

# 2026-2036

## LONG-TERM FINANCIAL PLAN



Ngadlurlu tampinhi, ngadlu Kurna  
yartangka nparrinhi. Ngadlurlu parnuku  
tuwila yartangka tampinhi.

Ngadlurlu Kurna Miyurna yaitya yarta  
mathanya Wama Tarntanyaku tampinhi.

Parnuku yaitya, parnuku tapa  
purruna yalarra puru purruna.

Kurna Translation provided by  
Kurna Warra Karrpanthi

We would like to  
acknowledge this land is the  
Traditional Lands for the Kurna people  
and that we respect their spiritual relationship  
with their Country.

We also acknowledge the Kurna people as  
the Traditional Custodians of the Adelaide region and  
that their cultural and heritage beliefs are still as  
important to the living Kurna people today.

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# INTRODUCTION

Located on the Traditional Lands of the Kurna people, the City of Unley is an inner metropolitan Adelaide council working in partnership with its community to foster a connected, progressive and resilient City with a high quality of life.

This Long-Term Financial Plan provides the financial framework to support Council's services, infrastructure, and stewardship of the built and natural environment, and is developed in accordance with the *Local Government Act 1999* to guide sustainable decision-making over the long term.

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 2026-2036 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 2025/26 to 2029/30,
- 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: 2026-27 to 2028-29: Higher confidence in forecasts.
- Years 4-6: 2029-30 to 2031-32: Moderate confidence in forecasts.
- Years 7-10: 2032-33 to 2035-36: 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 2026-27 to 2035-36, with a full summary of the LTFP on page 24.



# LTFP SUMMARY

## LTFP Average over the life of the Plan

### Rate Growth

General Rate increase	2.7%
New Developments & Improvements (excl. Major Developments)	0.5%
Major Developments	0.3%
Total increase in General Rates Revenue	3.5%

### Operating Income & Expenditure

General Rates	\$62.6M
Other Operating Income	\$12.3M
Total Operating Income	\$74.9M
less Operating Expenses	\$70.6M
Operating Surplus	\$4.3M

### Key Financial Ratios (Average)

Operating Surplus Ratio	5.7%
Net Financial Liabilities Ratio (revised if land sold)	32% 20%
Asset Renewal Funding Ratio	99%
Asset Sustainability Ratio	96%

## LTFP Totals over the life of the Plan

### Operating Income & Expenditure

General Rates	\$626M
Other Operating Income	\$123M
Total Operating Income	\$749M
less Operating Expenses	\$706M
Operating Surplus	\$43M

### New Capital Expenditure

Net Capital Renewal Expenditure	\$142M
Net New Capital Expenditure	\$59M
Total Net Capital Expenditure	\$201M
Depreciation	\$151M

### At Year 10

Borrowings	\$17.6M
(revised borrowings if land sold)	\$4.7M



# WHAT IS FINANCIAL SUSTAINABILITY?

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

- Rate stability
- Program 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 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.



# FINANCIAL SUSTAINABILITY PRINCIPLES

Council has established six key Financial Sustainability Principles to guide its decision making and consideration of its Annual Business Plan and Budget each year.

## Community-Aligned Services

Council delivers services that reflect the needs and expectations of the community. Services levels are monitored and optimised to ensure efficiency, effectiveness, and long-term sustainability. New services should be supported by a cost/benefit analysis, while significant changes to existing services should only be considered following a service review.

## Maintaining Operating Surpluses

Service levels and operating initiatives are balanced with forecast income and expenditure to achieve operating surpluses aligned with the endorsed financial target of between 4% and 6% per annum.

## Co-Funding Major Capital Projects

Council actively pursues external funding opportunities to enable the timely delivery of new community infrastructure and facilities, and without placing undue burden on rate payers. Projects should be aligned to the objectives within the Community Plan and be supported by a whole of life cost/benefit analysis.

## Rating Stability

Council determines rate revenue after considering the cost of delivering services, asset renewals, strategic initiatives and servicing debt. Council will avoid significant or unexpected increases in rates (i.e. greater than 2% above LTFP forecasts or CPI) that could impact community affordability. Annual rate increases will be within 1% of December CPI for the preceding calendar year.

## Prudent Asset Management

Council delivers an evidence-based Asset Renewal Program, underpinned by condition assessments. Asset Management Plans are fully funded over the life of the Long-Term Financial Plan (LTFP). Assets are renewed at the end of their useful life, unless their early renewal is aligned to the renewal of other assets (at the end of their life) or supported by a cost/benefit analysis.

## Responsible Borrowing

Borrowings are used prudently to fund new/upgraded infrastructure, facilities, and strategic property initiatives that align with the Community Plan and deliver long-term community value. Borrowings will not be used to fund operating or renewal expenditure.

# 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'.

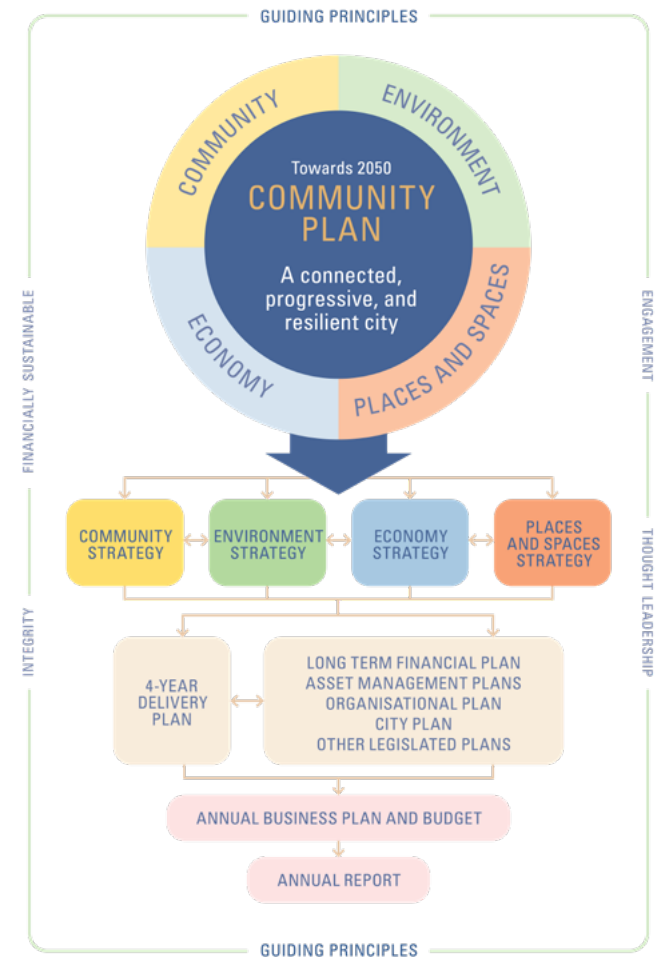
Our Community Plan sets our strategic direction for the next 25 years, outlining key goals and objectives. It serves as the foundational structure for guiding our detailed strategies and plans. Our 4-Year Delivery Plan translates the Community Plan vision into action, outlining the steps we will take 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 are presently being prepared. 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.



# 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 (excluding major developments) and capital improvements to existing properties has been assumed to be 0.5% per annum.

Growth from two major developments has been recognised within the LTFP, and is estimated to average an additional 0.3% per annum.

In accordance with Council's Open Space Fund Policy, all growth above 0.5% per annum is allocated to the Open Space Fund on a cumulative basis for the future purchase of Open Space.

## 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 Brown Hill Keswick Creek Stormwater Board and the Eastern Waste Management Authority, noting that they generally achieve a surplus each year.

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.



# CEO'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 2.7% across the life the Plan, based on:

- forecast Adelaide CPI for Years 2 and 3 of the LTFP (2027-28 and 2028-29), and
- an assumed long-term average of 2.5% for Year 4 (2029-30) onwards.

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

Growth from two major developments has been incorporated in the LTFP, and is estimated to average and additional 0.3% per annum.

The Operating Surplus Ratio in the LTFP is forecast to range between 5.0% to 6.2% from Years 2-10 of the LTFP, and average 5.7% across the life of the Plan. This is within the annual target range of 4% to 6%, and above the long-term average of 5%.

## Asset Sustainability

The Asset Management Plans have proposed a significant investment in capital renewal. An estimated \$142M net is proposed to be spent on capital renewal across the next 10 years, with the Asset Management Plans fully funded from Year 2 of the Plan.

Council's existing business assets have been indexed annually to take into account increases in asset valuations.



## New/Upgraded Capital and Intergenerational Equity

Capacity has been provided for New Capital Projects, with approximately \$59m net allocated of the life of the LTFP. The new and significantly upgraded infrastructure includes:

- Capital contributions to the Brown Hill 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 Asset Management Plans; and
- A staged approach to the delivery of the existing, Council endorsed Master Plans.

## Forecast Borrowings

Council will require additional borrowings to support the funding of New Capital Projects.

Borrowings (net of cash at hand) are forecast to peak at 18.7M in 2034-35. These borrowings are well within Council's capacity, with a forecast average Net Financial Liabilities Ratio of 32%, and peak Ratio of 34% in 2030-31. These are within the Net Financial Liabilities Ratio targets: a LTFP average of less than 50%, and a maximum ratio of 80%.

Council is considering the sale of surplus parcels of land. If these sales occur, the peak Net Financial Liabilities Ratio would reduce to 30% in 2026-27, and an average of 20% across the life of the LTFP.

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.



# CEO'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: 2026-27 to 2028-29
- Years 4-6: 2029-30 to 2031-32
- Years 7-10: 2032-33 to 2035-36

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
Phases	Years 1-3 2026-27 to 2028-29	Years 4-6 2029-30 to 2031-32	Years 7-10 2032-33 to 2035-36		
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 higher degree of confidence lies in the forecast for the first three years of the LTFP, 2026-27 to 2028-29. 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.



2026-2036 Long-Term Financial Plan

## Summary

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

- The current service levels can be maintained with rate stability and the targeted 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.

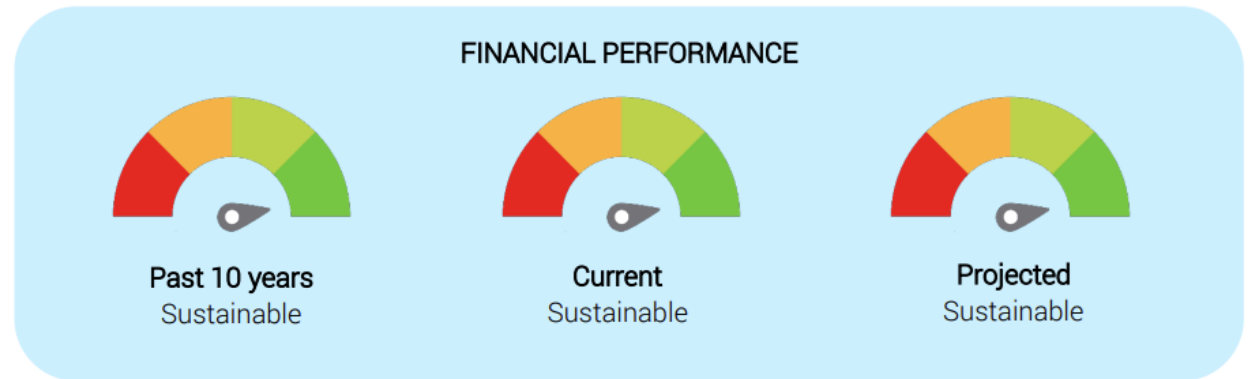
The LTFP will be reviewed at least annually to ensure the plan is timely and relevant to Council forecasts, and aligned to updates to Council's strategic plans and objectives, including updated iterations of the Asset Management Plans.



# 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.

ESCOSA identified that the City of Unley was sustainable for each of the following:



Source: ESCOSA's report *Local Government Advice City of Unley February 2025*

*"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](http://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.

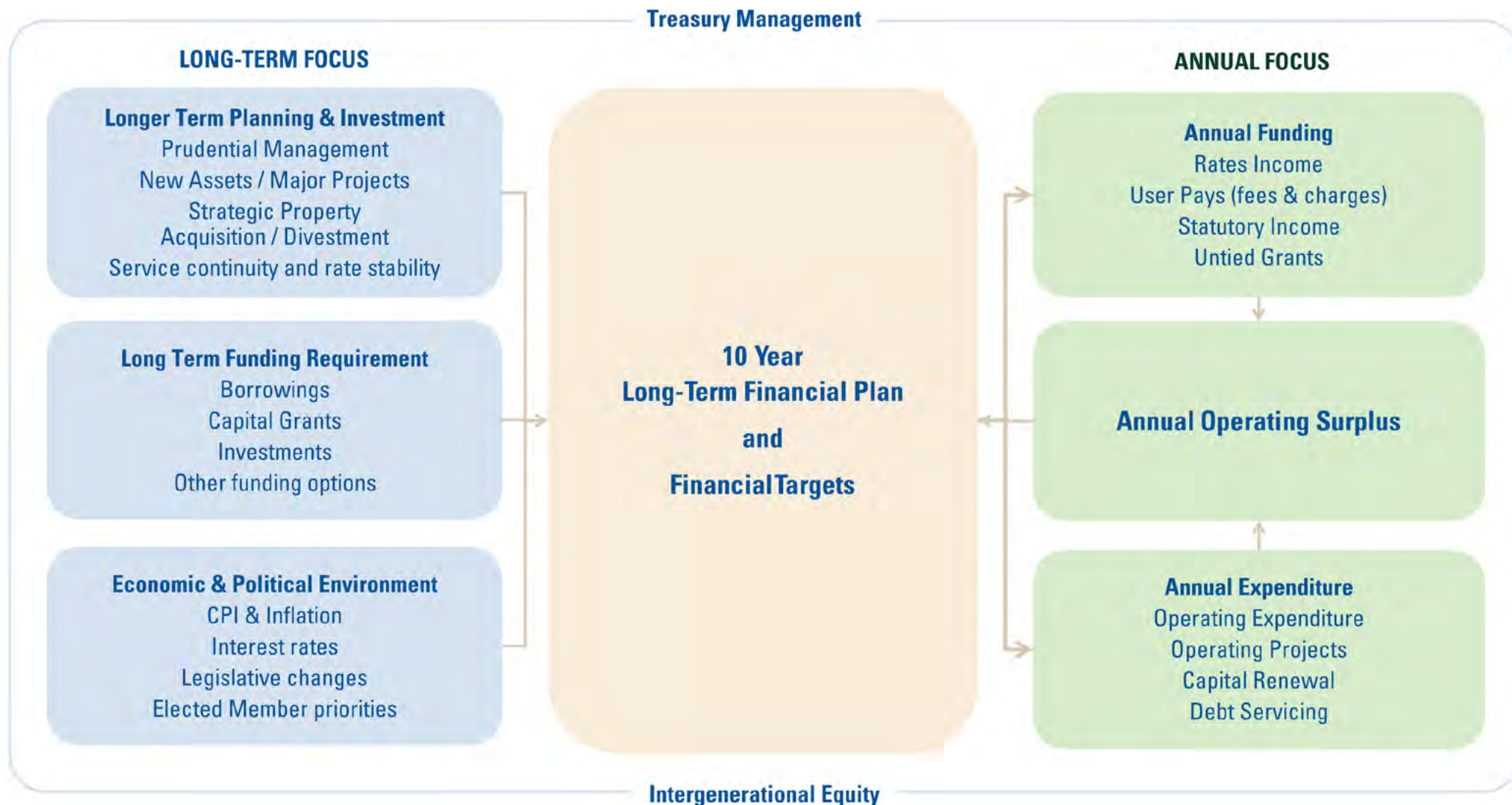
- Forecast capital expenditure is focused on renewal of assets rather than acquisition of new assets.
- Rate revenue per property increased broadly in line with inflation between 2013-14 and 2022-23.
- Rate revenue per property is forecast to grow at 2.8 percent per annum between 2024-25 and 2033-34 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 its 2025-26 Annual Business Plan and Budget.



# 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 6) 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 stability 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

## 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.

Indicator	
Adopted Target	LTFP
<b>Operating Surplus Ratio</b> (excluding equity accounted businesses)	
Annual 4% - 6%	4.4% to 6.2%
LTFP average 5%	LTFP average 5.7%
<b>Net Financial Liabilities Ratio</b>	
LTFP average less than 50%	LTFP average 32% (20% if land is sold)
Maximum limit 80%	LTFP peak 34% (30% if land is sold)
<b>Asset Renewal Funding Ratio</b> (capital renewal relative to asset management plans)	
LTFP average of 100%	Average 99% (100% Years 2-10) Range 89%-100% pa
<b>Asset Sustainability Ratio</b> (capital renewal relative to depreciation)	
LTFP average of approximately 100%	Average 96% Range 89%-100% pa

# 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.

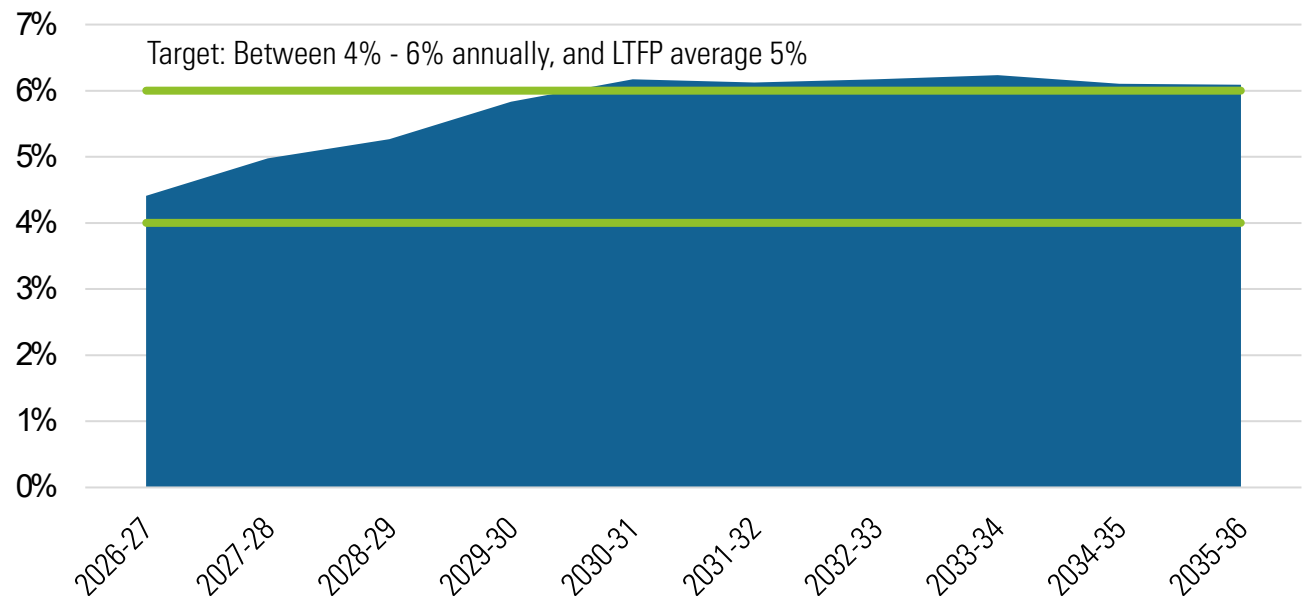
Council is forecasting an Operating Surplus Ratio of 4.4% for the 2026-27 financial year, based on an average General Rate increase of 3.8%. This is within the target range of between 4% and 6% per annum.

The Operating Surplus Ratio in the LTFP is forecast to range between 5.0% to 6.2% from Years 2-10 of the LTFP, and average 5.7% across the life of the Plan. This is within the annual target range of 4% to 6%, and above the long-term average target of 5%.

**How it is calculated:** 
$$\text{Operating Surplus Ratio} = \frac{\text{Operating Surplus}}{\text{Total Operating Income}}$$

Equity Accounted Businesses businesses are excluded from the calculation for the purposes of the Budget and LTFP

2026-27 Year 1	2027-28 Year 2	2028-29 Year 3	2029-30 Year 4	2030-31 Year 5	2031-32 Year 6	2032-33 Year 7	2033-34 Year 8	2034-35 Year 9	2035-36 Year 10
4.4%	5.0%	5.3%	5.8%	6.2%	6.1%	6.2%	6.2%	6.1%	6.1%



# NET FINANCIAL LIABILITIES RATIO

## Net financial liabilities as a percentage of operating income.

This ratio measures Council’s net debt relative to its operating income, and Council’s ability to repay what it 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.

The Net Financial Liabilities Ratio is forecast to range between 30% to 34%, with an average of 32% across the life of the LTFP. This is within the LTFP average target of less than 50%.

Council is considering the sale of surplus land. If these sales occur, the Net Financial Liabilities Ratio would reduce to 30% in 2026-27, and an average of 20% across the life of the LTFP.

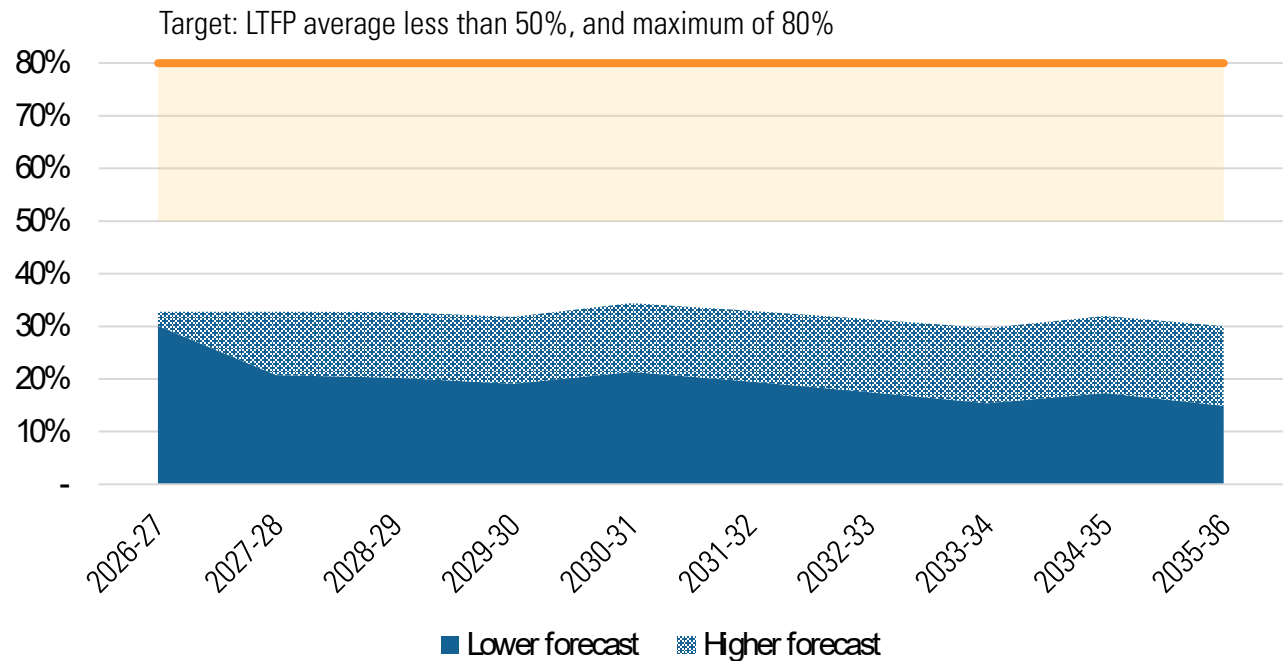
Borrowings are forecast to peak at \$18.7M in 2034-36 (or \$13.2M in 2026-27 if the sale of surplus land occurs). This is within Council’s capacity and scope of existing debt facilities.

### How it is calculated:

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

\* 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)

2026-27 Year 1	2027-28 Year 2	2028-29 Year 3	2029-30 Year 4	2030-31 Year 5	2031-32 Year 6	2032-33 Year 7	2033-34 Year 8	2034-35 Year 9	2035-36 Year 10
33%	33%	33%	33%	32%	34%	33%	31%	32%	30%



# 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 compared to the level of such expenditure 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 89% for the 2026-27 financial year based on the gross expenditure in the Capital Renewal Program. However it should be noted that the Capital Renewal Program excludes the renewal components of the Sturt and Millswood Bowling Club Redevelopments (within New Capital Projects), which increase the ratio to 113%.

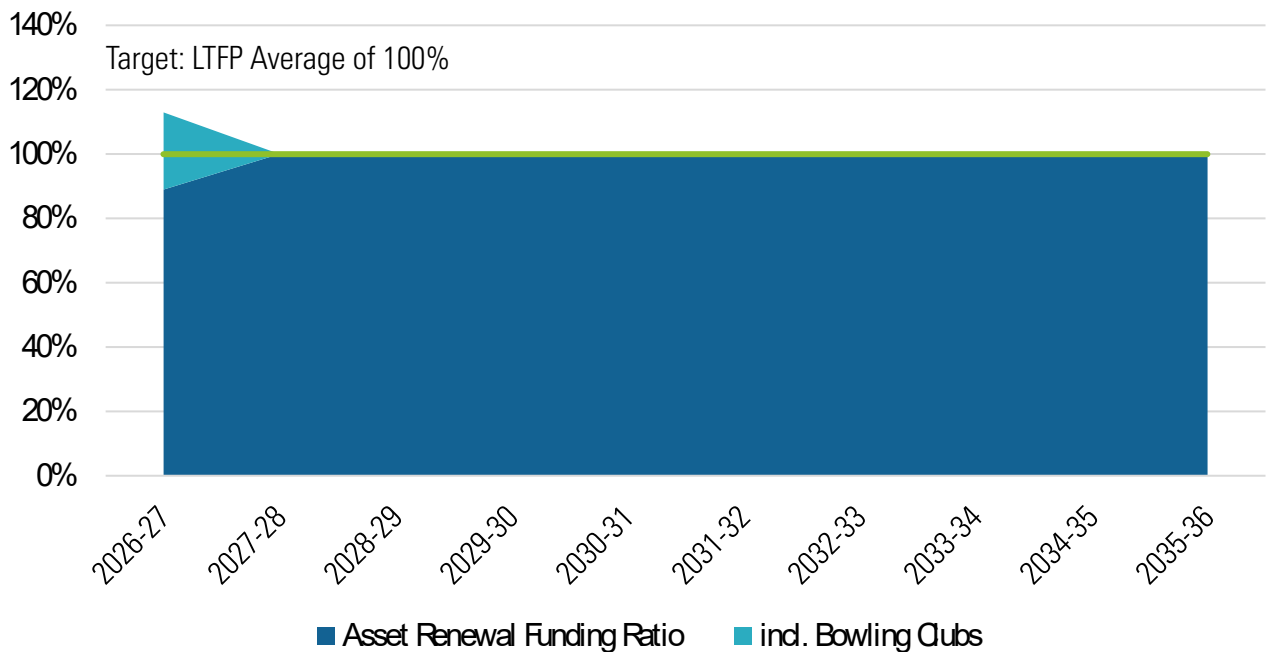
The Asset Renewal Funding Ratio is forecast to be 100% from Year 2-10 of the LTFP.

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 it is calculated:** 
$$\text{Asset Renewal Funding Ratio} = \frac{\text{Capital Renewal Expenditure}^*}{\text{Asset Management Plan Expenditure}}$$

\* Based on gross capital renewal expenditure

2026-27 Year 1	2027-28 Year 2	2028-29 Year 3	2029-30 Year 4	2030-31 Year 5	2031-32 Year 6	2032-33 Year 7	2033-34 Year 8	2034-35 Year 9	2035-36 Year 10
113%	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.

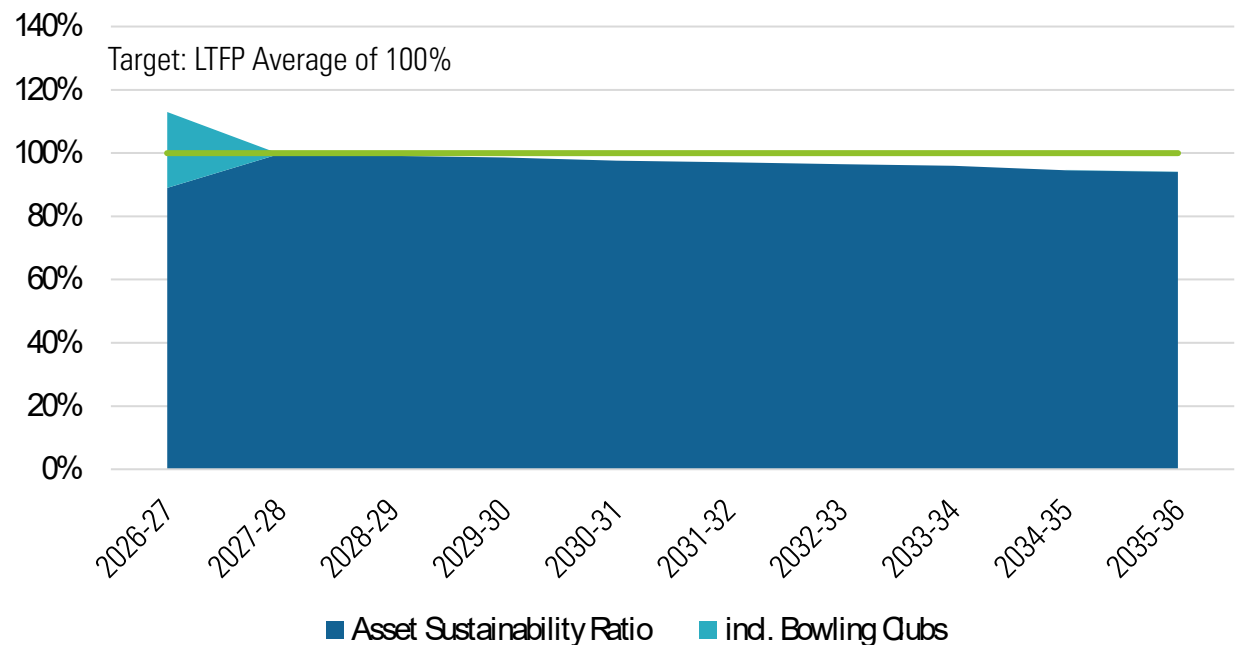
Council is forecasting an Asset Sustainability Ratio of 89% for the 2026-27 financial year based on the gross expenditure in the Capital Renewal Program. However it should be noted that the Capital Renewal Program excludes the renewal components of the Sturt and Millswood Bowling Club Redevelopments (within New Capital Projects), which increase the ratio to 113%.

The Ratio forecast to average 96% over the life of the Plan. In Year 1 it is forecast to be 89% (consistent with the Asset Renewal Funding Ratio). From Year 2 onwards, it reduces from 100% to 94% in Year 10 of the Plan. This reduction reflects the additional depreciation allowance for New Capital Projects incorporated in the LTFP. No capital renewal allowances are made in the Asset Management Plans for these New Capital Projects as they do not require renewal within the life of the LTFP.

**How it is calculated:** 
$$\text{Asset Sustainability Ratio} = \frac{\text{Capital Renewal Expenditure}^*}{\text{Total Depreciation}}$$

\* Based on gross capital renewal expenditure

2026-27 Year 1	2027-28 Year 2	2028-29 Year 3	2029-30 Year 4	2030-31 Year 5	2031-32 Year 6	2032-33 Year 7	2033-34 Year 8	2034-35 Year 9	2035-36 Year 10
113%	100%	99%	99%	98%	97%	96%	96%	95%	94%



# LTFP SUMMARY

\$'000	2025-26 Forecast	2026-27 Year 1	2027-28 Year 2	2028-29 Year 3	2029-30 Year 4	2030-31 Year 5	2031-32 Year 6	2032-33 Year 7	2033-34 Year 8	2034-35 Year 9	2035-36 Year 10
<b>Income</b>											
General Rates Income	50,890	53,195	55,711	57,576	59,691	61,891	63,764	65,669	67,632	69,653	71,694
Other Rates and Levies	2,240	2,268	2,348	2,406	2,466	2,528	2,591	2,656	2,723	2,791	2,860
Statutory Charges	1,718	1,878	1,944	1,992	2,042	2,093	2,146	2,199	2,254	2,310	2,368
User Charges	3,044	2,962	3,066	3,142	3,221	3,301	3,384	3,469	3,555	3,644	3,735
Grants, subsidies & contributions	3,976	2,698	2,986	3,042	3,099	3,158	3,217	3,279	3,342	3,406	3,472
Investment Income	195	35	15	15	15	15	15	15	15	15	15
Reimbursements	101	59	61	63	64	66	67	69	71	73	74
Other Income	1,140	880	911	934	957	981	1,005	1,030	1,056	1,083	1,110
Projects	515	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>63,818</b>	<b>63,975</b>	<b>67,042</b>	<b>69,170</b>	<b>71,556</b>	<b>74,033</b>	<b>76,190</b>	<b>78,387</b>	<b>80,648</b>	<b>82,975</b>	<b>85,330</b>
<b>Expenditure</b>											
Employee Costs	21,840	23,788	24,621	25,359	26,120	26,904	27,711	28,542	29,398	30,280	31,189
Materials, Contracts & Other Expenses	23,123	22,613	23,504	24,140	24,789	25,454	26,134	26,830	27,542	28,271	28,966
Depreciation, Amortisation & Impairment	12,731	12,940	13,481	13,909	14,350	14,864	15,333	15,817	16,315	16,898	17,428
Finance Costs	34	425	713	699	666	748	815	789	753	809	855
Operating Projects	3,622	1,398	1,395	1,430	1,466	1,502	1,540	1,579	1,618	1,658	1,700
<b>Total Expenditure</b>	<b>61,350</b>	<b>61,164</b>	<b>63,715</b>	<b>65,538</b>	<b>67,391</b>	<b>69,472</b>	<b>71,533</b>	<b>73,556</b>	<b>75,627</b>	<b>77,916</b>	<b>80,138</b>
<b>Operating Surplus/(Deficit)</b>	<b>2,468</b>	<b>2,811</b>	<b>3,327</b>	<b>3,633</b>	<b>4,165</b>	<b>4,561</b>	<b>4,657</b>	<b>4,830</b>	<b>5,021</b>	<b>5,059</b>	<b>5,192</b>
Capital Renewal Expenditure (net)	15,857	11,176	13,109	13,447	13,795	14,151	14,515	14,889	15,273	15,603	16,039
New Capital Expenditure (net)	11,133	8,412	4,426	4,537	4,650	7,767	4,886	5,008	5,133	8,761	5,393
<b>Total Capital Expenditure (net)</b>	<b>26,990</b>	<b>19,588</b>	<b>17,535</b>	<b>17,984</b>	<b>18,445</b>	<b>21,917</b>	<b>19,401</b>	<b>19,897</b>	<b>20,406</b>	<b>24,365</b>	<b>21,432</b>
Add back Depreciation	12,731	12,940	13,481	13,909	14,350	14,864	15,333	15,817	16,315	16,898	17,428
<b>Operating Surplus/(Deficit) less capital expenditure</b>	<b>(11,790)</b>	<b>(3,837)</b>	<b>(726)</b>	<b>(442)</b>	<b>70</b>	<b>(2,492)</b>	<b>589</b>	<b>750</b>	<b>930</b>	<b>(2,408)</b>	<b>1,188</b>
Fixed Term Borrowings	-	-	-	-	-	-	-	-	-	-	-
Cash Advance Debenture (CAD Borrowings)	11,109	14,946	15,673	16,115	16,045	18,537	17,948	17,198	16,268	18,675	17,488
<b>Total Borrowings (Net)</b>	<b>11,109</b>	<b>14,946</b>	<b>15,673</b>	<b>16,115</b>	<b>16,045</b>	<b>18,537</b>	<b>17,948</b>	<b>17,198</b>	<b>16,268</b>	<b>18,675</b>	<b>17,488</b>
Repayment of Fixed Term Borrowings	-	-	-	-	-	-	-	-	-	-	-
Repayment/(draw-down) of CAD	(11,790)	(3,837)	(726)	(442)	70	(2,492)	589	750	930	(2,408)	1,188
<b>Net repayment/(draw down) of borrowings</b>	<b>(11,790)</b>	<b>(3,837)</b>	<b>(726)</b>	<b>(442)</b>	<b>70</b>	<b>(2,492)</b>	<b>589</b>	<b>750</b>	<b>930</b>	<b>(2,408)</b>	<b>1,188</b>

# KEY ASSUMPTIONS

\$'000	2026-27 Year 1	2027-28 Year 2	2028-29 Year 3	2029-30 Year 4	2030-31 Year 5	2031-32 Year 6	2032-33 Year 7	2033-34 Year 8	2034-35 Year 9	2035-36 Year 10
<b>Inflation</b>										
Adelaide CPI Forecast (SA Treasury)*	3.30%	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Rates Assumptions</b>										
Rates increase based on CPI	3.80%	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase in rates from new developments & capital improvements (excl. major developments)	0.73%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Growth from major developments	0.00%	0.71%	0.36%	0.70%	0.73%	0.10%	0.06%	0.06%	0.06%	-
<b>Total increase in Rates Revenue</b>	<b>4.73%</b>	<b>4.71%</b>	<b>3.36%</b>	<b>3.70%</b>	<b>3.73%</b>	<b>3.10%</b>	<b>3.06%</b>	<b>3.06%</b>	<b>3.06%</b>	<b>3.00%</b>
<b>Expenditure</b>										
Non-Rate Income Assumptions (CPI)	3.30%	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee Costs (EBA/Avg Weekly Earnings)	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Non-Employee Expenditure (CPI)	3.30%	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Interest Rate Assumptions</b>										
RBA interest rate (NAB Forecast)	4.10%	4.10%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest Rates - Variable	6.85%	6.85%	6.25%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Interest Income	3.60%	3.60%	3.00%	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

# EXPLANATION OF ASSUMPTIONS

## RATES INCOME

### General Rates

General Rate revenue is the Council's primary income source contributing approximately 80% of operating income.

When determining the level of rates, the current costs of service delivery is determined. Council will raise enough income to cover 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:

- Inline with the budget for 2026-27,
- Inline with forecast CPI for the next two years (2027-28 to 2028-29), and
- A longer term forecast of 2.5% for 2029-30 onwards, in line with anticipated CPI.

### Growth from New Developments & Capital Additions

Additional general rates income from new developments (excluding major developments) and capital improvements to existing properties has been assumed to be 0.5% per annum.

Growth from two major developments has been recognised within the LTFP, and is estimated to average an additional 0.3% per annum.

In accordance with Council's Open Space Fund Policy, all growth above 0.5% per annum is allocated to the Open Space Fund on a cumulative basis for the future purchase of Open 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 for the provision of business precinct improvements, including streetscape improvements, marketing and promotional activities, events and activation programs, and costs associated with the administration of these initiatives.

#### 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.

# EXPLANATION OF ASSUMPTIONS

## FEEES & 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; and
- 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 provided, and are comparable to market rates.



# 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.



# 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 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.



# 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 Brown Hill 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 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 Brown Hill Keswick Creek Stormwater 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.

Year 1 of the LTFP also incorporates the following initiatives:

- Completion of the Unley Museum and Galleries Redevelopment, and the Electrification of the Unley Swimming Centre Heat Pump, and
- The redevelopment of the Sturt Bowling Club and Millswood Bowling Club.

Each of these projects are tied to approved grants.

The LTFP also incorporates capacity to progressively deliver the Ridge Park Master Plan over the next four years in conjunction with grant funding from the South Australian Government.

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.

# 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 Forecast	2026-27 Year 1	2027-28 Year 2	2028-29 Year 3	2029-30 Year 4	2030-31 Year 5	2031-32 Year 6	2032-33 Year 7	2033-34 Year 8	2034-35 Year 9	2035-36 Year 10
<b>Income</b>											
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Other Rates and Levies	2,240	2,268	2,348	2,406	2,466	2,528	2,591	2,656	2,723	2,791	2,860
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Investment Income	195	35	15	15	15	15	15	15	15	15	15
Reimbursements	101	59	61	63	64	66	67	69	71	73	74
Other Income	1,140	880	911	934	957	981	1,005	1,030	1,056	1,083	1,110
Operating Projects	515	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>63,819</b>	<b>63,975</b>	<b>67,042</b>	<b>69,170</b>	<b>71,556</b>	<b>74,033</b>	<b>76,190</b>	<b>78,387</b>	<b>80,648</b>	<b>82,975</b>	<b>85,330</b>
<b>Expenditure</b>											
Employee Costs	21,840	23,788	24,621	25,359	26,120	26,904	27,711	28,542	29,398	30,280	31,189
Materials, Contracts & Other Expenses	23,123	22,613	23,504	24,140	24,789	25,454	26,134	26,830	27,542	28,271	28,966
Depreciation, Amortisation & Impairment	12,731	12,940	13,481	13,909	14,350	14,864	15,333	15,817	16,315	16,898	17,428
Finance Costs	34	425	713	699	666	748	815	789	753	809	855
Operating Projects	3,622	1,398	1,395	1,430	1,466	1,502	1,540	1,579	1,618	1,658	1,700
<b>Total Expenditure</b>	<b>61,350</b>	<b>61,164</b>	<b>63,715</b>	<b>65,538</b>	<b>67,391</b>	<b>69,472</b>	<b>71,533</b>	<b>73,556</b>	<b>75,627</b>	<b>77,916</b>	<b>80,138</b>
<b>Operating Surplus / (Deficit)</b>	<b>2,469</b>	<b>2,811</b>	<b>3,327</b>	<b>3,633</b>	<b>4,165</b>	<b>4,561</b>	<b>4,657</b>	<b>4,830</b>	<b>5,021</b>	<b>5,059</b>	<b>5,192</b>
<b>less Net Outlays on Existing Assets</b>											
Capital Expenditure on Renewal & Replacement of Existing Assets	(21,085)	(11,501)	(13,440)	(13,787)	(14,143)	(14,507)	(14,881)	(15,264)	(15,657)	(15,976)	(16,387)
less Depreciation, Amortisation and Impairment	12,731	12,940	13,481	13,909	14,350	14,864	15,333	15,817	16,315	16,898	17,428
less Amounts received specifically for Replacement of Existing Assets	-	-	-	-	-	-	-	-	-	-	-
less Proceeds from the Sale of Replaced Assets	5,228	325	331	339	348	357	366	375	384	373	348
<b>Net Outlays on Existing Assets</b>	<b>(3,126)</b>	<b>1,764</b>	<b>373</b>	<b>462</b>	<b>555</b>	<b>713</b>	<b>818</b>	<b>927</b>	<b>1,042</b>	<b>1,295</b>	<b>1,389</b>
<b>less Net Outlays on New and Upgraded Assets</b>											
Capital Expenditure on New and Upgraded Assets	(14,926)	(12,753)	(4,426)	(4,537)	(4,650)	(7,767)	(4,886)	(5,008)	(5,133)	(8,761)	(5,393)
less Amounts received specifically for New and Upgraded Assets	3,793	4,341	-	-	-	-	-	-	-	-	-
less Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
<b>Net Outlays on New and Upgraded Assets</b>	<b>(11,133)</b>	<b>(8,412)</b>	<b>(4,426)</b>	<b>(4,537)</b>	<b>(4,650)</b>	<b>(7,767)</b>	<b>(4,886)</b>	<b>(5,008)</b>	<b>(5,133)</b>	<b>(8,761)</b>	<b>(5,393)</b>
<b>Net Lending / (Borrowing) for the Financial Year</b>	<b>(11,790)</b>	<b>(3,837)</b>	<b>(726)</b>	<b>(442)</b>	<b>70</b>	<b>(2,492)</b>	<b>589</b>	<b>750</b>	<b>930</b>	<b>(2,408)</b>	<b>1,188</b>
<b>Net Financial Liabilities at Beginning of Year</b>	<b>5,073</b>	<b>16,862</b>	<b>20,944</b>	<b>21,938</b>	<b>22,578</b>	<b>22,711</b>	<b>25,411</b>	<b>25,035</b>	<b>24,504</b>	<b>23,798</b>	<b>26,435</b>
Decrease / (increase) in Other	-	-	-	-	-	-	-	-	-	-	-
<b>Net Financial Liabilities at End of Year</b>	<b>16,862</b>	<b>20,944</b>	<b>21,938</b>	<b>22,578</b>	<b>22,711</b>	<b>25,411</b>	<b>25,035</b>	<b>24,504</b>	<b>23,798</b>	<b>26,435</b>	<b>25,483</b>

The Budgeted Financial Statements for the 2026-27 financial year exclude the Equity Accounted Businesses (Centennial Park Cemetery Authority, Brown Hill Keswick Creek Stormwater Project, and East Waste) as the budgets for these subsidiaries are yet to be finalised. They will be incorporated in the Budget as part of the Quarter 1 Budget Review.

# FORECAST FINANCIAL STATEMENTS STATEMENT OF COMPREHENSIVE INCOME

\$'000	2025-26 Forecast	2026-27 Year 1	2027-28 Year 2	2028-29 Year 3	2029-30 Year 4	2030-31 Year 5	2031-32 Year 6	2032-33 Year 7	2033-34 Year 8	2034-35 Year 9	2035-36 Year 10
<b>Income</b>											
General Rates Income	50,890	53,195	55,711	57,576	59,691	61,891	63,764	65,669	67,632	69,653	71,694
Other Rates and Levies	2,240	2,268	2,348	2,406	2,466	2,528	2,591	2,656	2,723	2,791	2,860
Statutory Charges	1,718	1,878	1,944	1,992	2,042	2,093	2,146	2,199	2,254	2,310	2,368
User Charges	3,044	2,962	3,066	3,142	3,221	3,301	3,384	3,469	3,555	3,644	3,735
Grants, Subsidies & Contributions - Operating	3,976	2,698	2,986	3,042	3,099	3,158	3,217	3,279	3,342	3,406	3,472
Investment Income	195	35	15	15	15	15	15	15	15	15	15
Reimbursements	101	59	61	63	64	66	67	69	71	73	74
Other Income	1,140	880	911	934	957	981	1,005	1,030	1,056	1,083	1,110
Operating Projects	515	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>63,819</b>	<b>63,975</b>	<b>67,042</b>	<b>69,170</b>	<b>71,556</b>	<b>74,033</b>	<b>76,190</b>	<b>78,387</b>	<b>80,648</b>	<b>82,975</b>	<b>85,330</b>
<b>Expenditure</b>											
Employee Costs	21,840	23,788	24,621	25,359	26,120	26,904	27,711	28,542	29,398	30,280	31,189
Materials, Contracts & Other Expenses	23,123	22,613	23,504	24,140	24,789	25,454	26,134	26,830	27,542	28,271	28,966
Depreciation, Amortisation & Impairment	12,731	12,940	13,481	13,909	14,350	14,864	15,333	15,817	16,315	16,898	17,428
Finance Costs	34	425	713	699	666	748	815	789	753	809	855
Operating Projects	3,622	1,398	1,395	1,430	1,466	1,502	1,540	1,579	1,618	1,658	1,700
<b>Total Expenditure</b>	<b>61,350</b>	<b>61,164</b>	<b>63,715</b>	<b>65,538</b>	<b>67,391</b>	<b>69,472</b>	<b>71,533</b>	<b>73,556</b>	<b>75,627</b>	<b>77,916</b>	<b>80,138</b>
<b>Operating Surplus / (Deficit)</b>	<b>2,468</b>	<b>2,811</b>	<b>3,327</b>	<b>3,633</b>	<b>4,165</b>	<b>4,561</b>	<b>4,657</b>	<b>4,830</b>	<b>5,021</b>	<b>5,059</b>	<b>5,192</b>
<b>Asset Disposal &amp; Fair Value Adjustments</b>											
Asset Disposal & Fair Value Adjustments	456	325	331	339	348	357	366	375	384	373	348
Amounts received specifically for new, upgraded or replacement assets	8,565	4,341	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>9,022</b>	<b>4,666</b>	<b>331</b>	<b>339</b>	<b>348</b>	<b>357</b>	<b>366</b>	<b>375</b>	<b>384</b>	<b>373</b>	<b>348</b>
<b>Net Surplus / (Deficit)</b>	<b>11,490</b>	<b>7,477</b>	<b>3,658</b>	<b>3,972</b>	<b>4,513</b>	<b>4,918</b>	<b>5,023</b>	<b>5,205</b>	<b>5,405</b>	<b>5,432</b>	<b>5,539</b>
<b>Changes in revaluation surplus - I,PP&amp;E</b>											
Changes in revaluation surplus - I,PP&E	28,186	32,452	31,261	23,212	23,895	24,594	25,386	26,122	26,877	27,651	28,529
<b>Share of Other Comprehensive Income – Equity Accounted Council Businesses</b>											
Share of Other Comprehensive Income – Equity Accounted Council Businesses	2,695	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>42,371</b>	<b>39,930</b>	<b>34,920</b>	<b>27,185</b>	<b>28,408</b>	<b>29,512</b>	<b>30,408</b>	<b>31,327</b>	<b>32,282</b>	<b>33,083</b>	<b>34,068</b>

The Budgeted Financial Statements for the 2026-27 financial year exclude the Equity Accounted Businesses (Centennial Park Cemetery Authority, Brown Hill Keswick Creek Stormwater Project, and East Waste) as the budgets for these subsidiaries are yet to be finalised. They will be incorporated in the Budget as part of the Quarter 1 Budget Review.

# FORECAST FINANCIAL STATEMENTS STATEMENT OF FINANCIAL POSITION

\$'000	2025-26 Forecast	2026-27 Year 1	2027-28 Year 2	2028-29 Year 3	2029-30 Year 4	2030-31 Year 5	2031-32 Year 6	2032-33 Year 7	2033-34 Year 8	2034-35 Year 9	2035-36 Year 10
<b>Assets</b>											
<b>Current Assets</b>											
Cash & cash equivalents	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655
Trade & other receivables	3,471	3,586	3,711	3,804	3,899	3,996	4,096	4,199	4,304	4,411	4,522
<b>Total Current Assets</b>	<b>5,126</b>	<b>5,241</b>	<b>5,366</b>	<b>5,459</b>	<b>5,554</b>	<b>5,651</b>	<b>5,751</b>	<b>5,854</b>	<b>5,959</b>	<b>6,066</b>	<b>6,177</b>
<b>Non-current Assets</b>											
Equity accounted investments in Council businesses	40,599	41,939	43,407	44,492	45,604	46,744	47,913	49,111	50,338	51,597	52,887
Infrastructure, Property, Plant & Equipment	854,010	893,181	928,496	955,784	983,773	1,015,421	1,044,875	1,075,077	1,106,045	1,141,163	1,173,696
<b>Total Non-current Assets</b>	<b>894,609</b>	<b>935,120</b>	<b>971,903</b>	<b>1,000,276</b>	<b>1,029,378</b>	<b>1,062,165</b>	<b>1,092,787</b>	<b>1,124,188</b>	<b>1,156,383</b>	<b>1,192,759</b>	<b>1,226,582</b>
<b>Total Assets</b>	<b>899,735</b>	<b>940,361</b>	<b>977,269</b>	<b>1,005,734</b>	<b>1,034,931</b>	<b>1,067,817</b>	<b>1,098,539</b>	<b>1,130,041</b>	<b>1,162,342</b>	<b>1,198,826</b>	<b>1,232,759</b>
<b>Liabilities</b>											
<b>Current Liabilities</b>											
Trade & Other Payables	6,568	6,785	7,022	7,198	7,378	7,562	7,751	7,945	8,144	8,347	8,556
Current Borrowings	-	-	-	-	-	-	-	-	-	-	-
Provisions	4,009	4,141	4,286	4,393	4,503	4,616	4,731	4,849	4,971	5,095	5,222
<b>Total Liabilities Assets</b>	<b>10,577</b>	<b>10,926</b>	<b>11,308</b>	<b>11,591</b>	<b>11,881</b>	<b>12,178</b>	<b>12,482</b>	<b>12,794</b>	<b>13,114</b>	<b>13,442</b>	<b>13,778</b>
<b>Non-current liabilities</b>											
Non-current Borrowings	11,109	14,946	15,673	16,115	16,045	18,537	17,948	17,198	16,268	18,675	17,488
Provisions	302	312	323	331	339	348	356	365	374	384	393
<b>Total Non-current Liabilities</b>	<b>11,411</b>	<b>15,258</b>	<b>15,995</b>	<b>16,446</b>	<b>16,384</b>	<b>18,885</b>	<b>18,304</b>	<b>17,563</b>	<b>16,642</b>	<b>19,059</b>	<b>17,881</b>
<b>Total Liabilities</b>	<b>21,988</b>	<b>26,184</b>	<b>27,304</b>	<b>28,037</b>	<b>28,265</b>	<b>31,063</b>	<b>30,786</b>	<b>30,358</b>	<b>29,756</b>	<b>32,501</b>	<b>31,659</b>
<b>Net Assets</b>	<b>877,746</b>	<b>914,176</b>	<b>949,965</b>	<b>977,697</b>	<b>1,006,666</b>	<b>1,036,754</b>	<b>1,067,752</b>	<b>1,099,684</b>	<b>1,132,585</b>	<b>1,166,324</b>	<b>1,201,099</b>
<b>Equity</b>											
Accumulated Surplus	202,497	209,756	213,414	217,387	221,900	226,818	231,840	237,046	242,451	247,883	253,422
Asset Revaluation Reserves	674,831	703,784	735,914	759,674	784,130	809,300	835,275	862,002	889,498	917,805	947,041
Other Reserves	418	636	636	636	636	636	636	636	636	636	636
<b>Total Equity</b>	<b>877,746</b>	<b>914,176</b>	<b>949,965</b>	<b>977,697</b>	<b>1,006,666</b>	<b>1,036,754</b>	<b>1,067,752</b>	<b>1,099,684</b>	<b>1,132,585</b>	<b>1,166,324</b>	<b>1,201,099</b>

The Budgeted Financial Statements for the 2026-27 financial year exclude the Equity Accounted Businesses (Centennial Park Cemetery Authority, Brown Hill Keswick Creek Stormwater Project, and East Waste) as the budgets for these subsidiaries are yet to be finalised. They will be incorporated in the Budget as part of the Quarter 1 Budget Review.

# FORECAST FINANCIAL STATEMENTS STATEMENT OF CASH FLOWS

\$'000	2025-26 Forecast	2026-27 Year 1	2027-28 Year 2	2028-29 Year 3	2029-30 Year 4	2030-31 Year 5	2031-32 Year 6	2032-33 Year 7	2033-34 Year 8	2034-35 Year 9	2035-36 Year 10
<b>Cash Flows from Operating Activities</b>											
Receipts											
Operating Receipts	63,623	63,940	67,027	69,155	71,541	74,018	76,175	78,372	80,633	82,960	85,315
Investment Receipts	195	35	15	15	15	15	15	15	15	15	15
Payments											
Operating Payments to suppliers and employees	(48,585)	(47,799)	(49,520)	(50,929)	(52,375)	(53,860)	(55,385)	(56,951)	(58,558)	(60,209)	(61,855)
Finance Payments	(34)	(425)	(713)	(699)	(666)	(748)	(815)	(789)	(753)	(809)	(855)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>15,199</b>	<b>15,751</b>	<b>16,809</b>	<b>17,542</b>	<b>18,515</b>	<b>19,425</b>	<b>19,990</b>	<b>20,647</b>	<b>21,336</b>	<b>21,957</b>	<b>22,620</b>
<b>Cash Flows from Investing Activities</b>											
Receipts											
Amounts specifically for new or upgraded assets	8,565	4,341	-	-	-	-	-	-	-	-	-
Amounts received specifically for Replacement of Existing Assets	4,772	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-	-
Sale of replaced assets	456	325	331	339	348	357	366	375	384	373	348
Payments											
Expenditure on renewal/placement of assets	(21,085)	(11,501)	(13,440)	(13,787)	(14,143)	(14,507)	(14,881)	(15,264)	(15,657)	(15,976)	(16,387)
Expenditure on new/upgraded assets	(14,926)	(12,753)	(4,426)	(4,537)	(4,650)	(7,767)	(4,886)	(5,008)	(5,133)	(8,761)	(5,393)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(22,217)</b>	<b>(19,588)</b>	<b>(17,535)</b>	<b>(17,984)</b>	<b>(18,445)</b>	<b>(21,917)</b>	<b>(19,401)</b>	<b>(19,897)</b>	<b>(20,406)</b>	<b>(24,365)</b>	<b>(21,432)</b>
<b>Cash Flows from Financing Activities</b>											
Receipts											
Proceeds from borrowings	6,496	3,837	726	442	-	2,492	-	-	-	2,408	-
Payments											
Repayments of borrowings	-	-	-	-	(70)	-	(589)	(750)	(930)	-	(1,188)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>6,496</b>	<b>3,837</b>	<b>726</b>	<b>442</b>	<b>(70)</b>	<b>2,492</b>	<b>(589)</b>	<b>(750)</b>	<b>(930)</b>	<b>2,408</b>	<b>(1,188)</b>
<b>Net Increase/(Decrease) in cash held</b>	<b>(5,321)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Plus: Cash & cash equivalents at beginning of period	6,976	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655
<b>Cash &amp; cash equivalents at end of period</b>	<b>1,655</b>	<b>1,655</b>	<b>1,655</b>	<b>1,655</b>	<b>1,655</b>	<b>1,655</b>	<b>1,655</b>	<b>1,655</b>	<b>1,655</b>	<b>1,655</b>	<b>1,655</b>

The Budgeted Financial Statements for the 2026-27 financial year exclude the Equity Accounted Businesses (Centennial Park Cemetery Authority, Brown Hill Keswick Creek Stormwater Project, and East Waste) as the budgets for these subsidiaries are yet to be finalised. They will be incorporated in the Budget as part of the Quarter 1 Budget Review.

# ASSET RENEWAL PLANNED EXPENDITURE

\$'000	2026-27 Year 1	2027-28 Year 2	2028-29 Year 3	2029-30 Year 4	2030-31 Year 5	2031-32 Year 6	2032-33 Year 7	2033-34 Year 8	2034-35 Year 9	2035-36 Year 10
<b>Renewal Expenditure</b>										
Buildings	850	1,460	1,497	1,534	1,573	1,612	1,653	1,694	1,736	1,780
Transportation	7,042	7,609	7,800	7,995	8,196	8,401	8,612	8,828	9,049	9,276
Stormwater	114	730	748	767	786	806	826	847	868	890
Open Space	807	1,356	1,390	1,425	1,460	1,497	1,534	1,573	1,612	1,653
ICT	107	169	183	198	213	229	244	261	277	294
Light Fleet	310	241	247	253	259	266	273	279	204	209
Plant	1,216	799	819	840	861	882	904	927	950	974
<b>Gross Expenditure</b>	<b>10,446</b>	<b>12,364</b>	<b>12,684</b>	<b>13,012</b>	<b>13,349</b>	<b>13,693</b>	<b>14,047</b>	<b>14,409</b>	<b>14,697</b>	<b>15,076</b>
<b>Renewal Income</b>										
Light Fleet	110	131	135	138	141	145	149	152	136	139
Plant	215	200	205	210	215	221	226	232	238	209
<b>Total Income</b>	<b>325</b>	<b>331</b>	<b>339</b>	<b>348</b>	<b>357</b>	<b>366</b>	<b>375</b>	<b>384</b>	<b>373</b>	<b>348</b>
<b>Capitalised Project Delivery Costs</b>	<b>1,055</b>	<b>1,076</b>	<b>1,103</b>	<b>1,130</b>	<b>1,159</b>	<b>1,188</b>	<b>1,217</b>	<b>1,248</b>	<b>1,279</b>	<b>1,311</b>
<b>Forecast Net Expenditure</b>	<b>11,176</b>	<b>13,109</b>	<b>13,447</b>	<b>13,795</b>	<b>14,151</b>	<b>14,515</b>	<b>14,889</b>	<b>15,273</b>	<b>15,603</b>	<b>16,039</b>



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