business Plan and Budget as a base by setting the high level parameters and targets that will assist Council in maintaining the current level of services, without unplanned or significant increases to the rates paid by ratepayers or unplanned cuts to services.

Growth in Rates

Additional general rate income from new developments and capital improvements to existing properties has been assumed to be 0.5% per annum.

When growth above 0.5% is received:

- a proportion of the additional rates income (0.35% of growth above 0.5%) is set aside for the future purchase of land for useable green open space in line with Council's Open Space Fund policy.
- a review of expenditure relating to programs is undertaken and adjusted where necessary; and
- Future infrastructure requirements, along the impact on the life of infrastructure assets, is considered and incorporated into future planning.

Equity Accounted Businesses

This LTFP has been prepared excluding the equity accounted businesses of Council, namely the Centennial Park Cemetery Authority, the Brown Hill Keswick Creek Stormwater Project, and Eastern Waste Management Authority. The financial management and long term sustainability of these businesses is monitored through reports to Council, and in the case of Centennial Park Cemetery Authority, their Owners Executive Committee and Audit and Risk Committee.

Chief Executive Officer's Report on Financial Sustainability

The City of Unley's Long-term Financial Plan indicates that the Council will maintain financial sustainability over the next 10 years, while balancing the principles of program stability, rate stability and intergenerational equity.

The LTFP is informed by the assumptions and objectives within Council's strategic plans: City of Unley Community Plan 2033, Council's 4 Year Plan 2021-2025, and Council's Strategic Infrastructure & Asset Management Plan (IAMP).

Program Stability and Rate Stability

The LTFP assumes existing service levels are maintained, and the existing capacity for operating projects and initiatives continues. General rate increases are in line with the budget for 2024-25, forecast CPI for the next two years (2025-26 & 2026-27), and a longer term forecast of 2.5% for 2027-28 onwards.

On this basis, the operating surplus ratio is forecast to range between 5.0% and 5.6%, from Year 2 of the LTFP, noting the Budget for 2024-25 is forecasting a ratio of 4.5%. The average Operating Surplus Ratio is 5.2% across the life of the plan, in line with Council's current target of 5%. It is also consistent with the proposed range of 4% to 6%, and proposed average of 5% over the life of the LTFP. This indicates that Council's delivery of services are financially sustainable.

Asset Sustainability

The Draft Asset Management Plans have proposed a significant investment in capital renewal. Approximately $140M is proposed to be spent on capital renewal across the next 10 years, with the Asset Management Plans fully funded.

New/Upgraded Capital and Intergenerational Equity

Capacity has been provided for New Capital Projects, with approximately $46m allocated of the life of the LTFP. The new and significantly upgraded infrastructure includes:

- Capital contributions to the Brownhill Keswick Creek Stormwater Project;
- The delivery of endorsed strategies such as the Climate and Energy Plan and the Walking and Cycling Plan;
- The progressive delivery of upgraded infrastructure, including stormwater, as identified in the Draft Asset Management Plans; and
- a staged approach to the delivery of the existing, Council endorsed Master Plans.

Council will require additional borrowings to support the funding of New Capital Projects. Borrowings are forecast to increase to $9.6M by 2033-34. These borrowings are well within Council's capacity, and scope of existing debt facilities.

Should the Council decide to embark on major projects, or fast-track significant infrastructure upgrades, capacity exists to utilise further borrowings to ensure the cost of the investment is spread across the users of those assets over time.

Chief Executive Officer's Report on Financial Sustainability

Risks

The LTFP has been developed based on the best information and assumptions available at the time of development. However, users of this information should be aware that there is uncertainty associated with using forecasts of economic indicators such as CPI. While current demographics such as population growth and age can assist in modelling community need, these also have limitations. As with any forecast, the further out a forecast extends, the level of confidence in the forecast reduces.

To assist in understanding the relative level of uncertainty, and to manage expectations, the LTFP has been divided into three phases of time.

- Years 1-3: 2024-25 to 2026-27
- Years 4-6: 2027-28 to 2029-30
- Years 7-10: 2030-31 to 2033-34

These phases have been given a confidence rating of between 1 and 5, with 5 representing a high level of confidence, and 1 representing the lower level of confidence as demonstrated below:

Confidence Level	Highest				Lowest
Rating	5	4	3	2	1

The basis of the confidence levels for each phase of the LTFP is explained below:

Phases	Years 1-3 2024-25 to 2026-27	Years 4-6 2027-28 to 2029-30	Years 7-10 2030-31 to 2033-34
Confidence Level	4	3	2
Economic indicators	Based on published forecasts	Based on generic long term forecasts	
Operational income and expenditure	Based on existing service levels or known changes (where applicable), CPI forecasts and Enterprise agreements	Assumed services levels, noting forecast changes in community expectations and population demographics	Assumed services levels, noting changes in community expectations, population demographics and technology will shift over time
Operating Projects and New Capital	Based on **identified** priorities and endorsed strategies/plans	Based on a mixture of identified and anticipated priorities, strategies and plans	
		More confidence due to as strategies/plans extend 3-5 years out. Proposed developments and changing demographics inform medium term priorities.	Lower confidence as beyond most current detailed plans/strategies. Changes in community need, demographics and technology less known.
Capital Renewal Program	3 Year Program informed by Asset Management Plans	Forecasts based on Asset Management Plans utilising current condition and forecast renewal costs	

A high degree of confidence lies in the forecast for the first three years of the LTFP, 2024-25 to 2026-27. However, the economic environment, future needs of the community, and influence of technological change are more difficult to predict, especially in the outer years (7-10) of the LTFP.

Council also recognises the increasing challenges in delivering services at a local level, and over time, changes in community expectations regarding service levels. To mitigate some this risk, the LTFP is reviewed at least annually.

Summary

The LTFP indicates the City of Unley will remain financially sustainable.

The current service levels can be maintained with rate stability and the target operating surplus ratio achieved;

The Asset Management Plans are fully funded to deliver the required levels of asset renewals, and sufficient capacity has also been provided to progressively deliver new and upgraded infrastructure; and

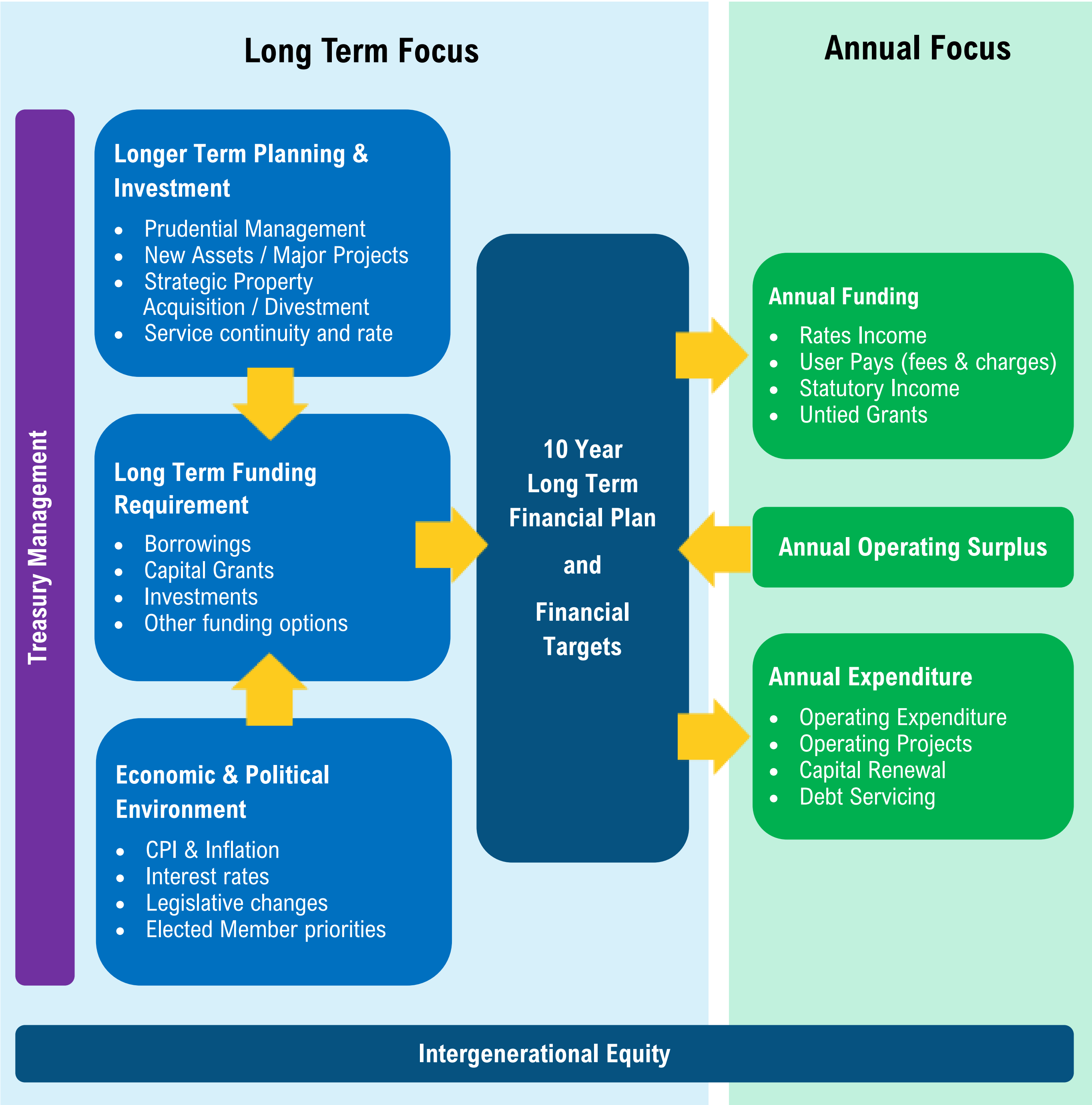
Council has the borrowing capacity to respond should unforeseen circumstances or opportunities arise.

Council will continue to be proactive in monitoring and managing its financial sustainability. The forecast ratios are continually monitored and reported quarterly (in the quarterly budget review reports), with the final results reported in the annual financial statements.

The LTFP will be reviewed at least annually to ensure the plan is timely and relevant to Council forecasts, and aligned to updates to Council's strategic plans and objectives, including updated iterations of the Asset Management Plans.

Financial Planning Framework

To ensure financial sustainability whilst delivering the objectives of Council's Community Plan, a Financial Planning Framework has been developed. An overview is illustrated below.



Overall, the planning framework is guided by the principle of Intergenerational Equity, as explained earlier in this document (Page 8) and the Treasury Management Policy as adopted by Council.

Council's financial sustainability plans for the long-term investment in new assets and major projects, the potential of strategic property acquisitions while intentionally providing for service/ program and rating stability. Planning for such investment's consideration is given to the different funding mechanisms available to Council. This includes property divestment, borrowings, external grant opportunities or other funding opportunities like partnerships and alternative income generating initiatives.

Unfortunately, Council is not immune to the effects of changes in the economic and political environment, including shifts in CPI, interest rates and imposed changes through legislation. Combined, these inform the long term projections within the LTFP and financial targets within the plan.

Council uses the LTFP to inform the annual planning focus. Specifically, the LTFP guides the annual funding required, through rates, user pays charges and other sources, to fund the annual services/ programs delivered by Council. This includes operational expenditure, projects, capital renewal and the servicing cost of debt. Council uses the target Operating Surplus to first offset any additional funding for renewal capital and any remaining to offset future required borrowings (Hence projected operating surpluses are fed back into the LTFP for future years).

Council's Treasury Management Policy is available on Council's website.

Approach to maintaining financial stability

Principal Policy Positions

The plan considers the following 'policy positions':

- Existing service levels are maintained,
- New services may only be introduced through a service review incorporated as part of the annual business planning process,
- New capital assets may only be considered if they form part of an adopted council strategy, and
- Capital renewal will be in accordance with Council's Asset Management Plans.

Monitoring the Economic and Political Environment

The plan considers economic data from the following sources:

- South Australian Government Department of Treasury and Finance,
- Reserve Bank of Australia,
- Local Government Finance Authority,
- Consumer Price Index (CPI), and
- Local Government Price Index (LGPI).

Policies and Initiatives to Support Financial Sustainability

Council has various mechanisms it uses to manage financial, asset and service sustainability. These include:

- Treasury Management Policy,
- Risk Management Policy and Framework,
- Prudential Management Policy,
- Enterprise Finance System,
- Project Management Framework,
- Enterprise Asset Management System and Geographic Information System,
- Service Improvement Reviews, and
- Shared Service and Fee for Service opportunities.

Key Assumptions

The following assumptions have been used as part of the framework to develop the LTFP:

- Consistency with Council's Strategic Plans,
- Consideration of Council's financial targets,
- No changes to recurrent service levels provided by Council,
- Stability and predictability in determining future rate increases,
- Allocation of funding for Operating Projects (based on Council's 4 Year Delivery Plan, endorsed strategies and Council decisions),
- Use of CPI forecasts,
- The use of borrowings to fund New Capital projects as necessary, and
- Consideration of legislative and regulated requirements of Council.
- Further information details of the assumptions informing the LTFP are included later in this document.

Risk Management

Council maintains and regularly reviews its Strategic Risk and Operational Risk Registers as part of its Risk Management Policy and Framework. Council also has a Business Continuity Plan to ensure the continuity of critical services and functions should unforeseen events arise.

Financial Ratios and Targets

Financial Ratios

The Local Government (Financial Management) Regulations 2011 requires the following three key financial ratios to be monitored:

- Operating Surplus Ratio
- Net Financial Liabilities Ratio
- Asset Renewal Funding Ratio

A fourth ratio, the Asset Sustainability Ratio, is also monitored.

These indicators are presented in a manner consistent with South Australia Model Financial Statements and Local Government Association's Financial Indicators Financial Sustainability Information Paper.

Key Financial Targets

Council proposes financial targets for the Operating Surplus Ratio, Net Financial Liabilities Ratio, and Asset Renewal Funding Ratio to guide the direction of the LTFP, while also monitoring the Asset Sustainability Ratio.

When assessing Council's financial sustainability, the financial ratios and targets should be considered together, rather than each in isolation.

Council monitors these ratios on a quarterly basis through its financial performance reporting.

Financial Indicator	Adopted Target	Proposed Target	LTFP Average
Operating Surplus Ratio	5.0%	Annual rate 4% - 6% 5% average over the life of the LTFP	5.2%
Net Financial Liabilities Ratio	< 80%	< 80%	15%
Asset Renewal Funding Ratio (10 Year average)	≈ 100%	≈ 100%	100%
Asset Sustainability Ratio (10 Year average)	≈ 100%	≈ 100%	99%

Operating Surplus Ratio

Operating surplus as a percentage of operating income.

This ratio measures the Council's ability to cover annual operational costs and have revenues available for capital funding, repayment of debt or the introduction of new services.

The operating surplus ratio reflects Council's capacity to fund capital works (New Assets) and repay its borrowings, of fund new services.

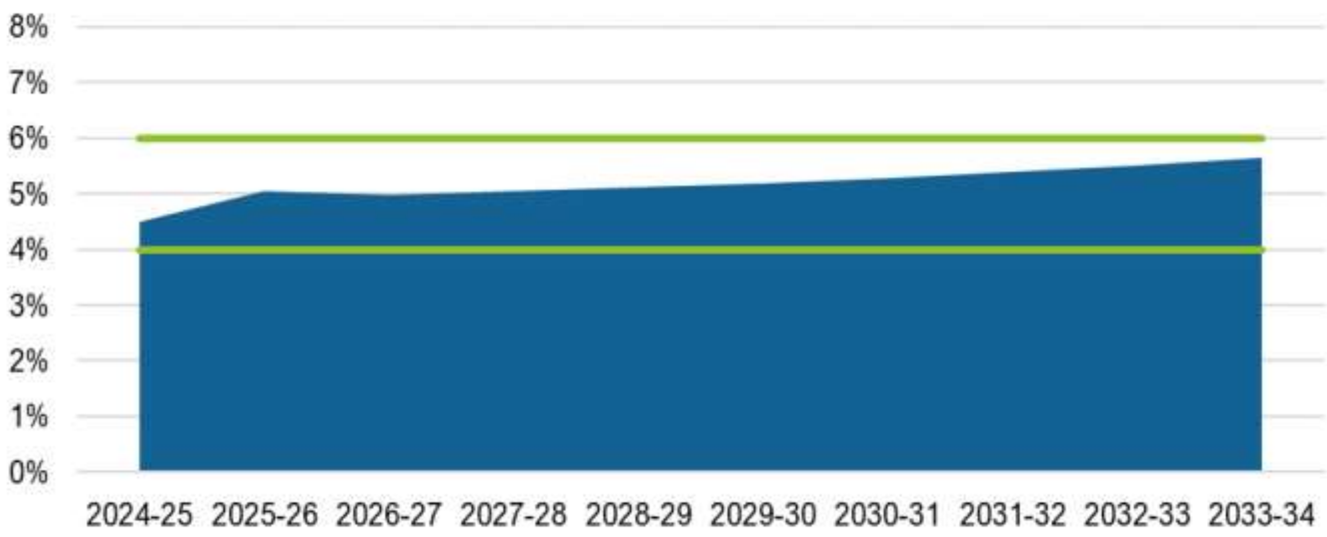
Council is forecasting an average operating surplus ratio range between 5.0% and 5.6% from Year 2 of the LTFP, noting the Draft Budget for 2024-25 is forecasting a ratio of 4.5%. The average Operating Surplus Ratio is 5.2% for the life of the LTFP, which is inline with the existing target of 5%. It is also consistent with the proposed range of 4-6%, and average of 5% over the life of the LTFP.

Although the ratio is forecast to increases in the outer years of the LTFP, for the reasons previously stated, it is more challenging to reliably forecast Years 7-10 of the LTFP. The ratio will be monitored and assumptions for the LTFP reviewed as those years draw closer.

How is it calculated:

$$\textit{Operating Surplus Ratio} = \frac{\textit{Operating Surplus}}{\textit{Total Operating Income}}$$

Years 1-3			Years 4-6			Years 7-10			
2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
4.5%	5.1%	5.0%	5.0%	5.1%	5.2%	5.3%	5.4%	5.5%	5.6%



Net Financial Liabilities Ratio

Net financial liabilities as a percentage of operating surplus.

This ratio measures Council's net debt relative to its operating income, and Council's ability to repay what is owes (debt, creditors etc) at the end of a financial year compared with its income for the year.

An increase in this ratio indicates that Council requires more of its operating income to fund its financial obligations. A drop in this ratio indicates that Council's capacity to meet its financial obligations from operating income is strengthening.

Council is forecasting an average net financial liabilities ratio of 15% for the LTFP, commencing at 11% and plateauing at 18%, which is well within the target range of less than 80%. The ratio will be monitored and assumptions for the LTFP will be reviewed as those years draw nearer.

All existing services, operational activities and the proposed capital renewal can be met from existing resources. Council will require additional borrowings to support the funding of New Capital Projects. Borrowings are forecast to increase to $9.6M by 2033-34. These borrowings are well within Council's capacity, and scope of existing debt facilities which are cash advance debentures with the Local Government Financing Authority.

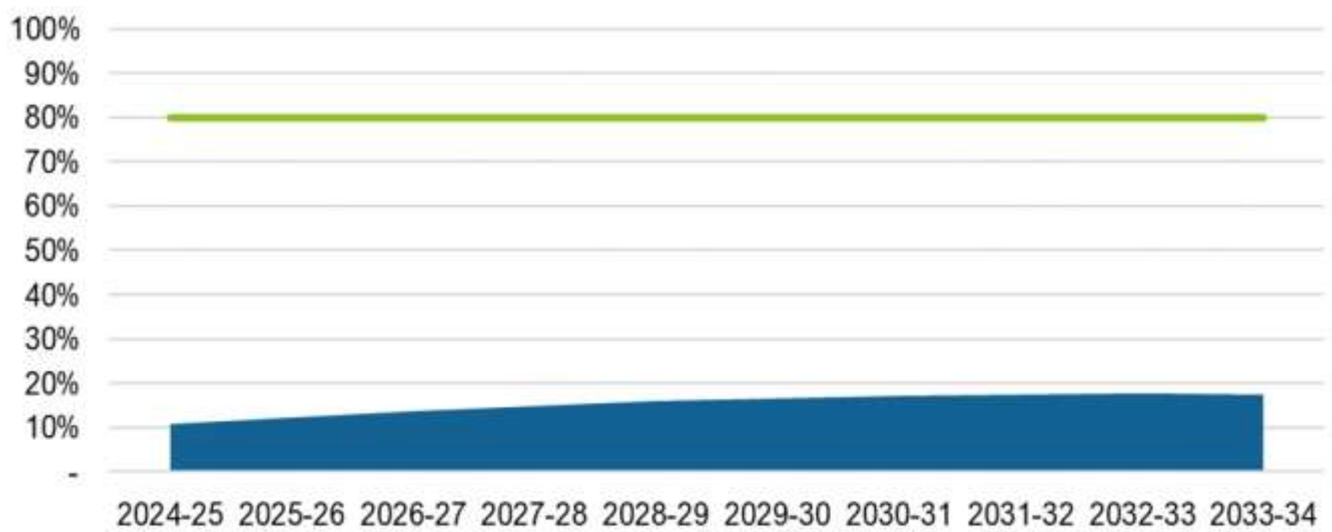
Council has borrowing capacity to respond should unforeseen circumstances or opportunities arise.

How is it calculated:

$$\textit{Net Financial Liabilities Ratio} = \frac{\textit{Net Financial Liabilities*}}{\textit{Total Operating Income}}$$

* *Net Financial Liabilities = Total Liabilities less Current cash and cash equivalents, Current trade & other receivables, Current other financial assets, and Non-current financial assets (from Statement of Financial Position)*

Years 1-3			Years 4-6			Years 7-10			
2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
11%	12%	14%	15%	16%	17%	17%	18%	18%	18%



Asset Renewal Funding Ratio

Capital renewal expenditure as a percentage of recommended expenditure in the Asset Management Plans.

The Asset Renewal Funding Ratio represents the level of capital expenditure on the renewal of assets relative to the level of such expenditure identified as warranted in Council's Asset Management Plans.

The recommended expenditure by the Asset Management Plans has been ‘smoothed’ over the 10 years to assist in managing resources. Associated risks have been considered to ensure the assets are managed in a sustainable manner.

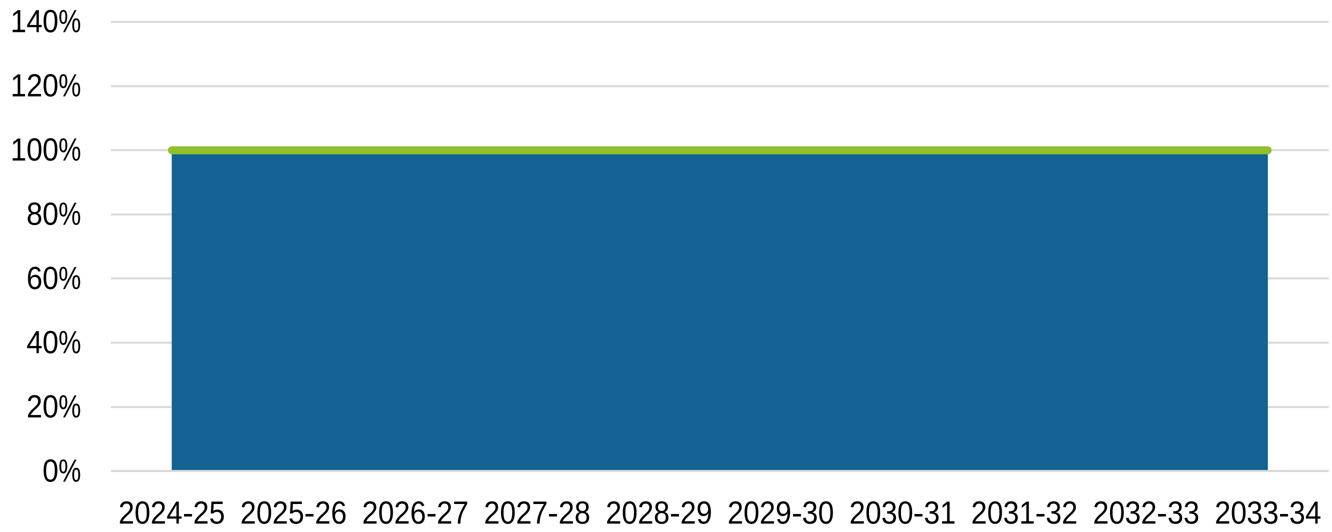
Council is forecasting an Asset Renewal Funding Ratio of 100% for the duration of the LTFP, as the expenditure in the LTFP is in line with the proposed funding required in the Asset Management Plans.

While the expenditure has been smoothed within the Asset Management Plans, condition inspections may impact the actual spend in each year over the 10 year life of the LTFP.

How is it calculated:

$$\textit{Asset Renewal Funding Ratio} = \frac{\textit{Capital Renewal Expenditure}}{\textit{Asset Management Plan Expenditure}}$$

Years 1-3			Years 4-6			Years 7-10			
2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



Asset Sustainability Funding Ratio

Capital renewal expenditure as a percentage of depreciation.

This ratio compares capital renewal expenditure relative to the consumption of the asset over its life.

The Essential Services Commission of South Australia (ESCOSA) monitor the Asset Sustainability Ratio as council rates are used to fund depreciation.

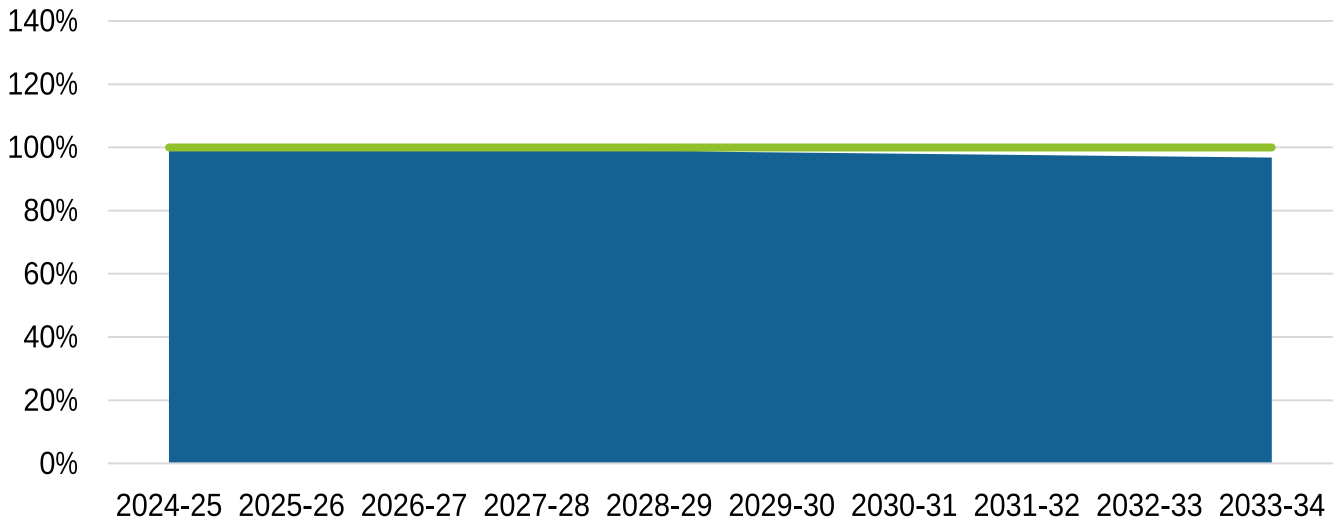
Council uses this ratio to monitor that the life of an asset is appropriate to its physical use.

Council is forecasting an average Asset Sustainability Ratio of 99%. A proportion of Council's infrastructure assets have useful lives in excess of 50 years, and are in good condition, the Asset Management Plans do not require proposed capital renewal expenditure to match depreciation over the life of this Plan.

How is it calculated:

$$\textit{Asset Sustainability Ratio} = \frac{\textit{Capital Renewal Expenditure}}{\textit{Total Depreciation}}$$

Years 1-3			Years 4-6			Years 7-10			
2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
101%	100%	100%	99%	99%	98%	98%	98%	97%	97%



Key Assumptions

The key assumptions are summarised in the table below:

$'000	2024-25 Year 1	2025-26 Year 2	2026-27 Year 3	2027-28 Year 4	2028-29 Year 5	2029-30 Year 6	2030-31 Year 7	2031-32 Year 8	2032-33 Year 9	2033-34 Year 10
Adelaide CPI Forecast (SA Treasury)*	3.75%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rates Assumptions										
Rates Increase based on CPI	3.95%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase in rates from new developments	0.58%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Total Increase in Rates Revenue	4.53%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Non-Rate Income Assumptions (based on CPI)	3.75%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee Costs (EBA/Ave Weekly Earnings)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Non-employee Expenditure (based on CPI)	3.75%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest Rate Assumptions										
RBA interest rate assumption (NAB Forecast)	3.98%	3.35%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest Rates - Fixed (Existing)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rates - Fixed (potential future borrowings)	6.58%	5.96%	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%	5.61%
Interest Rate - Variable	6.98%	6.35%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Interest Income	3.48%	2.85%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

* Forecast at 30 June of the preceding year used to inform Budget

Long-Term Financial Plan Summary

$'000	2024-25 Year 1	2025-26 Year 2	2026-27 Year 3	2027-28 Year 4	2028-29 Year 5	2029-30 Year 6	2030-31 Year 7	2031-32 Year 8	2032-33 Year 9	2033-34 Year 10
Income										
General Rates Income	48,849	50,803	52,581	54,158	55,783	57,457	59,180	60,956	62,784	64,668
Other Rates and Levies	2,242	2,321	2,385	2,445	2,502	2,565	2,625	2,691	2,754	2,823
Statutory Charges	1,792	1,855	1,910	1,958	2,007	2,057	2,109	2,161	2,215	2,271
User Charges	2,465	2,551	2,628	2,694	2,761	2,830	2,901	2,973	3,047	3,124
Grants, subsidies & contributions	3,142	3,258	3,153	3,232	3,313	3,395	3,480	3,567	3,657	3,748
Investment Income	15	15	15	15	15	15	15	15	15	15
Reimbursements	217	225	231	237	243	249	255	262	268	275
Other Income	1,070	1,107	1,141	1,169	1,198	1,228	1,259	1,291	1,323	1,356
Projects	-	-	-	-	-	-	-	-	-	-
Total Income	**59,792**	**62,135**	**64,044**	**65,909**	**67,822**	**69,797**	**71,824**	**73,916**	**76,064**	**78,280**
Expenditure										
Employee Costs	20,927	21,649	22,298	22,967	23,656	24,366	25,097	25,850	26,625	27,424
Materials, Contracts & Other Expenses	22,009	22,779	23,463	24,049	24,650	25,267	25,898	26,546	27,210	27,890
Depreciation, Amortisation & Impairment	12,247	12,731	13,170	13,557	13,956	14,366	14,788	15,222	15,668	16,128
Finance Costs	231	235	273	321	363	399	428	449	461	463
Operating Projects	1,688	1,600	1,648	1,689	1,731	1,775	1,819	1,865	1,911	1,959
Total Expenditure	**57,102**	**58,994**	**60,851**	**62,583**	**64,357**	**66,172**	**68,030**	**69,931**	**71,875**	**73,863**
Operating Surplus/(Deficit)	**2,690**	**3,141**	**3,193**	**3,326**	**3,466**	**3,625**	**3,794**	**3,985**	**4,188**	**4,416**
Principal Repayment of Borrowings	288	-	-	-	-	-	-	-	-	-
Cash surplus/(deficiency) after repayments	**2,402**	**3,141**	**3,193**	**3,326**	**3,466**	**3,625**	**3,794**	**3,985**	**4,188**	**4,416**
Capital Renewal Expenditure (net)	12,320	12,743	13,125	13,453	13,790	14,134	14,488	14,850	15,221	15,602
New Capital Expenditure (net)	4,320	4,140	4,264	4,371	4,480	4,592	4,707	4,825	4,945	5,069
Total Capital Expenditure (net)	**16,640**	**16,883**	**17,389**	**17,824**	**18,270**	**18,727**	**19,195**	**19,675**	**20,166**	**20,671**
Add back Depreciation	12,247	12,731	13,170	13,557	13,956	14,366	14,788	15,222	15,668	16,128
Operating Surplus/(Deficit) less capital expenditure	**(1,703)**	**(1,011)**	**(1,027)**	**(941)**	**(848)**	**(735)**	**(613)**	**(467)**	**(310)**	**(127)**
Fixed Term Borrowings	-	-	-	-	-	-	-	-	-	-
Cash Advance Debenture (CAD Borrowings)	**3,558**	**4,569**	**5,596**	**6,538**	**7,386**	**8,121**	**8,734**	**9,201**	**9,511**	**9,637**
Total Borrowings	**3,558**	**4,569**	**5,596**	**6,538**	**7,386**	**8,121**	**8,734**	**9,201**	**9,511**	**9,637**

Appendix 1: Explanation of Assumptions

Operating Revenue

General Rates

General Rate revenue is the Council's primary income source contributing about 82% of operating income.

When determining the level of rates, the current costs of service delivery is determined. Council will raise enough income to come its operating expenses.

Rating Method

Council intends to continue with three differential rates and the application of a minimum rate, applied against the capital improved value of properties. This is a fair and equitable method of rating.

Forecast General Rate Increase

The average general rate increase per annum are:

- in line with the budget for 2024-25
- in line with forecast CPI for the next two years (2025-26 to 2026-27), and
- a longer term forecast of 2.5% for 2027-28 onwards, in line with anticipated CPI.

Growth from New Developments & Capital Additions

The increase in general rate revenue from new developments and capital improvements has been assumed to be 0.5% for the duration of the LTFP.

Council has recently adopted an Open Space Fund Policy, where a third of any increased revenue from growth above 0.5% will be contributed to an Open Space Fund. For example, if growth is 0.8%, 0.1% (a third of the differential between 0.8% and 0.5%) of the rates will be allocated to the fund for the procurement of open usable space.

Potential Changes in rebates

Council has approximately 470 SA Housing Trust properties within its boundaries. No adjustment has been made for any transfer of these properties to housing associations. Future transfers will decrease rate revenue as they will attract a considerable rate rebate.

Other Rates and Levies

Separate Rates in the Dollar

Council proposes to continue to raise a separate rate for the promotion of businesses and traders for Unley Road, King William Road, Fullarton Road and Goodwood Road.

Council collects the separate rate and contracts with the Main Street Trader Associations for the provision of marketing, street beautification and minor value-added infrastructure projects.

Landscape Levy

Council collects the Landscape Levy on behalf of the Green Adelaide Board, and transfers the funds to the Board. Council does not retain this revenue, nor determine how the revenue is spent.

For the purposes of the LTFP, the Levy and corresponding payment to the Board is assumed to be in line with CPI.

Statutory Charges

Statutory charges, such as fees associated with services regulated under the *Road Traffic Act 1961*, the *Planning, Development and Infrastructure Act 2016*, the *South Australian Public Health Act 2011*, the *Food Act 2001* and the

Dog & Cat Management Act 1995, are specified by the respective statute and not determined by Council. However an annual increase in line with CPI has been included.

From time to time, legislative reform can change the revenue received from statutory charges under a specific statute. The impact of any future reform will be reflected in future updates to the LTFP, if and when changes in service levels are confirmed, and the impact on statutory charges revenue is quantified.

User Charges

User charges are fees collected for the use of Council facilities or services in a fee for use type arrangement.

Council reviews its fees and charges annually in conjunction with the development of the Annual Business Plan and Budget to ensure the proposed fees:

- Reflect (or move progressively toward) the cost of the services given;
- Are comparable with market rates, where appropriate;
- Consider the benefit derived by users;
- Are consistent with Council directions;
- Achieve consistency across functional areas of Council.

Although there may be specific variations from year to year, for the purposes of the LTFP it is assumed the fees reflect CPI based on the assumption the fees reflect the cost of the services provide, and are comparable to market rates.

Grants, Subsidies and Contributions

Grants, Subsidies and Contributions have been based on identifiable and confirmed grants, including subsidies and contributions from all sources, but excludes amounts received specifically for new and upgraded assets.

The Grants includes the Financial Assistant Grants which include the General Purpose Grant and Identified Local Roads Grant.

Funding levels with a projected increase of CPI, where applicable.

Investment Income

In accordance with Council's Treasury Management Policy, Council funds that are not immediately required for operations and that cannot be applied to either reduce existing borrowings or avoid the arising of new borrowings, will be invested in one of the following ways:

- Deposits with the Local Government Finance Authority,
- Bank interest bearing deposits,
- Bank accepted/ endorsed bank bills,
- Bank negotiable Certificate Deposits, or
- State / Commonwealth Government Bonds.

Interest income is forecast based on the estimated cash held for the financial year multiplied by the forecast interest rate for deposits.

The forecast interest rate for cash deposit is 0.5% lower than the forecast Reserve Bank Cash Rate.

Reimbursements and Other Income

Reimbursements and other revenue increases have been assumed to increase in line with forecast CPI.

Appendix 1: Explanation of Assumptions

Operating Expenditure

Employee Costs

Employee costs include all labour related expenses such as wages and salaries, and on-costs such as allowances, leave entitlements and employer superannuation.

The base budget for employee costs is linked to the current Enterprise Bargaining Agreements. At the end of the agreements employee costs are based on predicted Average Weekly Earnings.

Actual increases will be dependent upon future enterprise agreement negotiations. New agreements will be reflected in the LTFP.

Increases in the Superannuation Guarantee are consistent with advice from the Australian Taxation Office.

Materials, Contractual & Other Expenses

Materials, Contractual Services and Other Expenses are generally expected to increase in line with forecast CPI. Where there are variations of a material value due to contractual commitments (e.g. hard waste levy, electricity contract) or changes in service levels, an adjustment will be made to future updates to the LTFP as they are identified, quantified and agreed.

Depreciation

Depreciation recognises the use of assets across their useful life. All assets are depreciated on a straight line basis.

Forecast depreciation incorporates:

1. Annual indexation in line with forecast CPI to reflect an increase in valuation; and
2. An annual allowance for the construction of new and upgraded asset based on an average estimated useful life of 50 years.

The Asset Management Plans cost calculations are reviewed annually, with any material variations to be reflected in future updates of the LTFP.

Finance Costs

In accordance with Council's Treasury Management Policy, Council will generally only borrow funds to support long-term cash flow to fund new and upgraded assets (including strategic land purchases) identified in Council endorsed strategies.

Council has Cash Advance Debentures and a Credit Foncier Loan in place with the Local Government Financing Authority (LGFA). There are therefore two components to finance costs:

- Interest incurred when drawing down on Council's Cash Advance facilities; and
- Interest on existing credit foncier loans (fixed term and fixed repayment basis) and this is obtained from the current loan schedule.

The finance costs in the LTFP are based on Council's forecast borrowing requirement (when not in a cash lending position) multiplied by the forecast weighted average interest rate. Any variable component of the weighted average interest rate is estimated to be 3.0% above the Reserve Bank's forecast cash rate.

Operating Projects / Initiatives

Operating Projects (and Initiatives) are:

- Projects or distinct one-off initiatives to deliver an outcome in line with Council's endorsed strategies;
- Discretionary expenditure that has been regularly budgeted in recent years (eg. events such as the Tour Down Under Stage Start); and
- Short-term increases to current services levels that are longer than one year.

The level of Operating Project Expenditure has been based on a $1.6m allocation in 2025-26 and indexed in line with forecast CPI. Additional funding has been allocated in 2026 and 2030 for the Local Government Elections.

New Capital Projects

New Capital Projects are capital works to create new infrastructure and assets, or significant upgrades to existing infrastructure and assets.

New Capital Projects include (but is not limited to) capital works associated with the following:

- Council's Asset Management Plans, such as new and upgraded stormwater infrastructure;
- Council endorsed strategies and plans, such as the Climate and Energy Plan, Walking and Cycling Plan, and Local Area Traffic Management Plan;
- Council's capital contribution to the Brown Hill Keswick Creek Stormwater Project (BHKC Project).

Council endorsed Master Plans may also incorporate significant components of new capital expenditure.

New Capital Expenditure

New capital expenditure forecast in the LTFP are based on two components:

1. An annual allocation to fund the Council's capital contributions to BHKC Project, Council endorsed strategies and plans, and council led projects/ capital works (including detailed design).
2. Specific funding, where required, for the delivery of major projects or significant new/upgraded infrastructure identified in the Asset Management Plans.

The forecasts in the LTFP for New Capital Expenditure will be reviewed annually in line with the review of the Asset Management Plans.

Grants and Contributions

Capital Grants and Contributions have been based on confirmed external agency funding levels. As a result, no capital grants have been assumed in the LTFP.

Appendix 1: Explanation of Assumptions

Capital Renewal

Capital Renewal Programs are capital programs to renew Council's infrastructure and assets. The programs are based on Council's Asset Management Plans which are developed based on condition audits and agreed levels of service.

Capital Renewal Expenditure

Capital Renewal expenditure forecast in the LTFP is in line with the recommended expenditure from the Asset Management Plans.

The LTFP forecasts for Capital Renewal Expenditure will be reviewed annually as part of the annual review of the Asset Management Plans.

Capital Receipts

These are a combination of grants and amounts received for the sale of plant, fleet and equipment that are due to be replaced or surplus to current and future requirements. An estimate of trade-ins (disposed through auctions) have been incorporated in the net expenditure.

Loans & Borrowings

Council's borrowings are guided by its Treasury Management Policy.

Council's primary source of debt are Cash Advance Debenture (CAD) Facilities with the Local Government Financing Authority. These will continue to be held until maturity to provide capacity to fund emerging priorities in line with Council's strategic objectives.

Interests in Other Entities

No provision for the effect of Council's interest in other entities have been made in the plan. Council has an equity interest in the following regional subsidiaries:

- Centennial Park Cemetery Authority,
- Brown Hill Keswick Creek Stormwater Project, and
- Eastern Region Waste Management.

Monitoring Assumptions

The key assumptions within the LTFP are reviewed at least annually to ensure they reflect the latest economic forecasts and are aligned to any updates to Council's strategic plans and objectives, including updated iterations of the Asset Management Plans.

The Audit and Risk Committee review the key assumptions and financial targets prior to the commencement of the budget process.


Bertram Ha

Forecast Uniform Presentation of Finances

$'000	2024-25 Year 1	2025-26 Year 2	2026-27 Year 3	2027-28 Year 4	2028-29 Year 5	2029-30 Year 6	2030-31 Year 7	2031-32 Year 8	2032-33 Year 9	2033-34 Year 10
Income										
General Rates Income	48,849	50,803	52,581	54,158	55,783	57,457	59,180	60,956	62,784	64,668
Other Rates and Levies	2,242	2,321	2,385	2,445	2,502	2,565	2,625	2,691	2,754	2,823
Statutory Charges	1,792	1,855	1,910	1,958	2,007	2,057	2,109	2,161	2,215	2,271
User Charges	2,465	2,551	2,628	2,694	2,761	2,830	2,901	2,973	3,047	3,124
Grants, subsidies & contributions	3,142	3,258	3,153	3,232	3,313	3,395	3,480	3,567	3,657	3,748
Investment Income	15	15	15	15	15	15	15	15	15	15
Reimbursements	217	225	231	237	243	249	255	262	268	275
Other Income	1,070	1,107	1,141	1,169	1,198	1,228	1,259	1,291	1,323	1,356
Projects	-	-	-	-	-	-	-	-	-	-
Total Income	**59,792**	**62,135**	**64,044**	**65,909**	**67,822**	**69,797**	**71,824**	**73,916**	**76,064**	**78,280**
Expenditure										
Employee Costs	20,927	21,649	22,298	22,967	23,656	24,366	25,097	25,850	26,625	27,424
Materials, Contracts & Other Expenses	22,009	22,779	23,463	24,049	24,650	25,267	25,898	26,546	27,210	27,890
Depreciation, Amortisation & Impairment	12,247	12,731	13,170	13,557	13,956	14,366	14,788	15,222	15,668	16,128
Finance Costs	231	235	273	321	363	399	428	449	461	463
Operating Projects	1,688	1,600	1,648	1,689	1,731	1,775	1,819	1,865	1,911	1,959
Total Expenditure	**57,102**	**58,994**	**60,851**	**62,583**	**64,357**	**66,172**	**68,030**	**69,931**	**71,875**	**73,863**
Operating Surplus / (Deficit) before Capital Amounts	**2,690**	**3,141**	**3,193**	**3,326**	**3,466**	**3,625**	**3,794**	**3,985**	**4,188**	**4,416**
less Net Outlays on Existing Assets										
Net Capital Expenditure on Renewal & Replacement of Existing Assets	(12,766)	(13,054)	(13,446)	(13,782)	(14,127)	(14,480)	(14,842)	(15,213)	(15,593)	(15,983)
less Depreciation, Amortisation and Impairment	12,247	12,731	13,170	13,557	13,956	14,366	14,788	15,222	15,668	16,128
less Amounts received specifically for Replacement of Existing Assets	-	-	-	-	-	-	-	-	-	-
less Proceeds from the Sale of Replaced Assets	446	311	321	329	337	345	354	363	372	381
Net Outlays on Existing Assets	**(73)**	**(12)**	**44**	**104**	**166**	**232**	**300**	**372**	**447**	**526**
less Net Outlays on New and Upgraded Assets										
Net Capital Expenditure on New and Upgraded Assets	(4,320)	(4,140)	(4,264)	(4,371)	(4,480)	(4,592)	(4,707)	(4,825)	(4,945)	(5,069)
less Amounts received specifically for New and Upgraded Assets	-	-	-	-	-	-	-	-	-	-
less Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-
Net Outlays on New and Upgraded Assets	**(4,320)**	**(4,140)**	**(4,264)**	**(4,371)**	**(4,480)**	**(4,592)**	**(4,707)**	**(4,825)**	**(4,945)**	**(5,069)**
Net Lending / (Borrowing) for the Financial Year	**(1,703)**	**(1,011)**	**(1,027)**	**(941)**	**(848)**	**(735)**	**(613)**	**(467)**	**(310)**	**(127)**
Net Financial Liabilities at Beginning of Year	4,554	6,420	7,589	8,756	9,818	10,790	11,652	12,394	12,994	13,440
Decrease / (increase) in Other	-	-	-	-	-	-	-	-	-	-
Net Financial Liabilities at End of Year	**6,420**	**7,589**	**8,756**	**9,818**	**10,790**	**11,652**	**12,394**	**12,994**	**13,440**	**13,706**

Forecast Statement of Financial Performance

$'000	2024-25 Year 1	2025-26 Year 2	2026-27 Year 3	2027-28 Year 4	2028-29 Year 5	2029-30 Year 6	2030-31 Year 7	2031-32 Year 8	2032-33 Year 9	2033-34 Year 10
Income										
Rates	48,849	50,803	52,581	54,158	55,783	57,457	59,180	60,956	62,784	64,668
Other Rates	2,242	2,321	2,385	2,445	2,502	2,565	2,625	2,691	2,754	2,823
Statutory Charges	1,792	1,855	1,910	1,958	2,007	2,057	2,109	2,161	2,215	2,271
User Charges	2,465	2,551	2,628	2,694	2,761	2,830	2,901	2,973	3,047	3,124
Grants, Subsidies & Contributions	3,142	3,258	3,153	3,232	3,313	3,395	3,480	3,567	3,657	3,748
Investment Income	15	15	15	15	15	15	15	15	15	15
Reimbursements	217	225	231	237	243	249	255	262	268	275
Other Income	1,070	1,107	1,141	1,169	1,198	1,228	1,259	1,291	1,323	1,356
Operating Projects	-	-	-	-	-	-	-	-	-	-
Total Income	**59,792**	**62,135**	**64,044**	**65,909**	**67,822**	**69,797**	**71,824**	**73,916**	**76,064**	**78,280**
Expenditure										
Employee Costs	20,927	21,649	22,298	22,967	23,656	24,366	25,097	25,850	26,625	27,424
Materials, Contracts & Other Expenses	22,009	22,779	23,463	24,049	24,650	25,267	25,898	26,546	27,210	27,890
Depreciation, Amortisation & Impairment	12,247	12,731	13,170	13,557	13,956	14,366	14,788	15,222	15,668	16,128
Finance Costs	231	235	273	321	363	399	428	449	461	463
Operating Projects	1,688	1,600	1,648	1,689	1,731	1,775	1,819	1,865	1,911	1,959
Total Expenditure	**57,102**	**58,994**	**60,851**	**62,583**	**64,357**	**66,172**	**68,030**	**69,931**	**71,875**	**73,863**
Operating Surplus / (Deficit)	**2,690**	**3,141**	**3,193**	**3,326**	**3,466**	**3,625**	**3,794**	**3,985**	**4,188**	**4,416**
Asset Disposal & Fair Value Adjustments	446	311	321	329	337	345	354	363	372	381
Amounts received specifically for new, upgraded or replacement assets	-	-	-	-	-	-	-	-	-	-
Net Outlays on New and Upgraded Assets	**446**	**311**	**321**	**329**	**337**	**345**	**354**	**363**	**372**	**381**
Net Surplus / (Deficit)	**3,136**	**3,452**	**3,514**	**3,654**	**3,803**	**3,971**	**4,148**	**4,348**	**4,560**	**4,798**
Share of Other Comprehensive Income – Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	**3,136**	**3,452**	**3,514**	**3,654**	**3,803**	**3,971**	**4,148**	**4,348**	**4,560**	**4,798**

Forecast Statement of Financial Position

$'000	2024-25 Year 1	2025-26 Year 2	2026-27 Year 3	2027-28 Year 4	2028-29 Year 5	2029-30 Year 6	2030-31 Year 7	2031-32 Year 8	2032-33 Year 9	2033-34 Year 10
Assets										
Current Assets										
Cash & cash equivalents	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655
Trade & other receivables	3,784	3,916	4,034	4,135	4,238	4,344	4,452	4,564	4,678	4,795
Other financial assets	-	-	-	-	-	-	-	-	-	-
Total Current Assets	**5,439**	**5,571**	**5,689**	**5,790**	**5,893**	**5,999**	**6,107**	**6,219**	**6,333**	**6,450**
Non-current Assets										
Financial Assets	-	-	-	-	-	-	-	-	-	-
Equity accounted investments in Council businesses	33,017	34,173	35,198	36,078	36,980	37,904	38,852	39,823	40,819	41,839
Infrastructure, Property, Plant & Equipment	745,304	775,541	803,027	827,370	852,368	878,038	904,396	931,458	959,243	987,767
Total Non-current Assets	**778,321**	**809,714**	**838,225**	**863,448**	**889,348**	**915,942**	**943,247**	**971,281**	**1,000,061**	**1,029,606**
Total Assets	**783,759**	**815,285**	**843,914**	**869,237**	**895,241**	**921,941**	**949,355**	**977,500**	**1,006,394**	**1,036,056**
Liabilities										
Current Liabilities										
Trade & Other Payables	3,848	3,983	4,102	4,205	4,310	4,418	4,528	4,641	4,757	4,876
Borrowings Fixed Term	-	-	-	-	-	-	-	-	-	-
Provisions	4,210	4,358	4,488	4,600	4,715	4,833	4,954	5,078	5,205	5,335
Total Liabilities Assets	**8,058**	**8,340**	**8,591**	**8,805**	**9,025**	**9,251**	**9,482**	**9,719**	**9,962**	**10,211**
Non-current liabilities										
Borrowings	3,558	4,569	5,596	6,537	7,386	8,121	8,733	9,201	9,511	9,637
Provisions	243	251	259	265	272	279	286	293	300	308
Total Non-current Liabilities	**3,800**	**4,820**	**5,855**	**6,803**	**7,657**	**8,400**	**9,019**	**9,494**	**9,811**	**9,945**
Total Liabilities	**11,859**	**13,161**	**14,445**	**15,608**	**16,683**	**17,651**	**18,501**	**19,213**	**19,773**	**20,156**
Net Assets	**771,901**	**802,124**	**829,469**	**853,629**	**878,558**	**904,290**	**930,853**	**958,287**	**986,621**	**1,015,899**
Equity										
Accumulated Surplus	185,528	188,980	192,494	196,148	199,951	203,921	208,070	212,418	216,978	221,776
Asset Revaluation Reserves	586,142	612,913	636,744	657,250	678,376	700,138	722,553	745,638	769,412	793,893
Other Reserves	230	230	230	230	230	230	230	230	230	230
Total Equity	**771,901**	**802,124**	**829,469**	**853,629**	**878,558**	**904,290**	**930,853**	**958,287**	**986,621**	**1,015,899**
Net Financial Liabilities	**6,420**	**7,589**	**8,756**	**9,818**	**10,790**	**11,652**	**12,394**	**12,994**	**13,440**	**13,706**

Forecast Statement of Cash Flows

$'000	2024-25 Year 1	2025-26 Year 2	2026-27 Year 3	2027-28 Year 4	2028-29 Year 5	2029-30 Year 6	2030-31 Year 7	2031-32 Year 8	2032-33 Year 9	2033-34 Year 10
Cash Flows from Operating Activities										
Receipts										
Operating Receipts	59,777	62,120	64,029	65,894	67,807	69,782	71,809	73,901	76,049	78,265
Investment Receipts	15	15	15	15	15	15	15	15	15	15
Payments										
Operating Payments to suppliers and employees	(44,625)	(46,028)	(47,409)	(48,705)	(50,038)	(51,407)	(52,814)	(54,260)	(55,746)	(57,272)
Finance Payments	(231)	(235)	(273)	(321)	(363)	(399)	(428)	(449)	(461)	(463)
Net Cash provided by (or used in) Operating Activities	**14,936**	**15,872**	**16,363**	**16,883**	**17,422**	**17,991**	**18,582**	**19,207**	**19,857**	**20,544**
Cash Flows from Investing Activities										
Receipts										
Amounts specifically for new or upgraded assets	-	-	-	-	-	-	-	-	-	-
Amounts received specifically for Replacement of Existing Assets	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
Sale of replaced assets	446	311	321	329	337	345	354	363	372	381
Repayments of loans by community groups	-	-	-	-	-	-	-	-	-	-
Payments										
Expenditure on renewal/placement of assets	(12,766)	(13,054)	(13,446)	(13,782)	(14,127)	(14,480)	(14,842)	(15,213)	(15,593)	(15,983)
Expenditure on new/upgraded assets	(4,320)	(4,140)	(4,264)	(4,371)	(4,480)	(4,592)	(4,707)	(4,825)	(4,945)	(5,069)
Net purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Distributions Received from Equity Accounted Council Businesses - Gain/(Loss)										
Net Cash provided by (or used in) Investing Activities	**(16,640)**	**(16,883)**	**(17,389)**	**(17,824)**	**(18,270)**	**(18,727)**	**(19,195)**	**(19,675)**	**(20,166)**	**(20,671)**
Cash Flows from Financing Activities										
Receipts										
Proceeds from borrowings	1,704	1,011	1,027	941	848	735	613	467	310	127
Payments										
Repayments of borrowings										
Net Cash provided by (or used in) Financing Activities	**1,704**	**1,011**	**1,027**	**941**	**848**	**735**	**613**	**467**	**310**	**127**
Net Increase/(Decrease) in cash held	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Plus: Cash & cash equivalents at beginning of period	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655
Cash & cash equivalents at end of period	**1,655**	**1,655**	**1,655**	**1,655**	**1,655**	**1,655**	**1,655**	**1,655**	**1,655**	**1,655**

Appendix 2: Asset Renewal Expenditure

Renewal Expenditure before indexation										
$'000	2024-25 Year 1	2025-26 Year 2	2026-27 Year 3	2027-28 Year 4	2028-29 Year 5	2029-30 Year 6	2030-31 Year 7	2031-32 Year 8	2032-33 Year 9	2033-34 Year 10
Buildings	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Transportation	7,296	7,296	7,296	7,296	7,296	7,296	7,296	7,296	7,296	7,296
Stormwater	700	700	700	700	700	700	700	700	700	700
Open Space	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
ICT	550	550	550	550	550	550	550	550	550	550
Light Fleet	211	211	211	211	211	211	211	211	211	211
Plant	700	700	700	700	700	700	700	700	700	700
Subtotal Expenditure	**12,157**	**12,157**	**12,157**	**12,157**	**12,157**	**12,157**	**12,157**	**12,157**	**12,157**	**12,157**
Renewal Income										
Light Fleet Income	115	115	115	115	115	115	115	115	115	115
Plant	175	175	175	175	175	175	175	175	175	175
Subtotal Income	290	290	290	290	290	290	290	290	290	290
Net Renewal Expenditure	**11,867**	**11,867**	**11,867**	**11,867**	**11,867**	**11,867**	**11,867**	**11,867**	**11,867**	**11,867**

Renewal Expenditure inclusive of indexation										
$'000	2024-25 Year 1	2025-26 Year 2	2026-27 Year 3	2027-28 Year 4	2028-29 Year 5	2029-30 Year 6	2030-31 Year 7	2031-32 Year 8	2032-33 Year 9	2033-34 Year 10
Buildings	1,453	1,503	1,548	1,587	1,627	1,667	1,709	1,752	1,796	1,841
Transportation	7,570	7,835	8,070	8,271	8,478	8,690	8,907	9,130	9,358	9,592
Stormwater	726	752	774	794	813	834	855	876	898	920
Open Space	1,349	1,396	1,438	1,474	1,511	1,548	1,587	1,627	1,667	1,709
ICT	571	591	608	624	639	655	671	688	705	723
Light Fleet	219	227	233	239	245	251	258	264	271	277
Plant	726	752	774	794	813	834	855	876	898	920
Subtotal Expenditure	**12,613**	**13,054**	**13,446**	**13,782**	**14,127**	**14,480**	**14,842**	**15,213**	**15,593**	**15,983**
Renewal Income										
Light Fleet Income	119	123	127	130	134	137	140	144	148	151
Plant	182	188	194	198	203	208	214	219	224	230
Subtotal Income	301	311	321	329	337	345	354	363	372	381
Net Renewal Expenditure	**12,312**	**12,743**	**13,125**	**13,453**	**13,790**	**14,134**	**14,488**	**14,850**	**15,221**	**15,602**

The asset renewal expenditure and income shown here is based on Council's Asset Management Plans. Year 1 of the LTFP is based on Council's 2024-25 Budget, therefore the values may differ by asset category or total net expenditure.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