THE CITY of Unley

2025-2035

DRAFT LONG-TERM FINANCIAL PLAN

Kaurna Acknowledgement

Ngadlurlu tampinthi, ngadlu Kaurna yartangka inparrinthi. Ngadlurlu parnuku tuwila yartangka tampinthi. Ngadlurlu Kaurna Miyurna yaitya yarta mathanya Wama Tarntanyaku tampinthi. Parnuku yailtya, parnuku tapa purruna yalarra puru purruna.

Kaurna Translation provided by Kaurna Warra Karrpanthi

We would like to acknowledge that the City of Unley is part of the traditional lands of 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.

Contents

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, forming part of its suite of Strategic Management Plans.

Council uses the LTFP to guide its financial decisions to ensure its financial sustainability. It is underpinned by Council's Financial Planning Framework, Local Government financial sustainability principles, and Council's Treasury Management Policy.

The 2025-2035 LTFP is based on a series of assumptions and the best information available at the time. These include:

- The City of Unley Community Plan Towards 2050,
- Council's 4 Year Delivery Plan,
- Council's Asset Management Plans (AMPs),
- 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, which may diminish over the period of the Plan:

- Years 1-3: 2025-26 to 2027-28: Higher confidence in forecasts.
- Years 4-6: 2028-29 to 2030-31: Moderate confidence in forecasts.
- Years 7-10: 2031-32 to 2034-35: Lower confidence in forecasts.

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

The table on the following page provides a financial overview of the LTFP from 2025-26 to 2034-35, with a full summary of the LTFP on page 23.

LTFP Summary

LTFP Average over the life of the Plan

General Rate Increase	2.6%
General Rates Growth	0.5%
Total Increase in General Rates Revenue	**3.1%**
General Rates	$58.4M
Other Operating Income	$13.1M
Total Operating Income	$71.5M
less Operating Expenses	$68.4M
Operating Surplus	**$3.1M**
Operating Surplus Ratio	4.3%
Net Financial Liabilities Ratio	22%
Asset Renewal Funding Ratio	100%
Asset Sustainability Ratio	99%

LTFP Totals over the life of the Plan

General Rates	$584M
Other Operating Income	$131M
Total Operating Income	**$715M**
less Operating Expenses	$684M
Operating Surplus	$31M
Net Capital Renewal	$143M
Net New Capital Expenditure	$51M
Total Net Capital Expenditure	**$194M**
Depreciation	$148M

At Year 10 (2034-35)

Total Borrowings	$18.0M

What is financial sustainability

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

- Rate stability
- Program stability
- Intergeneration 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 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.

Rate Stability

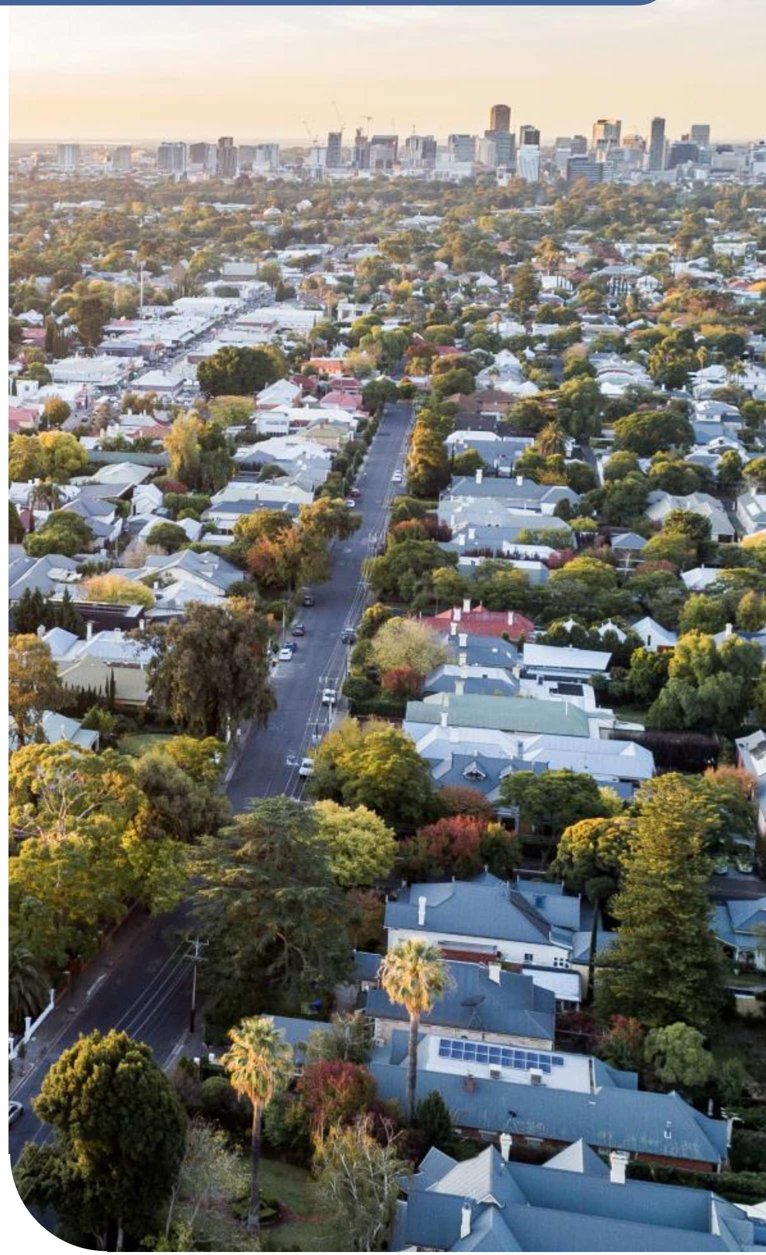
This relates to charging ratepayers reasonably to fund the services, underpinned by the program of works (program stability). Rates should be stable, noting that stable does not mean fixed, but rather the absence of large or unplanned year-on-year variances.

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.

Intergeneration 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 Long-Term Financial Plan, 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, whilst still achieving the objectives detailed in Council's Community Plan.

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.

Growth in Rates

Additional general rates 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 recognised:

- A proportion of the additional rates income is set aside for the future purchase of land for usable 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, including 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 future operating results of the equity accounted businesses of Council, namely the Centennial Park Cemetery Authority, the Brownhill Keswick Creek Stormwater Board and the Eastern Waste Management Authority, noting that they generally achieve a surplus each year. Council's existing business assets have been indexed annually to take into account increases in asset valuations.

The financial management and long-term sustainability of these businesses is monitored through reports to Council, and in the case of the Centennial Park Cemetery Authority, their Owners Executive Committee and Audit & 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.

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 forecast to average 2.6% across the life the Plan, based on:

- forecast Adelaide CPI for Years 2 and 3 of the LTFP (2026-27 and 2027-28), and
- an assumed long-term average of 2.5% for Year 4 (2028-29) onwards.

Additional rates income from new developments and capital improvements is assumed to be 0.5% per annum.

The Operating Surplus Ratio is forecast to range between 4.3% and 4.5% from Year 2 of the LTFP, and average 4.3% across the life of the Plan. This is within the annual target range of 4% to 6%. However it is below the long-term average of 5% due to the additional interest expense for new capital projects proposed for the 2025-26 and 2026-27 financial years. These projects include, but are not limited to, the following:

- Unley Cultural Hub,
- Electrification of the Unley Swimming Centre Heat Pump,
- King William Road Upgrade (north of the Mike Turtur Bikeway),
- Goodwood Oval Precinct Stage 1 - Tennis Facilities Upgrade, and
- Ridge Park Junior Sports Hub - Planning and Design.

Each of these projects are tied to approved grants, or have the potential for future co-funding (e.g. the Ridge Park Junior Sports Hub).

Without the additional interest expense of the these co-funded projects, the Operating Surplus Ratio would average 5.0% for Years 3-10 of the Plan.

Chief Executive Officer’s Report on Financial Sustainability

Asset Sustainability

The Draft Asset Management Plans have proposed a significant investment in capital renewal. Approximately $143M 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 $51m 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 $18.0M by 2034-35. 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: 2025-26 to 2027-28
- Years 4-6: 2028-29 to 2030-31
- Years 7-10: 2031-32 to 2034-35

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 in the following table:

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 2025-26 to 2027-28	Years 4-6 2028-29 to 2030-31	Years 7-10 2031-32 to 2034-35
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	

Chief Executive Officer's Report on Financial Sustainability

A high degree of confidence lies in the forecast for the first three years of the LTFP, 2025-26 to 2027-28. 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 of this risk, the LTFP is reviewed at least annually, and service levels will continue to be reviewed to ensure they meet community needs.

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.

ESCOSA's Review of the City of Unley

In 2024 the Essential Services Commission of South Australia (ESCOSA) undertook a review of the City of Unley's 2024-25 to 2033-34 Long-Term Financial Plan and Asset Management Plans to assess the Council's financial performance and sustainability.

The advice published by ESCOSA stated the following:

> **"The Essential Services Commission finds the City of Unley's current and projected financial performance sustainable, considering the Council's average expected growth in properties of 0.3 percent per annum over the next 10 years, the planned average rate increases of 2.8 percent per annum per property over this period, and the effective management of assets."**

A copy of the report can be accessed from ESCOSA's website: www.escosa.sa.gov.au.

The Commission provided four recommendations to the Council, all of which have been adopted:

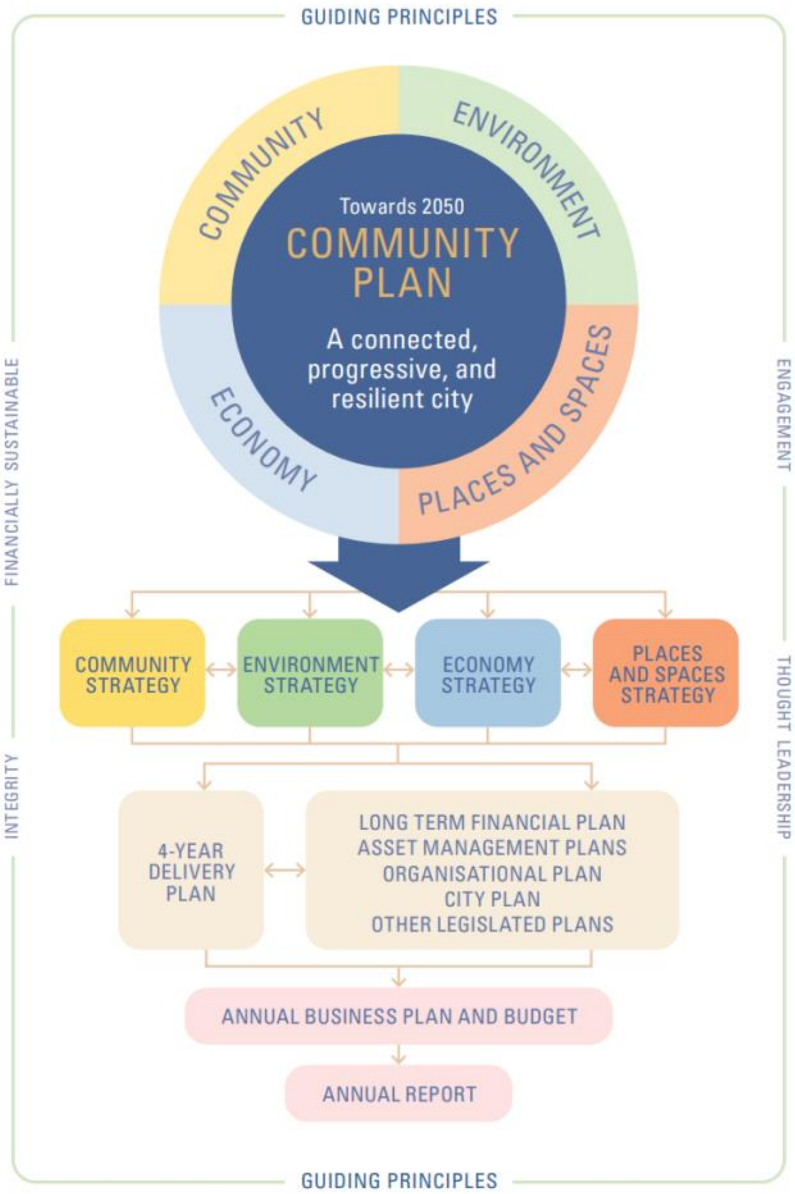
1. Publish a comprehensive version of the Long-Term Financial Plan annually, to improve transparency for stakeholders.
2. Continue to review its inflation forecasts in its budget and forward projections at least annually.
3. Continue to monitor cost growth in its budgeting where possible, and report savings in strategic documents.
4. Continue to minimise further average rate increases above inflation, to help reduce any emerging affordability risk in the community.

The Commission also noted the following in regard to the City of Unley:

- If operating costs are not contained within forecasts, the forecast operating surplus may not be achieved.
- Council has adopted the good practice of annual indexation of infrastructure asset values.
- Council's inflation assumption slightly exceeds RBA forecasts.
- Council has historically achieved operating surpluses, and forecasts continued surpluses.
- Growth in rates per property between 2013-14 and 2022-23 was closely aligned to inflation.
- Growth in expenses per property was below inflation between 2013-14 and 2022-23.
- Depreciation grew by 5.2 percent per annum between 2013-14 and 2022-23 and is forecast to increase by 3.1 percent per annum between 2024-25 and 2033-34.
- The net financial liabilities ratio averaged 29.7 percent between 2013-14 and 2022-23.
- The net financial liabilities ratio is forecast to average 15.4 percent between 2024-25 and 2033-34.
- Asset management plans are comprehensive and regularly updated.
- The gross asset renewal funding ratio was 114.7 percent, which is above the LGA recommended range, indicating an overspend on asset renewal
- The forecast gross asset renewal funding ratio is 100.0 percent, which is within the LGA recommended range indicating asset renewal spending that meets renewal requirements.
- Forecast capital expenditure is focused on renewal of assets rather than acquisition of new assets.
- Rate revenue per property increased broadly in line with inflation between 2013-14 and 2022-23.
- Rate revenue per property is forecast to grow at 2.8 percent per annum between 2024-25 and 2033-34 which is slightly above forecast inflation of 2.6 percent per annum over the same period.

Council has noted this advice and provided a formal response to the advice within it's 2025-26 Annual Business Plan and Budget.

Council's Strategic Planning Framework



Our Strategic Planning Framework reflects how our organisational strategies and plans support the delivery of our Community Plan 'Towards 2050'.

Our Community Plan sets our strategic direction for the next 25 years, outlining key goals and objectives. It serves as the foundational structure for guiding our detailed strategies and plans. Our 4-Year Delivery Plan translates the Community Plan vision into action, outlining the steps we will take to achieve its goals and objectives in the short to medium term.

A new suite of overarching strategies, aligned to each theme of the Community Plan, will be developed in 2025-26. These lead strategies will serve as high-level frameworks that define our strategic priorities, identify key opportunities, and address potential challenges. By providing a clear and cohesive direction, these strategies will guide decision-making, resource allocation, and program development, ensuring that our efforts are effectively aligned with the long-term vision and aspirations of our community.

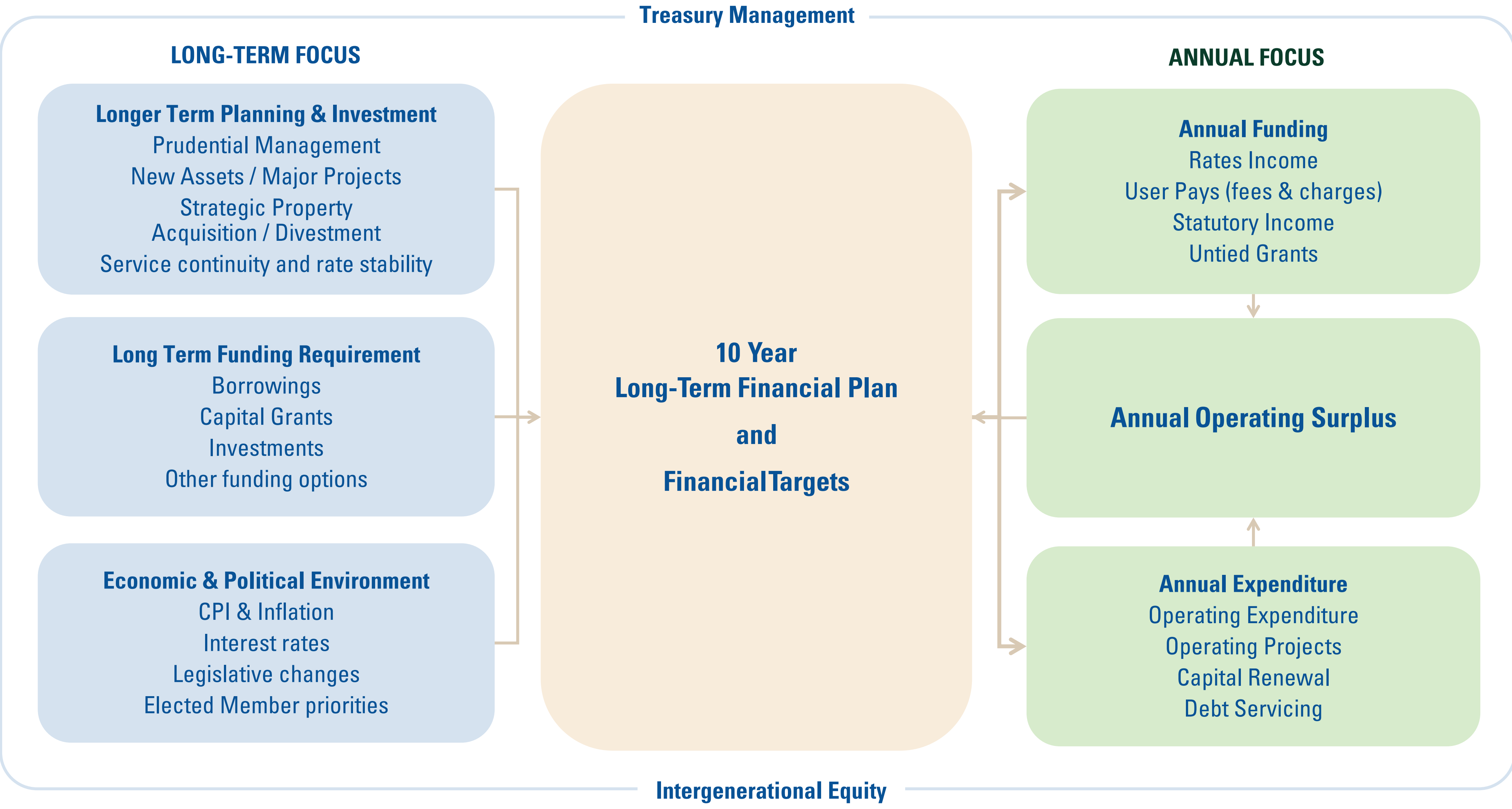
We will deliver our strategies and plans through effective financial management, guided by this document, our Long-Term Financial Plan (LTFP). Our LTFP will ensure resources are allocated effectively and efficiently.

Our Annual Business Plan and Budget will set priorities, activities, and budgets each year to demonstrate how your rates support community services, programs and infrastructure, whilst also being innovative to deliver best community outcomes.

Regular monitoring and reporting will be undertaken to keep us accountable, ensuring we meet our commitments and demonstrate the value we deliver to our community.

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.



Financial Planning Framework

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 sustainability

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.

Approach to maintaining financial sustainability

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.

Operating Surplus Ratio	
Adopted Target	Annual rate 4% - 6% 5% average over the life of the LTFP
LTFP Average	4.3%

Net Financial Liabilities Ratio	
Adopted Target	< 80%
LTFP Average	22%

Asset Renewal Funding Ratio	
Adopted Target	100% LTFP average
LTFP Average	100%

Asset Sustainability Ratio	
Adopted Target	100% LTFP average
LTFP Average	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, or fund new services.

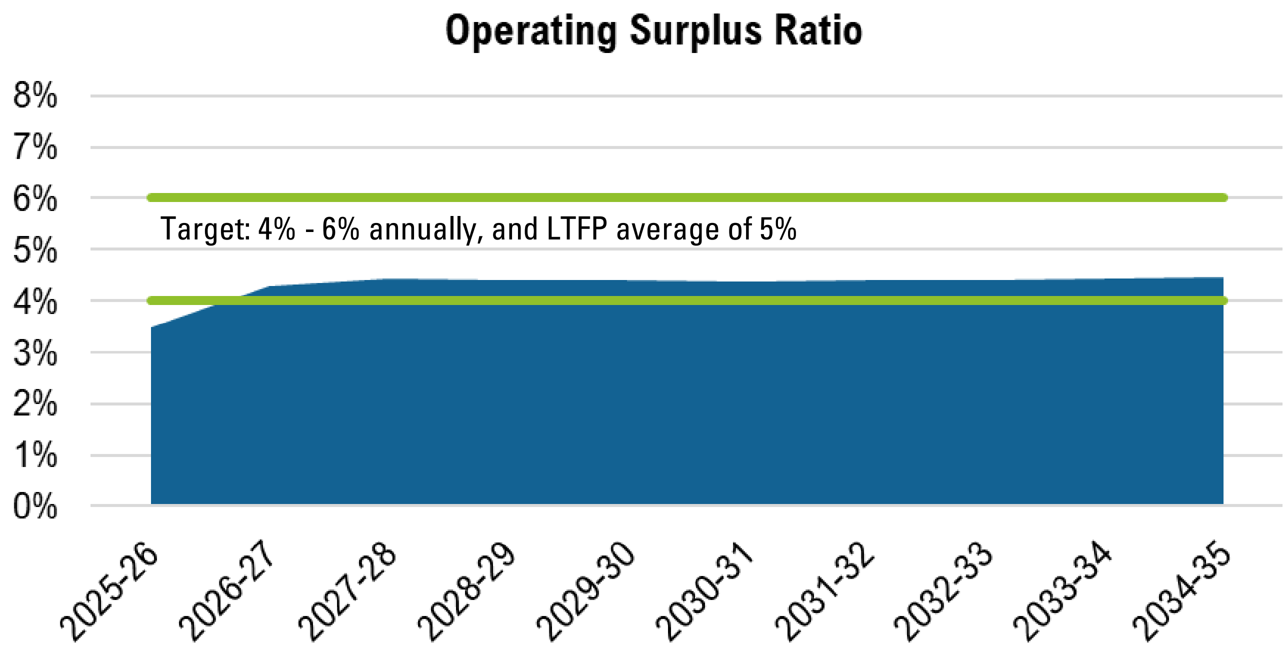
The Operating Surplus Ratio is forecast to range between 4.3% and 4.5% from Year 2 of the LTFP, and average 4.3% across the life of the Plan. This is within the annual target range of 4% to 6%. However it is below the long-term average of 5% due to the additional interest expense for significant co-funded New Capital Projects proposed for the 2025-26 and 2026-27 financial years as detailed on pages 8 and 29 of this Plan.

Without the additional interest expense of the these co-funded projects, the Operating Surplus Ratio would average 5.0% for Years 3-10 of the Plan.

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			
2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
3.5%	4.3%	4.5%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.5%



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 is strengthening.

Council is forecasting an average net financial liabilities ratio of 22% for the LTFP, commencing at 14% and peaking at 24% from 2031-32 to 2034-35, which is well within the target range of less than 80%. The increase in the ratio for the first two years of the LTFP, 2025-26 and 2026-27, is due to the proposed investment in significant co-funded New Capital Projects as detailed on pages 8 and 29 of this Plan.

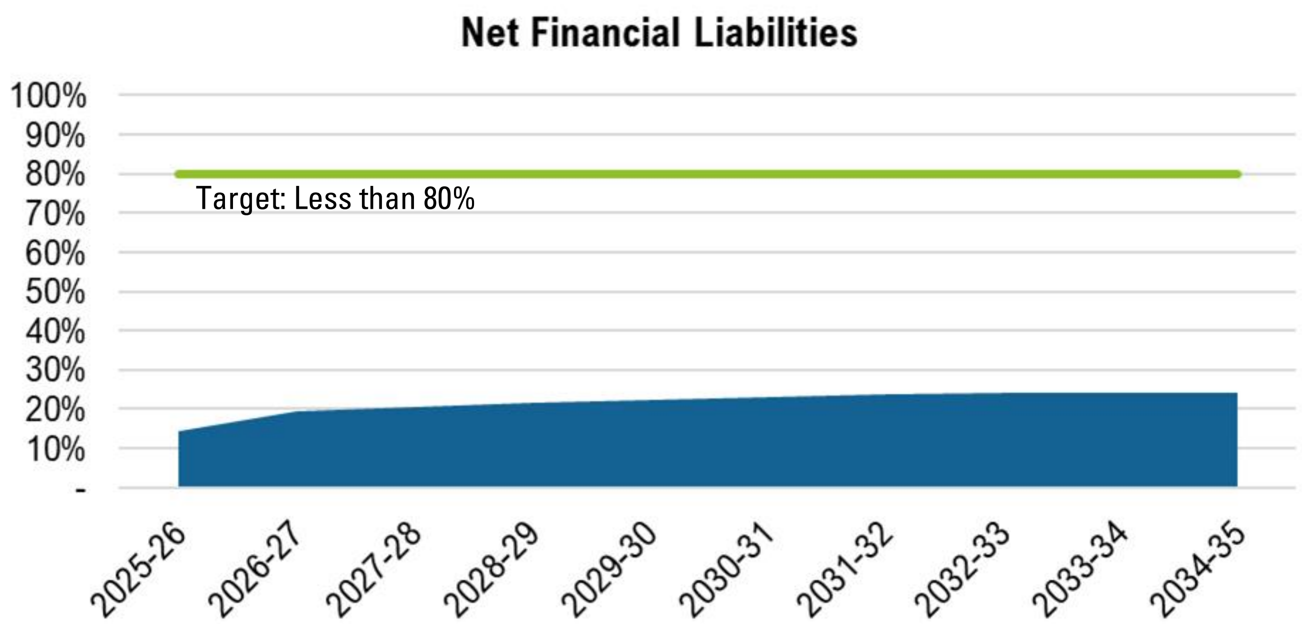
Borrowings are forecast to increase to $18.0M by 2034-35, well within Council's capacity and scope of existing debt facilities which are cash advance debentures with the Local Government Finance Authority.

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			
2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
14%	19%	21%	22%	22%	23%	24%	24%	24%	24%



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.

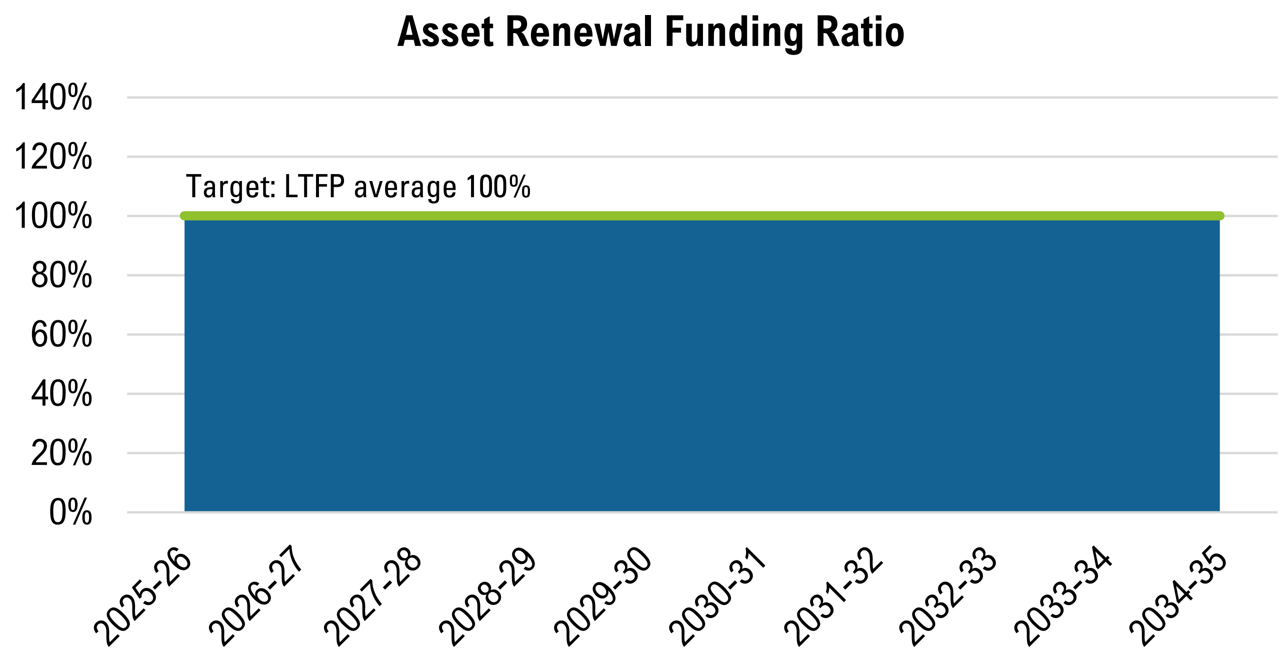
Council is forecasting an Asset Renewal Funding Ratio of 100% for the duration of the LTFP, as the expenditure in the LTFP is in line with the proposed funding required in the Asset Management Plans.

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			
2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
101%	100%	100%	100%	100%	100%	100%	100%	100%	100%



Asset Sustainability 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.

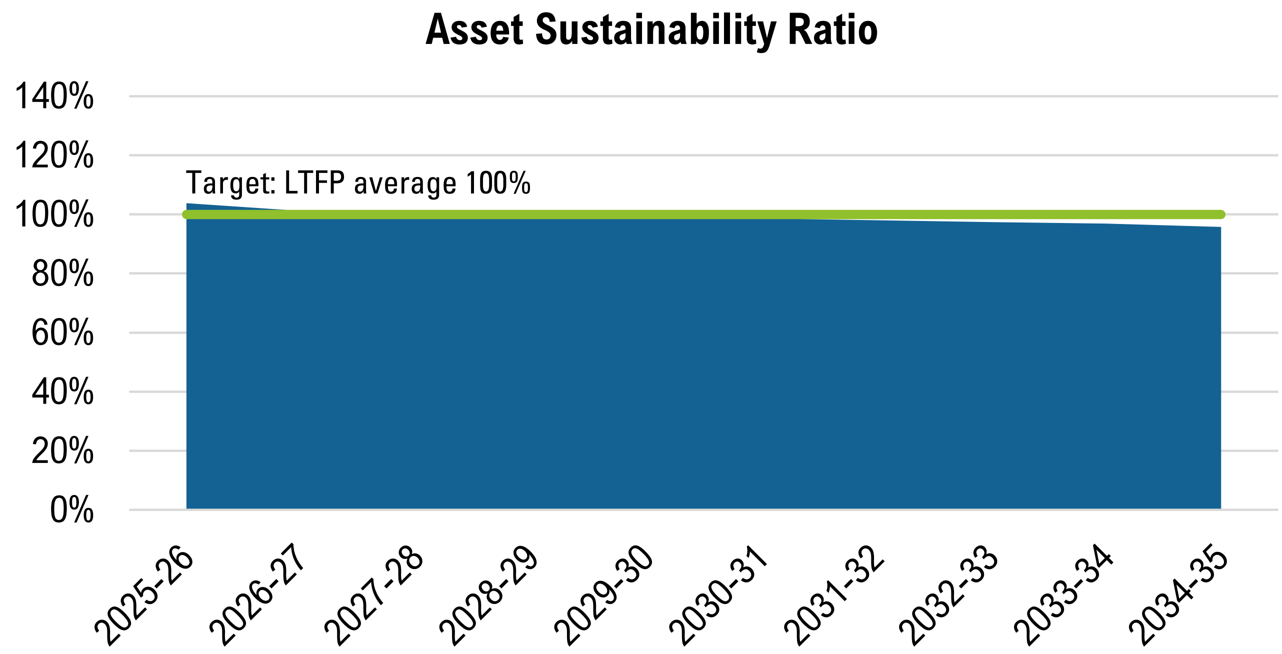
Council uses this ratio to monitor that the life of an asset is appropriate to its physical use.

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, and 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			
2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
104%	101%	101%	100%	99%	99%	98%	97%	97%	96%



Key Assumptions

The key assumptions used within this LTFP are summarised in the table below:

Assumption	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Inflation										
Adelaide CPI Forecast (SA Treasury)*	3.50%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rates Assumptions										
Rates increase based on CPI	3.50%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase in rates from new developments	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Total increase in Rates Revenue	4.00%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Expenditure										
Non-Rate Income Assumptions (CPI)	3.50%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee Costs (EBA/Avg 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 (CPI)	3.50%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest Rate Assumptions										
RBA interest rate (NAB Forecast)	3.24%	3.21%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest Rates - Fixed	-	-	-	-	-	-	-	-	-	-
Interest Rates - Variable	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Interest Income	2.74%	2.71%	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

LTFP Summary

$'000	2025-26 Year 1	2026-27 Year 2	2027-28 Year 3	2028-29 Year 4	2029-30 Year 5	2030-31 Year 6	2031-32 Year 7	2032-33 Year 8	2033-34 Year 9	2034-35 Year 10
Income										
General Rates Income	50,804	52,455	54,029	55,650	57,319	59,039	60,810	62,634	64,513	66,448
Other Rates and Levies	2,240	2,301	2,359	2,418	2,478	2,540	2,604	2,669	2,735	2,804
Statutory Charges	1,655	1,700	1,743	1,786	1,831	1,877	1,924	1,972	2,021	2,072
User Charges	2,626	2,698	2,765	2,835	2,905	2,978	3,053	3,129	3,207	3,287
Grants, subsidies & contributions - Operating	3,870	3,898	4,195	4,281	4,369	4,459	4,552	4,646	4,744	4,843
Investment Income	50	15	15	15	15	15	15	15	15	15
Reimbursements	221	227	233	239	244	251	257	263	270	277
Other Income	1,049	1,078	1,105	1,133	1,161	1,190	1,220	1,250	1,282	1,314
Projects	10	-	-	-	-	-	-	-	-	-
Total Income	**62,524**	**64,373**	**66,444**	**68,356**	**70,323**	**72,349**	**74,433**	**76,579**	**78,787**	**81,060**
Expenditure										
Employee Costs	22,440	23,113	23,807	24,521	25,257	26,014	26,795	27,599	28,427	29,279
Materials, Contracts & Other Expenses	22,477	23,195	23,777	24,373	24,984	25,610	26,252	26,910	27,585	28,276
Depreciation, Amortisation & Impairment	12,731	13,253	13,671	14,102	14,546	15,004	15,475	15,961	16,461	16,976
Finance Costs	334	555	694	762	826	886	942	991	1,035	1,068
Operating Projects	2,322	1,500	1,538	1,576	1,615	1,656	1,697	1,740	1,783	1,828
Total Expenditure	**60,305**	**61,616**	**63,487**	**65,334**	**67,229**	**69,171**	**71,161**	**73,201**	**75,290**	**77,428**
Operating Surplus/(Deficit)	**2,220**	**2,757**	**2,957**	**3,022**	**3,095**	**3,178**	**3,272**	**3,378**	**3,497**	**3,631**
Capital Renewal Expenditure (net)	12,866	13,093	13,421	13,756	14,100	14,453	14,814	15,184	15,564	15,891
New Capital Expenditure (net)	6,586	6,415	4,360	4,469	4,581	4,695	4,813	4,933	5,056	5,183
Total Capital Expenditure (net)	**19,452**	**19,508**	**17,781**	**18,225**	**18,681**	**19,148**	**19,627**	**20,117**	**20,620**	**21,074**
Add back Depreciation	12,731	13,253	13,671	14,102	14,546	15,004	15,475	15,961	16,461	16,976
Operating Surplus/(Deficit) less capital expenditure	**(4,501)**	**(3,499)**	**(1,153)**	**(1,102)**	**(1,040)**	**(966)**	**(879)**	**(779)**	**(663)**	**(466)**
Fixed Term Borrowings	-	-	-	-	-	-	-	-	-	-
Cash Advance Debenture (CAD Borrowings)	**7,495**	**10,994**	**12,146**	**13,248**	**14,288**	**15,253**	**16,133**	**16,911**	**17,574**	**18,041**
Total Borrowings	**7,495**	**10,994**	**12,146**	**13,248**	**14,288**	**15,253**	**16,133**	**16,911**	**17,574**	**18,041**

Appendix 1: Explanation of Assumptions

Rates Income

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 2025-26
- in line with forecast CPI for the next two years (2026-27 to 2027-28), and
- a longer term forecast of 2.5% for 2028-29 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 purchase 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.

Appendix 1: Explanation of Assumptions

User Fees and Charges

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.

Appendix 1: Explanation of Assumptions

Other Operating Income

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 (excluding Projects)

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:

- Annual indexation in line with forecast CPI to reflect an increase in valuation; and
- 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 in place with the Local Government Financing Authority (LGFA). 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.

Appendix 1: Explanation of Assumptions

Strategic Initiatives: Operating & Capital Projects

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 (e.g. 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 $1.5m base allocation in 2026-27 and indexed in line with forecast CPI.

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:

- 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.

New Capital Expenditure

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

- 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).
- Specific funding, where required, for the delivery of major projects or significant new/upgraded infrastructure identified in the Asset Management Plans.

Years 1 and 2 of the LTFP also incorporate the following initiatives:

- Unley Cultural Hub,
- Electrification of the Unley Swimming Centre Heat Pump,
- King William Road Upgrade (north of the Mike Turtur Bikeway),
- Goodwood Oval Precinct Stage 1 - Tennis Facilities Upgrade, and
- Ridge Park Junior Sports Hub - Planning and Design.

Each of these projects are tied to approved grants, or have the potential for future co-funding (e.g. the Ridge Park Junior Sports Hub).

The forecasts in the LTFP for New Capital Expenditure will be reviewed at least 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 and Other 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 Finance 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.

Forecast Financial Statements

Uniform Presentation of Finances

$'000	2025-26 Year 1	2026-27 Year 2	2027-28 Year 3	2028-29 Year 4	2029-30 Year 5	2030-31 Year 6	2031-32 Year 7	2032-33 Year 8	2033-34 Year 9	2034-35 Year 10
Income										
General Rates Income	50,804	52,455	54,029	55,650	57,319	59,039	60,810	62,634	64,513	66,448
Other Rates and Levies	2,240	2,301	2,359	2,418	2,478	2,540	2,604	2,669	2,735	2,804
Statutory Charges	1,655	1,700	1,743	1,786	1,831	1,877	1,924	1,972	2,021	2,072
User Charges	2,626	2,698	2,765	2,835	2,905	2,978	3,053	3,129	3,207	3,287
Grants, subsidies & contributions - Operating	3,870	3,898	4,195	4,281	4,369	4,459	4,552	4,646	4,744	4,843
Investment Income	50	15	15	15	15	15	15	15	15	15
Reimbursements	221	227	233	239	244	251	257	263	270	277
Other Income	1,049	1,078	1,105	1,133	1,161	1,190	1,220	1,250	1,282	1,314
Operating Projects	10	-	-	-	-	-	-	-	-	-
Total Income	**62,524**	**64,373**	**66,444**	**68,356**	**70,323**	**72,349**	**74,433**	**76,579**	**78,787**	**81,060**
Expenditure										
Employee Costs	22,440	23,113	23,807	24,521	25,257	26,014	26,795	27,599	28,427	29,279
Materials, Contracts & Other Expenses	22,477	23,195	23,777	24,373	24,984	25,610	26,252	26,910	27,585	28,276
Depreciation, Amortisation & Impairment	12,731	13,253	13,671	14,102	14,546	15,004	15,475	15,961	16,461	16,976
Finance Costs	334	555	694	762	826	886	942	991	1,035	1,068
Operating Projects	2,322	1,500	1,538	1,576	1,615	1,656	1,697	1,740	1,783	1,828
Total Expenditure	**60,305**	**61,616**	**63,487**	**65,334**	**67,229**	**69,171**	**71,161**	**73,201**	**75,290**	**77,428**
Operating Surplus / (Deficit) before Capital Amounts	**2,220**	**2,757**	**2,957**	**3,022**	**3,095**	**3,178**	**3,272**	**3,378**	**3,497**	**3,631**
***less* Net Outlays on Existing Assets**										
Capital Expenditure on Renewal & Replacement of Existing Assets	(13,210)	(13,413)	(13,749)	(14,092)	(14,445)	(14,806)	(15,176)	(15,555)	(15,944)	(16,261)
less Depreciation, Amortisation and Impairment	12,731	13,253	13,671	14,102	14,546	15,004	15,475	15,961	16,461	16,976
less Proceeds from the Sale of Replaced Assets	344	320	328	336	345	353	362	371	380	370
Net Outlays on Existing Assets	**(135)**	**159**	**250**	**346**	**446**	**551**	**661**	**777**	**897**	**1,085**
***less* Net Outlays on New and Upgraded Assets**										
Capital Expenditure on New and Upgraded Assets	(8,886)	(8,576)	(4,360)	(4,469)	(4,581)	(4,695)	(4,813)	(4,933)	(5,056)	(5,183)
less Amounts received specifically for New and Upgraded Assets	2,300	2,161	-	-	-	-	-	-	-	-
Net Outlays on New and Upgraded Assets	**(6,586)**	**(6,415)**	**(4,360)**	**(4,469)**	**(4,581)**	**(4,695)**	**(4,813)**	**(4,933)**	**(5,056)**	**(5,183)**
Net Lending / (Borrowing) for the Financial Year	**(4,501)**	**(3,499)**	**(1,153)**	**(1,102)**	**(1,040)**	**(966)**	**(879)**	**(779)**	**(663)**	**(466)**

Forecast Financial Statements

Statement of Financial Performance

$'000	2025-26 Year 1	2026-27 Year 2	2027-28 Year 3	2028-29 Year 4	2029-30 Year 5	2030-31 Year 6	2031-32 Year 7	2032-33 Year 8	2033-34 Year 9	2034-35 Year 10
Income										
General Rates Income	50,804	52,455	54,029	55,650	57,319	59,039	60,810	62,634	64,513	66,448
Other Rates and Levies	2,240	2,301	2,359	2,418	2,478	2,540	2,604	2,669	2,735	2,804
Statutory Charges	1,655	1,700	1,743	1,786	1,831	1,877	1,924	1,972	2,021	2,072
User Charges	2,626	2,698	2,765	2,835	2,905	2,978	3,053	3,129	3,207	3,287
Grants, Subsidies & Contributions - Operating	3,870	3,898	4,195	4,281	4,369	4,459	4,552	4,646	4,744	4,843
Investment Income	50	15	15	15	15	15	15	15	15	15
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Other Income	1,049	1,078	1,105	1,133	1,161	1,190	1,220	1,250	1,282	1,314
Operating Projects	10	-	-	-	-	-	-	-	-	-
Total Income	**62,524**	**64,373**	**66,444**	**68,356**	**70,323**	**72,349**	**74,433**	**76,579**	**78,787**	**81,060**
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Employee Costs	22,440	23,113	23,807	24,521	25,257	26,014	26,795	27,599	28,427	29,279
Materials, Contracts & Other Expenses	22,477	23,195	23,777	24,373	24,984	25,610	26,252	26,910	27,585	28,276
Depreciation, Amortisation & Impairment	12,731	13,253	13,671	14,102	14,546	15,004	15,475	15,961	16,461	16,976
Finance Costs	334	555	694	762	826	886	942	991	1,035	1,068
Operating Projects	2,322	1,500	1,538	1,576	1,615	1,656	1,697	1,740	1,783	1,828
Total Expenditure	**60,305**	**61,616**	**63,487**	**65,334**	**67,229**	**69,171**	**71,161**	**73,201**	**75,290**	**77,428**
Operating Surplus / (Deficit)	**2,220**	**2,757**	**2,957**	**3,022**	**3,095**	**3,178**	**3,272**	**3,378**	**3,497**	**3,631**
Net Gain/(loss) - Equity Accounted Businesses	-	-	-	-	-	-	-	-	-	-
Operating Surplus / (Deficit) inclusive of Equity Accounted Businesses	**2,220**	**2,757**	**2,957**	**3,022**	**3,095**	**3,178**	**3,272**	**3,378**	**3,497**	**3,631**
Asset Disposal & Fair Value Adjustments	344	320	328	336	345	353	362	371	380	370
Amounts received specifically for new, upgraded or replacement assets	2,300	2,161	-	-	-	-	-	-	-	-
	2,644	**2,481**	**328**	**336**	**345**	**353**	**362**	**371**	**380**	**370**
Net Surplus / (Deficit)	**4,864**	**5,238**	**3,285**	**3,358**	**3,440**	**3,531**	**3,634**	**3,749**	**3,877**	**4,001**
Share of Other Comprehensive Income – Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	**4,864**	**5,238**	**3,285**	**3,358**	**3,440**	**3,531**	**3,634**	**3,749**	**3,877**	**4,001**

Forecast Financial Statements

Statement of Financial Position

$'000	2025-26 Year 1	2026-27 Year 2	2027-28 Year 3	2028-29 Year 4	2029-30 Year 5	2030-31 Year 6	2031-32 Year 7	2032-33 Year 8	2033-34 Year 9	2034-35 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	3,662	3,763	3,857	3,953	4,052	4,153	4,257	4,363	4,472	4,584
Total Current Assets	**5,317**	**5,418**	**5,512**	**5,608**	**5,707**	**5,808**	**5,912**	**6,018**	**6,127**	**6,239**
Non-current Assets										
Equity accounted investments in Council businesses	38,319	39,373	40,357	41,366	42,400	43,460	44,546	45,660	46,802	47,972
Infrastructure, Property, Plant & Equipment	826,795	855,787	881,292	907,447	934,268	961,769	989,964	1,018,870	1,048,501	1,078,811
Total Non-current Assets	**865,114**	**895,160**	**921,649**	**948,813**	**976,668**	**1,005,229**	**1,034,511**	**1,064,530**	**1,095,303**	**1,126,783**
Total Assets	**870,431**	**900,577**	**927,160**	**954,421**	**982,375**	**1,011,037**	**1,040,423**	**1,070,548**	**1,101,430**	**1,133,022**
Liabilities										
Current Liabilities										
Trade & Other Payables	5,082	5,222	5,352	5,486	5,623	5,764	5,908	6,055	6,207	6,362
Current Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	4,154	4,269	4,375	4,485	4,597	4,712	4,830	4,950	5,074	5,201
Total Liabilities Assets	**9,236**	**9,490**	**9,728**	**9,971**	**10,220**	**10,476**	**10,737**	**11,006**	**11,281**	**11,563**
Non-current liabilities										
Non-current Borrowings	7,495	10,994	12,146	13,248	14,288	15,253	16,133	16,911	17,574	18,041
Provisions	224	230	235	241	247	254	260	266	273	280
Total Non-current Liabilities	**7,719**	**11,224**	**12,382**	**13,489**	**14,535**	**15,507**	**16,393**	**17,178**	**17,847**	**18,320**
Total Liabilities	**16,955**	**20,714**	**22,109**	**23,460**	**24,755**	**25,983**	**27,130**	**28,184**	**29,128**	**29,884**
Net Assets	**853,477**	**879,865**	**905,052**	**930,962**	**957,621**	**985,055**	**1,013,294**	**1,042,366**	**1,072,303**	**1,103,140**
Equity										
Accumulated Surplus	193,528	198,766	202,051	205,408	208,848	212,379	216,013	219,762	223,639	227,640
Asset Revaluation Reserves	659,656	680,807	702,709	725,261	748,480	772,383	796,988	822,311	848,371	875,207
Other Reserves	293	293	293	293	293	293	293	293	293	293
Total Equity	**853,477**	**879,865**	**905,052**	**930,962**	**957,621**	**985,055**	**1,013,294**	**1,042,366**	**1,072,303**	**1,103,140**

Forecast Financial Statements

Statement of Cash Flow

$'000	2025-26 Year 1	2026-27 Year 2	2027-28 Year 3	2028-29 Year 4	2029-30 Year 5	2030-31 Year 6	2031-32 Year 7	2032-33 Year 8	2033-34 Year 9	2034-35 Year 10
Cash Flows from Operating Activities										
Receipts										
Operating Receipts	62,474	64,358	66,429	68,341	70,308	72,334	74,418	76,564	78,772	81,045
Investment Receipts	50	15	15	15	15	15	15	15	15	15
Payments										
Operating Payments to suppliers and employees	(47,240)	(47,809)	(49,121)	(50,470)	(51,856)	(53,280)	(54,744)	(56,249)	(57,795)	(59,384)
Finance Payments	(334)	(555)	(694)	(762)	(826)	(886)	(942)	(991)	(1,035)	(1,068)
Net Cash provided by (or used in) Operating Activities	**14,951**	**16,009**	**16,628**	**17,124**	**17,641**	**18,182**	**18,747**	**19,339**	**19,958**	**20,608**
Cash Flows from Investing Activities										
Receipts										
Amounts specifically for new or upgraded assets	2,300	2,161	-	-	-	-	-	-	-	-
Amounts received specifically for Replacement of Existing Assets	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
Sale of replaced assets	344	320	328	336	345	353	362	371	380	370
Payments										
Expenditure on renewal/placement of assets	(13,210)	(13,413)	(13,749)	(14,092)	(14,445)	(14,806)	(15,176)	(15,555)	(15,944)	(16,261)
Expenditure on new/upgraded assets	(8,886)	(8,576)	(4,360)	(4,469)	(4,581)	(4,695)	(4,813)	(4,933)	(5,056)	(5,183)
Net Cash provided by (or used in) Investing Activities	**(19,452)**	**(19,508)**	**(17,781)**	**(18,225)**	**(18,681)**	**(19,148)**	**(19,627)**	**(20,117)**	**(20,620)**	**(21,074)**
Cash Flows from Financing Activities										
Receipts										
Proceeds from borrowings	4,501	3,499	1,153	1,102	1,040	966	879	779	663	466
Payments										
Repayments of borrowings	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Financing Activities	**4,501**	**3,499**	**1,153**	**1,102**	**1,040**	**966**	**879**	**779**	**663**	**466**
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**

Asset Renewal Planned Expenditure

As per Adopted Asset Management Plans and Renewal Schedules

$'000	2025-26 Year 1	2026-27 Year 2	2027-28 Year 3	2028-29 Year 4	2029-30 Year 5	2030-31 Year 6	2031-32 Year 7	2032-33 Year 8	2033-34 Year 9	2034-35 Year 10
Required Expenditure										
Buildings	1,503	1,545	1,583	1,623	1,663	1,705	1,748	1,791	1,836	1,882
Transportation	7,835	8,050	8,251	8,458	8,669	8,886	9,108	9,336	9,569	9,808
Stormwater	752	772	792	811	832	853	874	896	918	941
Open Space	1,396	1,434	1,470	1,507	1,545	1,583	1,623	1,663	1,705	1,748
ICT	591	607	622	638	653	670	687	704	721	739
Light Fleet	227	233	239	245	251	257	263	270	277	202
Plant	752	772	792	811	832	853	874	896	918	941
Total Required Expenditure	**13,054**	**13,413**	**13,749**	**14,092**	**14,445**	**14,806**	**15,176**	**15,555**	**15,944**	**16,261**
Renewal Income										
Light Fleet Income	123	127	130	133	137	140	144	147	151	134
Plant	188	193	198	203	208	213	218	224	230	235
Total Renewal Income	311	320	328	336	345	353	362	371	380	370
Forecast Net Expenditure included in the LTFP	**12,743**	**13,093**	**13,421**	**13,756**	**14,100**	**14,453**	**14,814**	**15,184**	**15,564**	**15,891**