



# Long Term Financial Plan

2025 - 2034



## Long Term Financial Plan 2025-2034

1. Acknowledgement of Country	1
2. Overview	2
3. Significant Influences and Challenges	4
4. Hierarchy Of Documents	10
5. Strategic Plan - Our Roles and Goals	12
6. CEO Statement of Financial Sustainability	15
7. Rate Setting	16
8. Funding of this plan	18
9. Key Assumptions	21
10. Key Financial Ratios	24

### Appendix:

Assumptions

Financial Statements

### Changes Following Public Consultation:

Consultation feedback was received on the Draft LTFP along with Council's Annual Business Plan and Budget and Asset Management Plans.

A number of changes were made to this document as a result of public consultation/updated information:

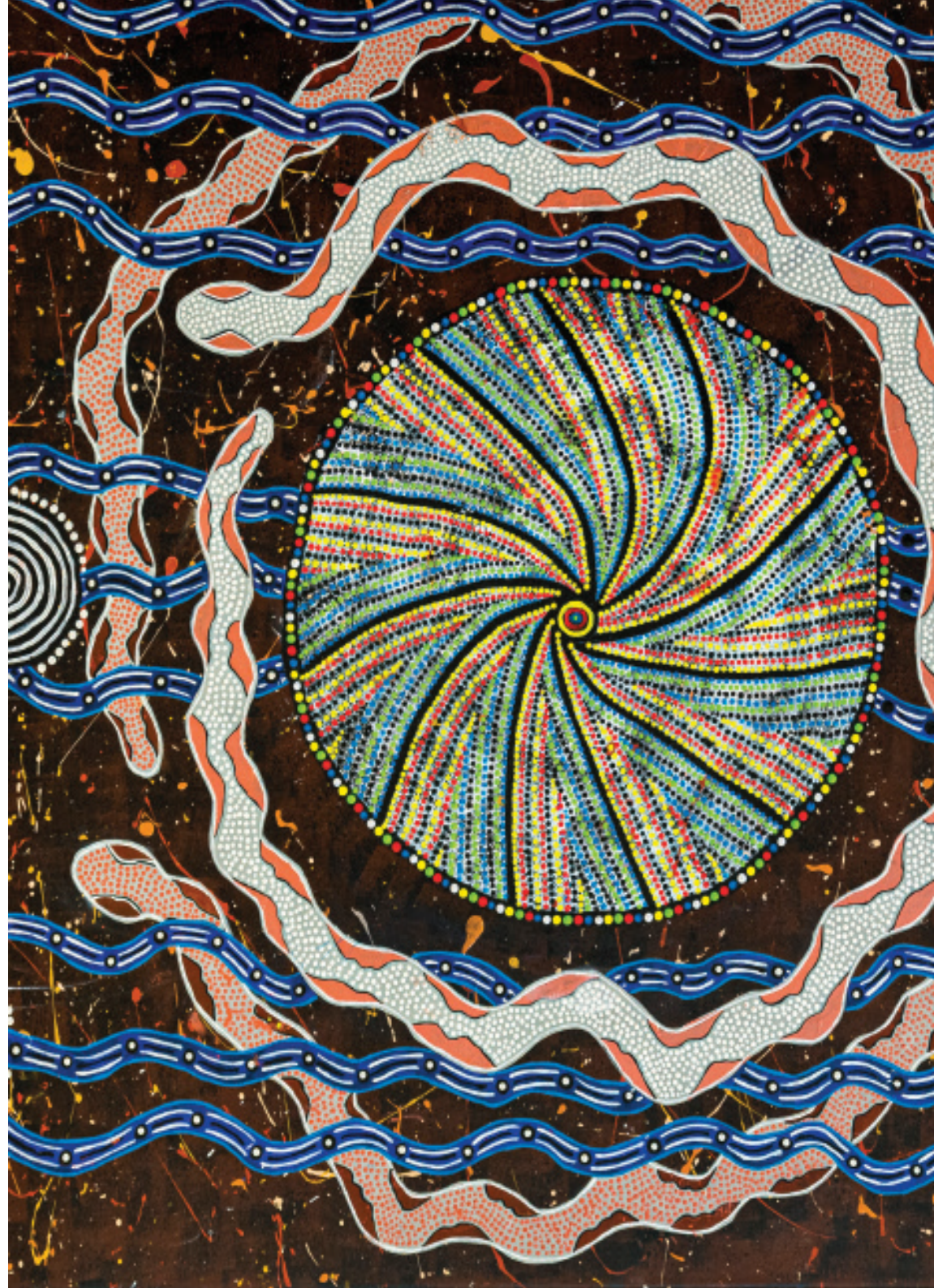
- **Hierarchy Of Documents** - Was further refined to clarify the status of the current Futures Paper and 2020-2024 strategic plan in the context of the development of the Mount Gambier 2035 community vision and the development of the 2024-2028 strategic plan
- **Funding Of This Plan** - Details of the loan agreement with the Local Government Finance Authority (LGFA) and debt structure were also included to provide further details of Council's debt funding of the Wulanda Recreation and Convention Centre.
- **Exclusions** - Further details of the expected impact of the increase in the Roads to Recovery Program and the work currently being undertaken on the Waste Masterplan and the Capital Works Costing Principles have been included to ensure that there is greater clarity of what is and what isn't included in this iteration of the Long Term Financial Plan.
- **Rating Information** - 2024/2025 general rates and waste service charge increases were updated to reflect the final numbers for adoption i.e. 10.13% increase to general rates excluding growth and 1.11% growth and 43.9% increase in the waste service charge.
- **Minor Amendments** - Typographical and editorial changes have been made throughout the document.

The City of Mount Gambier recognises the Boandik people as the traditional owners and custodians of the land Mount Gambier sits upon today.

We respect their spiritual relationship with the land and recognise the deep feelings of attachment Aboriginal and Torres Strait Islander peoples have with this land.

The City of Mount Gambier is committed to working together with Aboriginal and Torres Strait Islander communities in the process of reconciliation.

Image: Belinda Bonney, Reconciliation of the Nation: we all walk together as one (detail).



# Long Term Financial Plan 2025-2034

## 2. Overview

**What Is This Document?** - This is the Long Term Financial Plan (LTFP) for the City of Mount Gambier Council for the period 2025 - 2034. While the Long Term Plan covers 10 years ahead, we review it every year. This is because the opportunities and challenges facing our community and city, and the context we work in, are always evolving.

**Purpose** - The purpose of a Long Term Financial Plan (LTFP) is to guide the future direction of Council in a financially sustainable manner. The LTFP is designed as a 'high-level' summarised document focusing on the future planning of Council's financial operations, particularly in relation to key components such as rate increases, service levels to our community, asset replacement/renewal and loan indebtedness.

**Legislation** – Section 122 (1) of the Local Government Act 1999 ("the Act") requires that Councils must develop and adopt Strategic Management Plans including the LTFP which is a moving document updated on a rolling basis over a ten year term.

**Hierarchy Of Documents** - City of Mount Gambier Council's LTFP provides the forward strategic financial framework to resource the community's needs and aspirations. Through the alignment of this plan with the Strategic Plan, Futures Paper and the Asset Management Plan, Council is able to plan, manage and communicate its future objectives in a sustainable way for the long term.

**Previous Versions** - The Council's LTFP was adopted in March 2019 and subsequently reviewed and adopted in June 2020, February 2021, December 2021, June 2022 and June 2023.

**Roadmap** - The LTFP is developed in the context of the Strategic Plan 2020-2024 and sets a road map to implement the community's priorities for the coming decade. As such the LTFP provides a target for future Annual Business Plans and Budgets. It also provides guidance in terms of direction and financial capacity and does not determine the rates and charges for the future. If key assumptions such as growth, capital investment or interest rates change then this may drive changes in the annual budget. It should be noted that the next version of the community vision - Mount Gambier 2035 is currently being developed. This, with the supporting Strategic Work Plan has been used to inform this version of the LTFP.

**Financial Position** - Over the life of this Plan, Council is scheduled to achieve its financial targets by FY2027. Over the medium to long term, Council is expected to be financially sustainable in accordance with the information contained within this Plan.

**Financial Sustainability** - Financial sustainability in local government ensures that each generation pays their way rather than any one generation living off their assets and leaving the responsibility for infrastructure/asset renewal to future generations.

**Development of This Version of the LTFP** - This version of LTFP was developed in consultation with Council's Executive Leadership Team and Elected Members. Between Elected Members and Council Administration a number of rating scenarios were developed. A number of workshops were held that carefully considered/explored a number of options that balanced the need to achieve financial targets, resources to deliver the Strategic Work Plan and meet community expectations and cover the true cost of waste services. Asset Management Plans have

## Long Term Financial Plan 2025-2034

been informed by recently conducted condition audits for major asset classes and resulting valuations.

**Financial Statements** - At a high level, the LTFP projects:

- **Statement of Comprehensive Income** - Details the profit and loss account (operating surplus (deficit) and capital transactions);
- **Statement Of Financial Position (Balance Sheet)** - This presents the financial position of Council at a given date. It comprises three main components: assets, liabilities and equity;
- **Statement Of Cashflows** - This shows the amount of cash and cash equivalents entering and leaving the Council;
- **Uniform Presentation Of Finances** - The Net Lending/(Borrowing) for the Financial Year result is a measure that takes account of both operating and capital activities for the financial year; and
- **Statement of Changes in Equity** - This reflects the movement in equity reserves during the period, being the financial performance of the year plus any other comprehensive income gains.

# Long Term Financial Plan 2025-2034

## 3. Significant Influences and Challenges

**Overview** - The LTFP is a long-term forecast and as such it is supported by many assumptions, for example: community aspirations, needs and wants, growth, inflation, service levels, federal and state government policy settings and interventions. Many of these factors inevitably are external to Council and as such outside of its control.

**Hierarchy Of Documents** - The Plan complements and is complemented by other important Council plans and strategies:

- Futures Paper (to be replaced by Mount Gambier 2035);
- 2020-2024 Strategic Plan (to be replaced by 2024-2028 Strategic Plan);
- Asset Management Plan; and
- Annual Business Plan.

**Mount Gambier 2035** - Council has collaborated with the community to develop a community vision for our regional capital - Mount Gambier 2035. This will serve as the guiding document to inform Council's planning and decision making for the next ten years. This version of the LTFP has considered the Strategic Work Plan which is informed by Council's current 2020-2024 Strategic Plan as we work towards the development of Mount Gambier 2035. The draft community vision will be brought to Council in June 2024 for community consultation. Once adopted this will inform Council's 2024-2028 strategic plan and future LTFPs and Annual Business Plan and Budgets.

**Wulanda Recreation & Convention Centre (WRCC)** - The Wulanda Recreation and Convention Centre is a multi-purpose facility designed to be a community space, with facilities and activities for all ages and abilities. This facility provides substantial year-round indoor facilities, addressing many community needs both now and for future generations to come. The Wulanda Recreation and Convention Centre has already shown that it is able to increase the ability for Mount Gambier to host major sporting competitions, conferences, events and performances providing significant social and economic benefits.

**Local Government Reform** - The LTFP will become a primary document that will be reviewed by Essential Services Commission of South Australia (ESCOSA) during the 2024 - 2025 year under the Local Government Advice Scheme established through the Local Government Act 1999. The aim of the Scheme is to provide independent, risk-based advice to assist councils when making long-term financial and investment decisions for the benefit of ratepayers.

**Total Rate Revenue** - Council's major source of income is rates (general rates and waste service charge), which accounts for approximately 66% of operating revenue over the ten years of the plan and is an important part of the planned long-term strategy. It contributes towards the funding of Council's services to meet the expectations of the Community, by maintaining services, roads, waste management, footpaths, buildings, etc. and the Asset Management Plan (both the renewals and new/upgrade) and funding. A further review has been undertaken of rating strategy, prior to a more comprehensive review to be undertaken in 2024 - 2025, to ensure that Council balances the requirement for rate increases to fund recurring cost increases with the

## Long Term Financial Plan 2025-2034

### Significant Influences and Challenges (Continued)

need to keep rate increases across the ratepayer base at an acceptable level.

**Inflation** - This LTFP has incorporated the Consumer Price Index (CPI) based on Adelaide forecast CPI as predicted by Deloitte Access Economics. This assumption has been updated as at the end of December 2023. It should be noted that Council chose to continue to

apply these assumptions further to updated forecasts in March 2024, as the changes were not deemed to be material.

**Asset Management Plan** - The Asset Management Plans and Summary have been updated and issued for public consultation at the same time as the Annual Business Plan and this document. This is aligned with the LTFP which allows Council to factor in the new and ongoing costs associated with renewals required to maintain our asset base at the required standard and investment in new assets (please note that the estimates in this document have been indexed, however, in the Asset Management Summary they have not).

#### What has changed since the last LTFP?

**Updated Assumptions** - It should be noted the following assumptions have been updated:

- **Base Year** - The LTFP has been updated to include the Budget Review 3 position for FY 2024 and the Budget for FY 2025.

- **Interest Rates** - Interest rates have been updated to reflect actual interest/forecast rates for credit foncier loans and variable LGFA rates have been updated using Deloitte Access Economics as at 31 December 2023 ((as detailed in the Appendix).
- **Indexation** - Forecast CPI assumptions have been updated based on Deloitte Access Economics (DAE) forecasts (as detailed in the Appendix).
- **General Rates** – Council’s rating strategy has been reviewed, where Council Staff and Elected Members worked together to develop and review a number of options that would provide a balance between community expectations, the achievement of financial targets and the capacity required to deliver this LTFP (refer to rating section).
- **Waste Management** - Further to a review of the cost of service a proposed increase was presented that ensured that the revenue collected view the Waste Service charge covered the costs incurred by Council to deliver this service to the community (refer to rating section).
- **Strategic Work Plan** - The Strategic Work Plan (i.e. delivery of Council’s priorities over the next three years) has been updated further to engagement with Council staff and the development of Mount Gambier 2035 (refer to pages 13 and 14).

# Long Term Financial Plan 2025-2034

## Significant Influences and Challenges (Continued)

- **Unlocking Projects** - Underpinning the Strategic Work Plan the following foundational projects will be delivered to “unlock” capacity within the organisation looking for efficiencies and reviewing service levels:
  - **Asset Management Planning Approach** - Allocations have been included for condition audits of \$50k p.a. for all years of the LTFP and Buildings and Structures valuations in FY 2027 and 2031 of c\$200k and Infrastructure valuations in FY 2027 and 2031 of c\$230k (unindexed).
  - **Business Systems and Infrastructure** - \$365k investment in FY 2025 - FY 2026.
  - **Workforce Planning Framework** - This has incorporated \$50k in FY 2025.
  - **Strategic Work Plan Delivery** – An allocation of c\$400k in 2024/2025 and \$435k p.a. (unindexed) has been included to fund the delivery of the Strategic Work Plan.
- **Capacity Creation** – Capacity has been created in a number of different ways: to deliver the communities
  - **FTEs** - An additional 1.5 FTEs have been included in the FY 2025 budget to support volunteer management and the delivery of the trails activation plan.
  - **Resource** - The capacity of 2 FTEs p.a. (20 FTEs over the life of the LTFP has been included) which is expected to either be Council staff or consultants/contractors.
  - **Sports Recreation and Open Space Strategy (SROSS)** - Implementation from FY 2028 (details on next page).
  - **Strategic Work Plan** - Individual projects such as the Business Systems review have been scheduled, with an ongoing allocation over the life of the LTFP (as shown in the Strategic Work Plan Delivery) in recognition of the need to resource for future priorities and growth.
  - **CBD Activation** - An ongoing allocation has been included of c\$100k p.a. (unindexed) in this version of the LTFP as requested by Elected Members.
- **Asset Management** - Further to condition audits and valuations undertaken during this financial year for our major asset classes there has been a significant increase in both depreciation (\$1.1m above the adopted LTFP equivalent to an increase of 4.83% in rates for 2024/2025), the capital works budget and the forward works program. We have seen the cost of construction increase and the condition audits have informed the works that need to be undertaken.
- **Valuations** - The last version of the LTFP stated that the impact of the valuations for the Infrastructure and Buildings and Structures asset classes had been excluded. The previous version of the LTFP assumed that valuations would be undertaken periodically rather than indexing annually. Market conditions have meant that from FY 2026 CPI has been applied to asset classes annually to consider increases in value.



## Long Term Financial Plan 2025-2034

### Significant Influences and Challenges (Continued)

- **Capital Works Program** - This program, aligned with the Asset Management Summary and supporting plans, have been updated to reflect data resulting from the condition audits and valuations for the Buildings and Structures and Infrastructure asset categories, carry forwards identified as at Budget Review 3, and capital for new/upgrade expenditure following engagement with relevant Council staff and Elected Members.
- **Sport, Recreation & Open Space Strategy (SROSS)** – The previous version of the LTFP included a \$50k p.a. allocation for master plans. This version of the LTFP includes this allocation and the costs of three projects to support the implementation of this strategy (with design in year 1 and construction in year 2), excluding inflation for total cost for each project is assumed to be \$5m with 50% grant funding).
- **Waste Management** – The development of a Waste and Resource Recovery Master Plan has been identified by Council as a key strategic project and is well underway. This document, in conjunction with the 'Waste and Resource Recovery Strategy 2023 - 2030, will provide a whole of life map for waste management, including, the Waste Transfer Station, ReUse Market, Caroline Landfill and kerbside collections.

The comprehensive planning and analysis combined within the Master Plan, along with associated financial modelling will enable Council to minimise the risks associated with its waste services,

particularly those of owning and operating a landfill. One of the components of the Master Plan is a Risk Plan, which will specifically list waste related risks.

This work is still in progress at the time of preparing this document.

#### Key Financial Indicators:

The following targets have been set in line with the adopted T150 Treasury Management Policy and Council's loan conditions with the LGFA:

- **Operating Surplus Ratio %** - Positive surplus ratio by FY 2027.
- **Net Financial Liabilities Ratio %** - Net Financial Liabilities Ratio of lower than 100% to be achieved by FY 2027.
- **Asset Renewal Funding Ratio %** - 100% or greater throughout the duration of the LTFP.

If any of the targets are not achieved (i.e. if growth or CPI is lower than planned), this will mean that other assumptions will need to be changed to ensure that the targets set by the LTFP are achieved.

- **Indexation** - Escalation of expenditure and revenue.
- **Interest Rates** - Interest rates have been forecast based on data available on 31 December 2023 from Deloitte Access Economics and LGFA rates. Council's debt structure has been established to ensure alignment with Council's Treasury Management Policy, with an appropriate mix of loan terms and fixed and variable debt.

# Long Term Financial Plan 2025-2034

## Significant Influences and Challenges (Continued)

- **Service Levels** - Adjusting service levels may result in increased cost of renewal/upgrade, maintenance and depreciation.

**Risks** - The LTFP is updated annually and needs to have regard to relevant risk, opportunities and mitigation strategies. During the development of this LTFP we have identified the following:

- **State/Federal Government** - Local Government reforms and funding/cost shifting (e.g. Financial Assistance Grants timing and amount of advance payments).
- **Climate Change Impact** - The future impact on the way in which Council operates will need to be considered. Council has a strategic target to achieve a 65% reduction on kerbside waste to landfill by 2030.
- **Grant Revenue** - Whilst grant revenue may fund additional capital works, additional maintenance/renewal expenditure will be incurred as a result.
- **Procurement Market Conditions** - Current market conditions have either driven up costs, or resulted in less availability of contractors which will also impact on the capacity to deliver.
- **Wulanda** - Impact on the organisation to support activation and operations.

**Opportunities** - The following potential opportunities have also been identified:

- **Efficiencies** - Efficiencies will be investigated in operating expenditure to support capital works expenditure or through strategic procurement activities (where like activities are 'bundled up').
- **Growth** - Higher than projected growth in assessments (above the 1.11% included for FY 2025 and 0.5% p.a. for future years of the LTFP).
- **Timing** - A review of strategic priorities has been undertaken by the Executive Leadership Team further to consultation across the organisation in the development of the Strategic Work Program. The organisation's capacity to deliver has been considered.
- **Commercial Partnerships/Grant Funding** - Seek greater contributions from others to fund current activities/additional projects.
- **Borrowings** - In line with our Treasury Management Policy the intent is to have an optimal structure that ensures that the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term.
- **Grant Revenue** - Attracting further grant revenue will improve ratios if used to fund works already in LTFP. It should be noted that from FY 2028 onwards the implementation of the Sport, Recreation & Open Space Strategy (SROSS) is assumed to be supported by matching grant funding. Refer to the Exclusions section on the next page for assumptions for Roads to Recovery funding.

## Long Term Financial Plan 2025-2034

**Exclusions** - The following potential significant investment/items are excluded from this version of the LTFP:

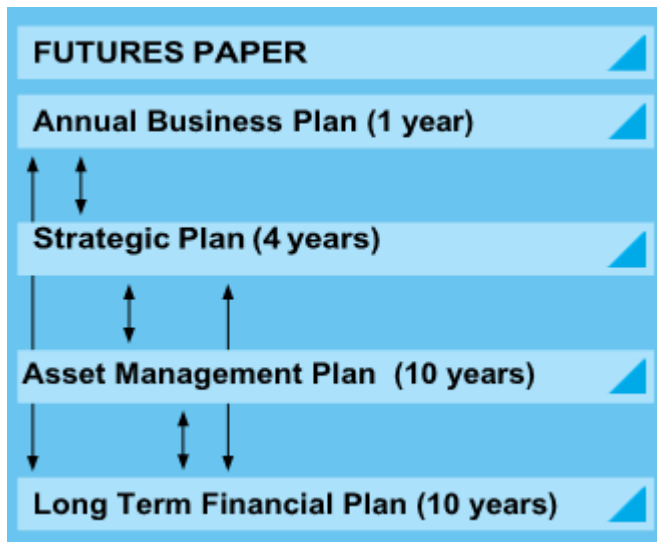
- **Caroline Landfill Masterplan** - Further work is currently underway aligned with the development of the draft masterplan. This is expected to further define the cost of future cell construction, capping, other capital investment and operational requirements, and the post closure provision and unwinding of net present values.
- **Capital Works Costing Principles** - Work is underway to develop costing principles for the allocation of internal cost to capital projects, including project management, total staff costs, disposal of materials (e.g. road surfaces) and plant usage allocations. The implementation of these principles will be staged across a number of years. This version of the ABP and LTFP includes the results of initial work undertaken. Future iterations of the LTFP and supporting AMPs will incorporate refinements as work progresses.
- **Asset Management** - Further review to be undertaken in preparation for the development of the next iteration of the Asset Management Plan / LTFP in December 2024.
- **PLEC** - Further investment in PLEC beyond Stage 1 delivered in FY 2023. It should be noted that a cost benefit analysis was undertaken and presented to Elected Members in FY 2024. On the basis of the work undertaken no further investment is included in this version of the LTFP.
- **LED Lighting** - Further investment in LED lighting beyond Stage 1 is excluded. A cost benefit analysis was presented to Elected Members in FY 2024. On the basis of the work undertaken no further investment is included in this version of the LTFP.
- **Roads To Recovery Grant Program (RTR)** - Council has been advised of a significant increase to revenue in the next five year program (starting from 2024/2025) and beyond (aiming to double the amount of grant revenue allocated per annum by the end of the program and maintaining that level into the future). It should be noted that the increased revenue has been excluded from the ABP and this iteration of the LTFP pending the details of the grant conditions.

# Long Term Financial Plan 2025-2034

## 4. Hierarchy Of Documents

**Hierarchy of Documents** - Brings together the key planning documents to ensure that the vision, goals and objectives set by the Futures Paper are implemented in the Long Term Financial Plan, Asset Management Plan, Strategic Plan, and Annual Business Plan.

**The Long Term Financial Plan** - Guides and is guided by other key strategic management documents as shown below:



- **Futures Paper** - The paper outlines strategies for action at the individual, organisation and community level that will enable the community to achieve their collective aspirations (to be replaced by Mount Gambier 2035).

- **Long Term Financial Plan (10 Years)** - The Long Term Financial Plan shows the financial impact of the implementation of the Strategic Plan over the next 10 years and incorporates key assumptions from the Strategic Plan and Asset Management Plan. The LTFP will be reviewed by Council on an annual basis.
- **Asset Management Plan (Asset Management Summary) (10 Years)** - Identifies the required future expenditure on infrastructure and funding required to maintain service levels. It is aligned with the LTFP.
- **Strategic Plan (4 Years) \*** - Represents the vision, aspirations and priorities of our community now and into the future. The Strategic Plan is informed by the Futures Paper and identifies the outcomes Council seeks to achieve and the strategies Council will put in place to get there. The current plan is that the 2020-2024 Strategic Plan that will be replaced by 2024-2028 Strategic Plan by November 2024.
- **Mount Gambier 2035 (10 Years)** - Council has collaborated with the community to develop a community vision for our regional capital - Mount Gambier 2035. This will serve as the guiding document to inform Council's planning and decision making for the next ten years. This version of the Long Term Financial Plan has considered the Strategic Work Plan (Pages 13 and 14) which is informed by Council's current Strategic Plan as we work towards the development of Mount Gambier 2035. The draft community vision has been brought to Council in June 2024 for community consultation. Once adopted this will influence the 2024-2028 strategic plan that will inform future ABPs and LTFPs.

## Long Term Financial Plan 2025-2034

- **Annual Business Plan (1 Year)** - Each year, Council develops an Annual Business Plan guided by Council's strategic financial framework which sets strategic directions over the medium and long term and converts these into annual actions and outcomes. This shows the outcomes Council expects to achieve in the year, the services, the key measures of success and the budget required to deliver these outcomes.

# Long Term Financial Plan 2025-2034

## 5. Strategic Plan - Our Roles and Goals

### THE CITY DEVELOPMENT FRAMEWORK PROJECT

The City Development Framework Project involved the establishment of overall strategies for development, incorporating economic, social, environment and community opportunities and aspirations based on four interrelated themes:



1.

#### OUR PEOPLE

How do we ensure a highly skilled and educated population for the future challenges facing our community? A community reflecting good health, connectedness and wellbeing.

---



2.

#### OUR LOCATION

How do we take advantage of our location and expand our potential as a regional hub? Building on our regional centre for the provision of services, shopping, tourism, cultural, sporting and recreation.

---



3.

#### OUR DIVERSE ECONOMY

How do we build on and diversify our existing economy? We have existing high quality and skilled industry sectors including fabrication, manufacturing, forest products, agriculture, health and education. We also have emerging opportunities for digital technology and related industries.

---



4.

#### OUR CLIMATE, NATURAL RESOURCES AND HERITAGE

How do we promote and preserve our climate, natural resources and environment? We have a temperate climate, the Crater Lakes Volcanic Complex incorporating the world renowned Blue Lake, a unique natural environment and enviable natural resources. We also have a remarkable wealth of Indigenous and European heritage.

---



5.

#### OUR COMMITMENT

The Council has determined the following principles to ensure delivery against the Strategic Plan 2020-2024. These principles underpin all decisions made by the Council. They guide our strategic planning, processes, service delivery and the management of assets.

# Long Term Financial Plan 2025-2034



## STRATEGIC WORKPLAN 2024 - 2027

		2024-2025	2025-2026	2026-2027
	<b>PRIORITY “UNLOCKING” PROJECTS</b>	<ul style="list-style-type: none"> <li>ASSET MANAGEMENT PLANNING APPROACH</li> <li>BUSINESS SYSTEMS AND INFRASTRUCTURE</li> <li>WORKFORCE PLANNING FRAMEWORK</li> </ul>		
<b>GOAL 1</b>	<b>OUR PEOPLE</b>	VOLUNTEER MANAGEMENT PLAN IMPLEMENTATION		
		DISABILITY ACCESS & INCLUSION PLAN		
		RECONCILIATION ACTION PLAN		
<b>GOAL 2</b>	<b>OUR LOCATION</b>	REGIONAL PLAN	REGIONAL PLAN IMPLEMENTATION	
		STRATEGIC PROPERTY MANAGEMENT / COMMUNITY LAND MANAGEMENT PLANS		
		CRATER LAKES ACTIVATION PLAN		
		CBD ACTIVATION		
		SHAPING THE URBAN DESIGN OF OUR CITY		
<b>GOAL 3</b>	<b>OUR DIVERSE ECONOMY</b>	WASTE MANAGEMENT STRATEGY AND MASTERPLAN/ CIRCULAR ECONOMY/ REGIONAL MRF		
		TOURISM & VISITOR SERVICES		
		AFFORDABLE HOUSING PLAN FOR MT GAMBIER		
<b>GOAL 4</b>	<b>OUR CLIMATE, NATURAL RESOURCES, ARTS, CULTURE &amp; HERITAGE</b>	SROSS IMPLEMENTATION PLAN		
		UMPHERSTON SINKHOLE/ BALUMBUL & VANSITTART PARK MASTER PLANS	OLYMPIC PARK MASTER PLAN	
		ARTS STRATEGY FOR FUTURE		

# Long Term Financial Plan 2025-2034



VERSION 2.1

## STRATEGIC WORKPLAN 2024 - 2027

	2024-2025	2025-2026	2026-2027
--	-----------	-----------	-----------





# Long Term Financial Plan 2025-2034

## 6. CEO's Statement of Financial Sustainability

**Key Objective** - The key objective of preparing a comprehensive and informed LTFP is to enable Council to maintain financial sustainability in the medium to long term whilst achieving the objectives and standards detailed in Council's suite of strategic management plans.

**Service Levels** - This means Council will be able to manage and maintain current and predicted services and service levels, and infrastructure requirements to adequately provide for needs of the city.

### Our LTFP:

- **Guide** - Serves as guiding tool for decision making.
- **ABP** - Informs Annual Business Plan and Budget (ABP) processes by taking a multi-year perspective on spending positions;
- **Financial Sustainability** - Determines organisational financial capacity and sustainability; and
- **Legislation** - Complies with statutory requirements (per the Local Government Act and the Essential Services Commission of South Australia – ESCOSA).

### Funding:

To fund our major intergenerational project for the construction of the Wulanda Recreation and Convention Centre, the LTFP has applied debt as a means to achieve intergenerational equity. This ensures that the cost of construction of this project is shared across the current and future

ratepayers, consistent with those that will benefit from the use of this new facility.

### Our Financial Sustainability:

Council has three Key Financial Indicators (KFIs) per Council's Treasury Management Policy that measure financial sustainability. It should be noted that all three KFIs achieve the targets set by Council's Treasury Management Policy (T150) as shown below:

- **Operating Surplus Ratio** - The ratio is positive over the 10 year period with an average ratio of 2.8%, achieving a positive ratio from FY 2027 onwards.
- **Net Financial Liabilities Ratio** - The average ratio over the 10 years is 55.2%, achieving a ratio of less than 100% in 2025.
- **Asset Renewal Ratio** - The Asset Renewal Ratio is 100% over the 10 years of the LTFP, aligned with the forward works program and Asset Management Plan.

These indicators are evaluated in more detail within this document and together, show that Council will achieve its financial sustainability in the medium to long term.

# Long Term Financial Plan 2025-2034

## 7. Rate Setting (General Rates and Waste Service Charge)

**Historic Rating** - In previous years rating did not keep up with inflation and whilst the previously adopted LTFP included an increase that was smoothed across 3 years, rating was below actual CPI for FY 2024. Last year aligned with previous years, COMG average residential rates were significantly below the rural state average.

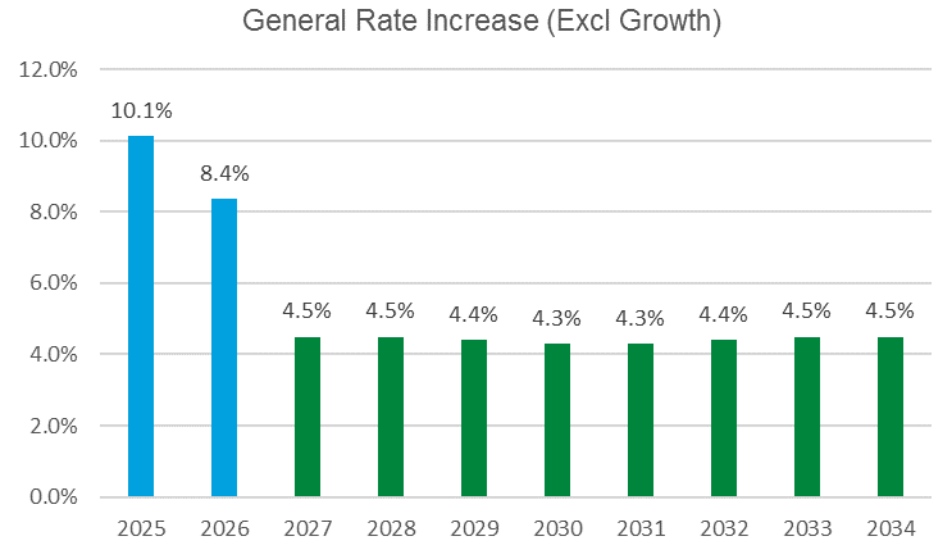
**Growth** - Over previous years the organisation has not grown/increased budget to reflect community growth (and increase in cost of service).

**Balanced Approach** - Council needs to find the balance between resident expectations and what is appropriate and affordable for Council to provide with the revenue available.

**General Rate Increase** - Rating for this financial year and beyond considers a number of factors including the following:

- **Average Rates** - City Of Mount Gambier's average residential rates have been significantly below the average rural SA average, being \$1,223 in FY 2024 compared to \$1,725 for the SA rural average.
- **Depreciation** - Further to the revaluations undertaken in the last 12 months for the Infrastructure and Buildings and Structures asset classes there has been a significant increase to the value of these asset classes and subsequently to depreciation (\$1.1m or 4.83% of the rate increase in FY 2025) and the forward capital works program.
- **Sustainability** - The updated modelled rate for FY 2027 and beyond is based upon CPI plus 2% to ensure that Council achieves and

maintains its operating surplus to fund future service provision and pay down debt.

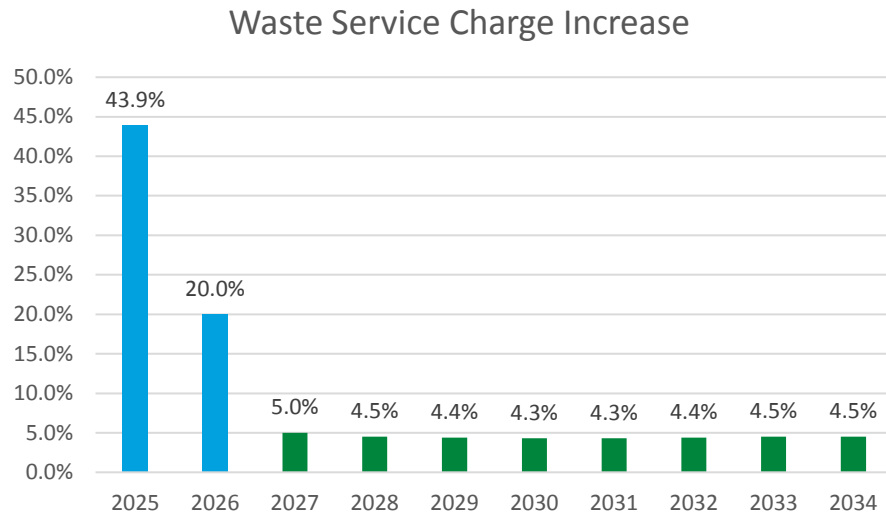


**Assessment Growth** - Assessment growth has been considered in the LTFP and has been assumed to be 1.11% in FY 2025 and 0.5% p.a. in the future years of the LTFP. Council has taken a prudent approach considering average growth of 0.70% for all assessments over the last 6 years (noting that this growth has been impacted by COVID).

**Impact on Individual Ratepayers** - It should be noted that the average rate increase per annum is based on the total of all rateable properties. The impact on individual ratepayers may be different based on the change in valuation of their property relative to the overall valuation changes across the council area.

## Long Term Financial Plan 2025-2034

**Waste Service Charge** - A significant increase has been proposed over the next two years to ensure that revenue covers the cost of service and is charging an amount that is more consistent with the charges from other SA Councils (as shown in the graph below).



# Long Term Financial Plan 2025-2034

## 8. Funding Of This Plan

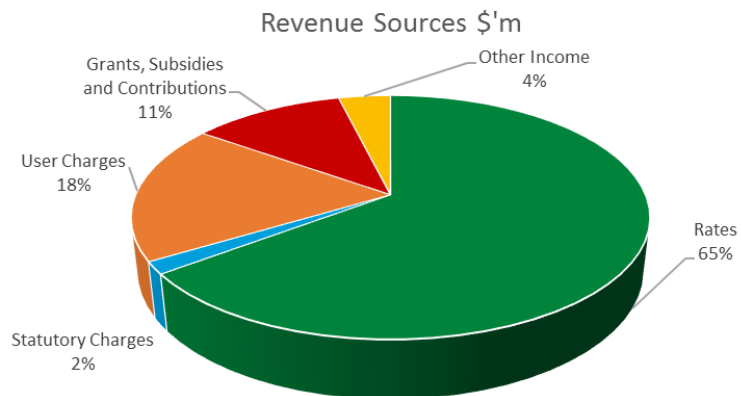
### OVERVIEW:

Council generates revenue and funds this plan from a number of sources to provide services, infrastructure and benefits to the community and ensure the economic, social and environmental sustainability of the region.

Funding is generated from revenue and borrowings aligned with relevant policies, plans and objectives to ensure a balanced approach in generating public value to the community. A summary of the funding that supports this LTFP is shown in the Uniform Presentation of Finances included in the Appendix.

### REVENUE:

**Revenue** - Council's main sources of revenue are as follows:



- **Rates** - Council generates 65% of total revenue (operating and capital) across the life of the LTFP from rates. This revenue is in the form of:
  - General rates; and
  - Waste service charge.
- **Statutory Charges** - Are legislated charges that support environmental, development and public health including:
  - Planning and development fees;
  - Public health and support services; and
  - Animal management (including dog registration).
- **User Charges** - Are fees and charges associated with the provision of specific services to the community/businesses including:
  - **Waste management fees** - Gate fee, Waste Transfer Charges and the reuse market;
  - **Wulanda** - Fees and charges in relation to the use of the facility;
  - Cemetery fees;
  - Council facility rental, and;
  - Retail facilities.
- **Grants, Subsidies and Contributions** - Are external funds obtained from other levels of government or other bodies that contribute to either Council's cost of operations or support capital projects over the life of the LTFP.
- **Other Income** - Includes reimbursements and sundry income (such as Open Space fees) and sale of surplus assets.

# Long Term Financial Plan 2025-2034

---

## BORROWINGS:

**Council's Debt** - A key source of funding for this version of the LTFP is borrowings. The borrowings structure is made up of the following:

- **Credit Foncier Loans** - These are fixed term loans with varying terms that have been used to support the construction of the Wulanda Recreation and Convention Centre facility. It should be noted that particular care has been taken in establishing the terms of the individual loans to ensure that at the end of the LTFP the required flexibility is available.
- **CADs** - These are flexible loans where funds are drawn down and paid back as required.
- **Debt Structure** - The mix between fixed and variable debt has been considered throughout this version of the LTFP to ensure that required flexibility and capacity is available to Council.
- **Total Borrowings** - The level of total borrowings for each year has been included in the Key Financial Ratios section of this document (it should be noted that the borrowings are funded by loans/debt capacity specifically allocated to the construction of the Wulanda Recreation and Convention Centre and other debt capacity for other Council operations).

## LGFA Loan Agreement To Fund the Wulanda Recreation and Convention Centre (WRCC):

The targets were aligned with the terms of the special conditions of the loan with the LGFA (Local Government Finance Authority) accepted by Council at the Special Council meeting on 23 March 2021 (as follows):

## REPORT RECOMMENDATION

1. *That Council Report No. AR21/17395 titled 'Wulanda Recreation and Convention Centre Funding' as presented on 23 March 2021 be noted.*
2. *That Council accept the special conditions of the loan approval for the Wulanda Recreation and Convention Centre imposed by the Local Government Finance Authority and will, as forecast in the current adopted Long-Term Financial Plan, not later than the end of the financial year ending 30 June 2027 have achieved:*
  - *A positive Operating Surplus Ratio*
  - *Net Financial Liabilities Ratio less than 100%;*
  - *Asset Renewal Ratios which align with forecasts set out in the Long-Term Financial Plan*
  - *That Council not undertake any capital projects or increase the costs of operations through new or enhanced services other than as set out in the Long-Term Financial Plan.*

## Debt Structure/Strategy:

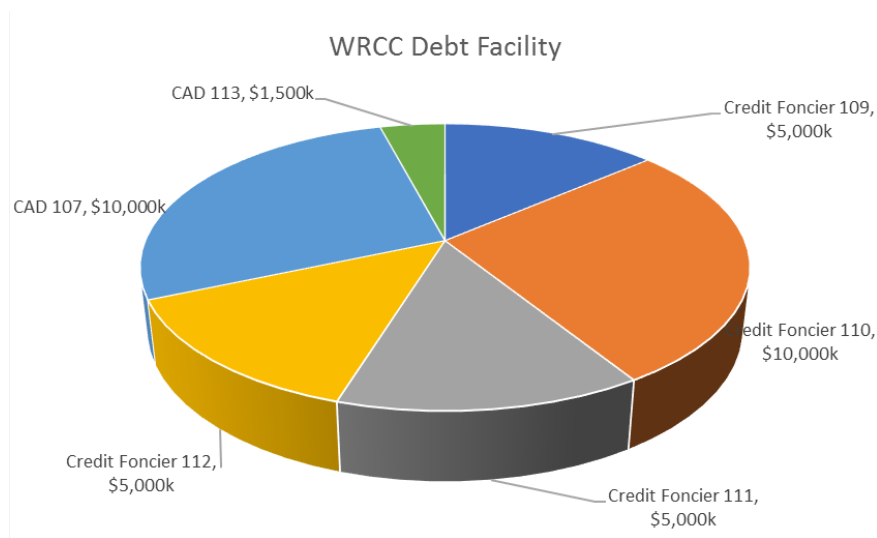
Debt structure assumptions i.e. the mix of borrowings between fixed debt and flexible debt and the term of the loans used to fund Council's activities have been considered in the context of the adopted Treasury Management Policy (T150).

- **WRCC Borrowings/Debt Capacity** - The original funding of Wulanda assumed \$35m of debt for Wulanda (i.e. cash c\$5m, Federal Government grant funding of \$15m and State

## Long Term Financial Plan 2025-2034

Government grant funding of \$10m, plus \$35m debt funding). Subsequently, an additional CAD facility of \$1.5m was approved.

The graph below shows the debt facility by individual loan with the original loan amount/capacity of \$36.5m.



**Individual Loans** - Details of the individual loans/debt capacity in terms of the expiry date and interest rate are as follows (aligned with annual Audit and Risk Committee reporting):

Facility	Expiry Date	Interest Rate
Credit Foncier 109 (WRCC)	16/05/2032	4.75%
Credit Foncier 110 (WRCC)	16/05/2037	4.85%
Credit Foncier 111 (WRCC) *	15/03/2025	5.07%
Credit Foncier 112 (WRCC) *	15/05/2026	4.95%
CAD 107 (WRCC)	16/08/2026	6.15%
CAD 113 (WRCC)	15/06/2025	6.15%

\* It should be noted that these loans have balloon facilities that allow the loan to be either repaid or refinanced (either as another credit foncier loan or a CAD). The LTFP assumes that the loans will be refinanced as credit fonciers upon expiry until 2031 when they are repaid and converted into flexible CADs.

It should also be noted that the CAD rates included in the table are as at 19/06/24.

# Long Term Financial Plan 2025-2034

## 9. Key Assumptions

---

### OPERATING REVENUE:

- **General Rates** - Revenue has been indexed by 10.13% and 8.35% (excluding growth) over the first two years of the LTFP and CPI plus 2% to ensure financial sustainability (excluding growth) for the remaining years of the LTFP.
- **Waste Service Charges** - Aligned with general rates revenue has been indexed by 43.9% (including growth) in FY 2025 and 20% in FY 2026 to ensure that revenue covers the cost of service, 5% in FY 2027 and CPI + sustainability for the remaining years of the LTFP.
- **Council Operations User Charges** - CPI increases have been applied over the remaining 10 years aligned with the user pays principle for the majority of user charges.
- **Grant Funding (Recurrent)** - Such as the Financial Assistance Grants, Roads to Recovery (RTR) and Local Roads and Community Infrastructure (LRCI) have been assumed to be received within the year they are paid.

In particular for Financial Assistance Grants it has been assumed that 100% of the year's allocation will be paid in the current year (from FY 2025 onwards) and that the Special Local Roads Fund payment will continue.

It should be noted that at this stage no advice has to date been provided for the advance payments for FY 2026 and payments in future years and as such no adjustment has been made to the LTFP.

The Federal Government has announced a significant increase in the Roads to Recovery program (to double the amount allocated per annum by the end of the five year program and continue at that level into the future), however, no specific guidelines have been provided at this stage and as such a prudent approach has been taken including the average grant payment from the last five year grant program at this stage.

Indexation where appropriate has been applied to other grant revenue based on CPI. It should be noted that there are some significant grants where no indexation has been applied historically and this has been assumed to continue.

- **Grant Funding (One-off)** - Tied grant funding is applied in the same year that corresponding expenditure is planned. LRCI Phase 4(a) and Phase 4 (b) has been phased across the years as follows: initial grant payment of 60% has been included in FY 2024 with 30% in FY 2025 and 10% in FY 2026.
- **Development Related Revenue** - Development Approval and Planning fees have been escalated by 1.9% p.a. (aligned with the previous LTFP) and Open Space fees have been escalated by CPI across the life of the LTFP.

---

### OPERATING EXPENDITURE:

- **Materials, Contracts & Other Expenditure** - Has been indexed in line with forecast CPI increases over the period of the plan. Historically, LGPI (Local Government Price Index) has been applied as the relevant indicator of movement in local government costs (reflecting historically higher costs for the "basket of goods and services" procured by Council), However, as the LGPI is reported on

## Long Term Financial Plan 2025-2034

an annual/historic basis, considering the current economic conditions it has been determined that CPI should be applied as the most reliable and relevant index.

- **Employee Costs** - Standard increases are aligned with Council's enterprise agreement for the initial years of the LTFP, with anticipated increases thereafter. Superannuation costs have been assumed to increase in line with legislation i.e. to reach 12% (+1%) by 2025/26.
- **Strategic Work Plan Delivery** - Additional funding has been allocated to support the delivery of identified initiatives and a further capacity of c\$400k in FY 2025 and c\$435k p.a.(unindexed from FY 2026 onwards)
- **FTEs** - The number of FTEs employed by Council over the life of the LTFP is assumed to increase by 2 FTEs p.a. (above the additional 1.5 FTEs included in FY 2025).
- **Finance Costs** - Have been modelled factoring in the projected debt Council will hold in each year of the plan, and the forecast interest rate to be charged by the Local Government Finance Authority. In this plan the interest rate used has been modelled based on actual rates provided by the LGFA for credit foncier loans and indicative rates for Convertible Cash Advance Debentures (flexible borrowings) forecasts provided by Deloitte Access Economics and historical data.

---

### CAPITAL EXPENDITURE

- **Asset Renewal** - Is provisioned to allow for Council to meet the renewal requirements as per the revised Asset Management Plan. Renewal, maintenance and depreciation of new and upgraded

assets have been included in the plan to ensure these are funded. The forward works program for the Infrastructure and Buildings and Structures classes are based upon the condition audits and valuations undertaken as at 30 June 2023 and 1 July 2023 respectively. Indexation applied is in line with forecast CPI increases over the period of the plan (noting that the forecast in the Asset Management Summary is unindexed).

- **New Capital/Upgrade** - Has been included in the plan and are based on Council's Asset Management Plan. At this stage prior to the completion of the Caroline Landfill Masterplan the only significant investment for new capital will be for cell construction. Indexation applied is in line with forecast CPI increases over the period of the plan (noting that the forecast in the Asset Management Summary is unindexed).
- **Future Development** - It should be noted that the next iteration of the Asset Management Plan will be prepared for inclusion in the LTFP to be developed in the first half of FY 2025.

---

### CAPITAL REVENUE

- **Grants** - At this stage future grants have been assumed for the following projects (it should also be noted that should grant applications be unsuccessful the projects will be reviewed to establish whether a lesser project scope should be delivered):
  - **Railway Lands Nature Play** - Funding of \$250k has been incorporated with matching funding provided by Council;
  - **Sports Recreation and Open Space Strategy (SROSS)** - From 2028 onwards the program is expected to deliver three projects with design in year 1 and construction in year 2 supported by



## Long Term Financial Plan 2025-2034

matching grant funding (c\$5m per project excluding inflation with \$2.5m grant funding).

- **Physical Resources Received Free of Charge** - Considering prior year performance an allocation of \$1m per annum has been included in this version of the LTFP.

---

### STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

- **Assets** such as trade and other receivables, inventories and equity accounted investments have all been modelled based on historical averages, with no significant variances expected over the period of the plan.
- **Infrastructure, Property, Plant and Equipment** are modelled based on the cumulative effect of depreciation, capital expenditure, asset disposals and adjustments made to maintain valuations at fair value. It should be noted that from FY 2026 onwards CPI has been applied to assets that are revalued annually.
- **Liabilities** such as trade and other payables and provisions, have been modelled based on historical averages of Council, with no significant variances expected over the period of the plan.
- **Borrowings** provide an alternative source of funding to enable Council to achieve its objectives and in particular the funding of the Wulanda Recreation & Convention Centre. Borrowing requirements have been modelled based on the cumulative effect of operating deficits/surpluses, capital expenditure and revenue. The debt structure and allocation between fixed (credit foncier) and flexible (CADs) was developed in consultation with Elected Members and the Audit and Risk Committee.

# Long Term Financial Plan 2025-2034

## 10. Key Financial Ratios

### OVERVIEW

**Local Government Sector Performance** - The following Key Financial Indicators are deemed by the Local Government Sector to be the best indicators for determining financial sustainability:

- Operating surplus / (deficit) ratio;
- Net financial liabilities ratio; and
- Asset renewal funding ratio.

**Legislative Requirement** - These indicators are also a requirement of Council's annual financial reporting in accordance with Local Government legislation and regulations.

Section 122 of the Local Government Act 1999 states that Councils should assess:

*"...The sustainability of the Council's financial performance and position, and... The extent of levels of services that will be required to be provided by the council to achieve its objectives and to the extent to which any infrastructure will need to be maintained, replaced or developed by the Council..."*

**Treasury Management Policy** - The following graphs and accompanying commentary are set against targets included in the adopted "Treasury Management Policy" as shown below:

#### "6.3 **Key Financial Indicators (KFIs)**

- *Council ensures long term financial sustainability using key financial indicators in its LTFP. Council has the following targets:*
  - **Operating Surplus Ratio** – *To achieve a positive operating surplus ratio by FY 2027.*
  - **Net Financial Liabilities Ratio** – *Achieve a target of less than 100% of total operating revenue by FY 2027; and*
  - **Asset Renewal Funding Ratio** - *Maintain asset renewal funding ratio of greater than or equal to 100% of the Asset Management Plan."*

**Additional Ratio** – The borrowing to income ratio has been incorporated in the LTFP as an additional measure of financial sustainability.

# Long Term Financial Plan 2025-2034

## OPERATING SURPLUS RATIO

### What is the purpose of this ratio?

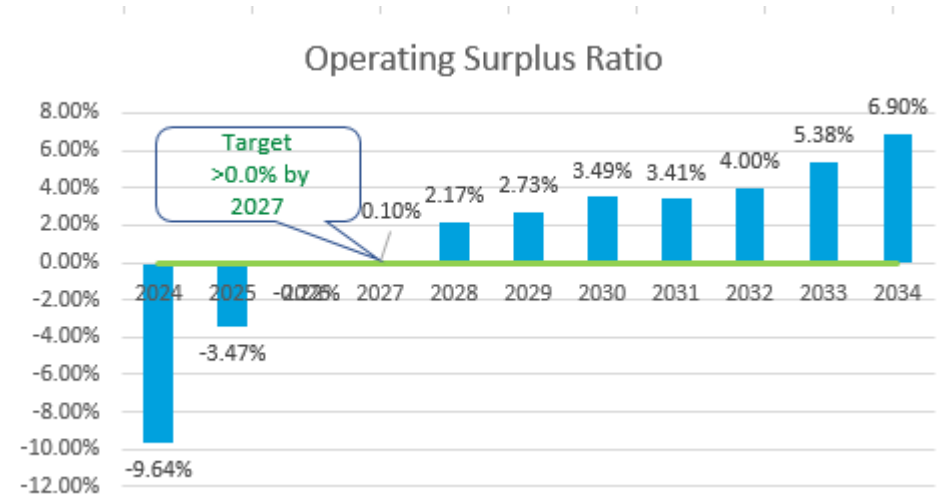
This financial indicator is useful in determining if current ratepayers are paying enough to cover products and services provided in each period.

### How is this ratio calculated?

Operating surplus before capital revenues as a percentage of total operating revenue.

### What is the target?

The target to be achieved by FY2027 is that Council will achieve a positive ratio (aligned with Council's Treasury Management Policy and the LGFA loan terms to fund the construction of the Wulanda Recreation and Convention Centre).



### Result:

Council expects to return to a surplus ratio in FY 2027, aligned with the target, delivering a positive ratio for 8 years of the LTFP. The average ratio over the life of the LTFP is 2.8%.

It should be noted that the surplus is required in future years for the repayment of debt.

# Long Term Financial Plan 2025-2034

## NET FINANCIAL LIABILITIES RATIO

### What is the purpose of this ratio?

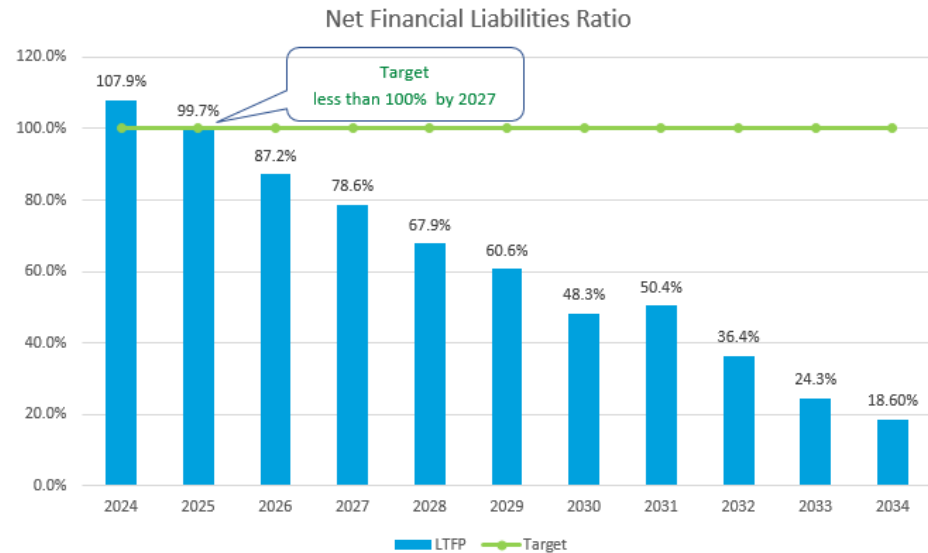
This financial indicator is useful in determining the level of indebtedness that Council has in comparison to its operating revenue.

### How is this ratio calculated?

Net financial liabilities as a percentage of total operating revenue.

### What is the target?

“Council will achieve a net financial liabilities ratio of less than 100% of total operating revenue by FY 2027” (aligned with Council’s Treasury Management Policy and the LGFA loan terms to fund the construction of the Wulanda Recreation and Convention Centre)..



### Result:

Council achieves its target of less than 100% Net Financial Liabilities Ratio by FY 2025 (99.7%), with a ratio of below the target for 10 out of the 10 years, an average ratio of 55.2% over the forward 10 years and a peak ratio of 99.7% in FY 2025.

# Long Term Financial Plan 2025-2034

## ASSET RENEWAL FUNDING RATIO

### What is the purpose of this ratio?

This financial indicator is useful in determining if Council is maintaining all of its assets.

This is best demonstrated by comparing total Capital Renewal expenditure planned against Strategic Asset Management Plan requirements.

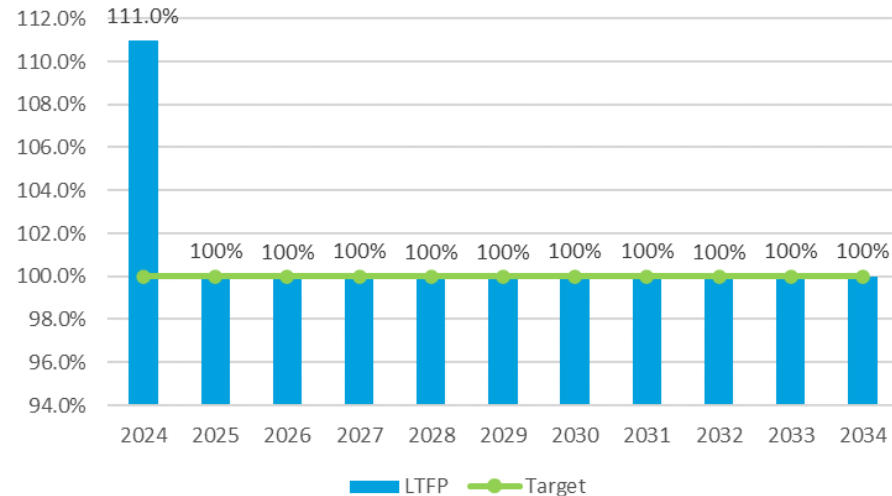
### How is this ratio calculated?

Capital expenditure on renewal or replacement of existing assets as a percentage of asset management plan allocations.

### What is the target?

“Council will maintain an asset renewal funding ratio of greater than or equal to 100% of Asset Management Plan”.

Asset Renewal Funding Ratio



### Result:

Council will achieve over the period of the plan the required expenditure that is set out in the Asset Management Plan.

Renewal expenditure for the future 10 years is expected to be aligned with the Asset Management Plan i.e. a ratio of 100%.

# Long Term Financial Plan 2025-2034

## BORROWING TO INCOME RATIO

### What is the purpose of this ratio?

This is a way to measure Council's ability to make loan repayments comfortably without putting the organisation in financial hardship.

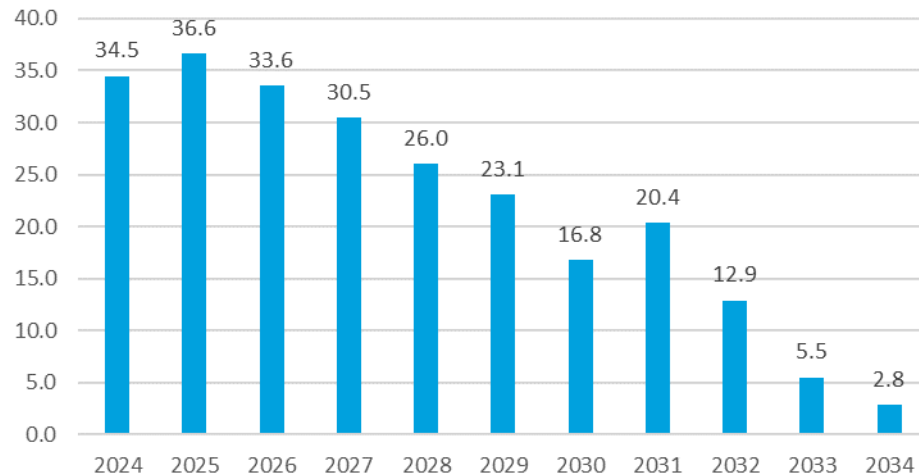
### How is this ratio calculated?

Total borrowings including CAD divided by total operating revenue.

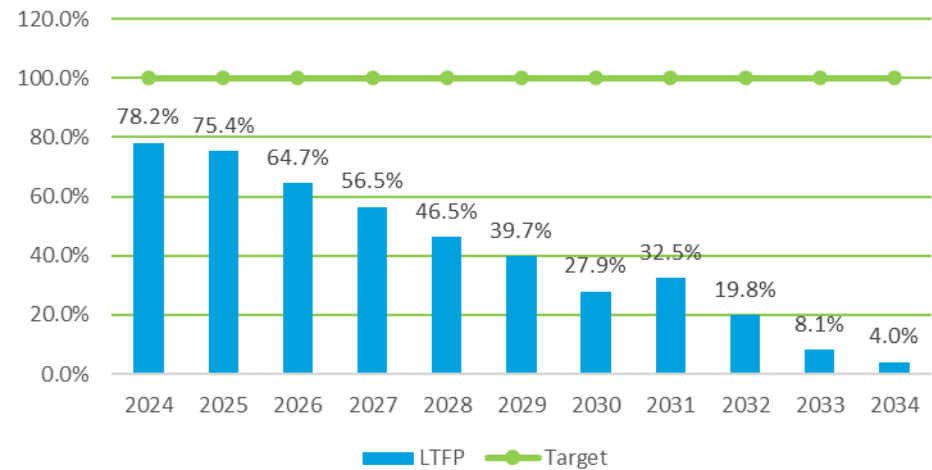
### What is the target?

"Council will maintain a target of less than 100%".

Total Borrowings (\$'m)



Borrowing To Income Ratio



### Result:

As debt is repaid through rates revenue, it is important that we are mindful of how much we borrow and how quickly we can repay our debt. That is why we have a long term view of debt and have focused on Council's debt structure and significantly reducing debt from the peak of \$36.6m in FY 2025 to \$2.8m in FY 2034.

For all years of the LTFP the borrowing to income ratio is lower than the 100% target.

Debt structure assumptions i.e. the mix of borrowings between fixed debt and flexible debt and the term of the loans used to fund Council's activities have been considered in the context of the adopted Treasury Management Policy (T150).

# Long Term Financial Plan 2025-2034

## Assumptions

Key Assumptions	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
General Rates Revenue Increase (excl Growth)	10.13%	8.35%	4.50%	4.50%	4.40%	4.30%	4.30%	4.40%	4.50%	4.50%
Assessment Growth	1.11%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Waste Service Charge Increase	43.89%	20.00%	5.00%	4.50%	4.40%	4.30%	4.30%	4.40%	4.50%	4.50%
Consumer Price Index (South Australian CPI)	2.90%	2.60%	2.50%	2.50%	2.40%	2.30%	2.30%	2.40%	2.50%	2.50%
Std Bank Variable Interest Rate (Dec 23)	8.09%	7.24%	6.84%	6.65%	6.44%	6.19%	6.08%	6.06%	6.06%	6.06%
CAD Interest Rate (estimate)	5.78%	5.18%	4.89%	4.76%	4.61%	4.43%	4.35%	4.34%	4.34%	4.34%

### Significant Expenditure:

Item	Operating/ Capital	Assumption
DC Grant Sale Yards Contribution	Operating	\$38.5k p.a. for FY 2025 and FY 2026
ESCOSA Local Government Rates Oversight Scheme	Operating	FY 2025 \$40k, FY 2029 \$40k, FY 2033 \$40k (unindexed).
Workforce Plan	Operating	\$50k in FY 2025.
Asset Condition Audits	Operating	\$50k p.a. (unindexed).
SROSS Masterplans	Operating	\$50k p.a. (unindexed).
CBD Activation	Operating	C\$100k p.a. (unindexed).
Business Systems Review	Operating	\$115k in FY 2025 and \$250k in FY 2026.
Council Election costs	Operating	FY2027 \$140k, and FY2031 \$150k.
Infrastructure Valuations	Operating	c\$230k (unindexed in FY 2027 and FY 2031)
Buildings Valuations	Operating	c\$200k (unindexed in FY 2027 and FY 2031).
Strategic Work Plan Allocation	Operating	c\$400k in FY 2025 and \$435k from 2026 onwards (unindexed).
SROSS Implementation	Capital	Year 1 Design \$500k, Year 2 Construct \$4,500k (gross capital expenditure unindexed), supported by 50% grant funding (unindexed).

# Long Term Financial Plan 2025-2034

## Financial Statements - Uniform Presentation of Finances

2023 Actual	\$'000s	2024 BR3	2025 ABP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP	2031 LTFP	2032 LTFP	2033 LTFP	2034 LTFP
	<b>Income</b>											
24,893	Rates	26,455	30,314	33,398	35,029	36,713	38,442	40,215	42,072	44,057	46,181	48,409
731	Statutory Charges	847	896	913	931	948	966	985	1,003	1,022	1,042	1,062
6,947	User Charges	9,055	9,812	10,188	10,442	10,703	10,960	11,212	11,470	11,745	12,039	12,340
1,071	Grants, Subsidies and Contributions - Capital	1,053	388	138	63	65	66	68	69	71	73	75
6,402	Grants, Subsidies and Contributions - Operating	4,738	5,250	5,341	5,475	5,607	5,717	5,835	5,955	6,094	6,221	6,362
49	Investment Income	53	57	60	55	50	43	38	27	33	0	0
755	Reimbursements	1,351	1,192	1,195	1,225	1,256	1,286	1,316	1,346	1,378	1,413	1,448
1,263	Other Income	509	665	679	696	713	730	747	764	783	802	822
<b>42,111</b>	<b>Total Income</b>	<b>44,060</b>	<b>48,574</b>	<b>51,913</b>	<b>53,916</b>	<b>56,055</b>	<b>58,211</b>	<b>60,415</b>	<b>62,707</b>	<b>65,183</b>	<b>67,770</b>	<b>70,516</b>
	<b>Expenses</b>											
14,365	Employee Costs	15,492	16,324	17,302	18,127	18,985	19,858	20,745	21,665	22,642	23,679	24,758
17,460	Materials, Contracts & Other Expenses	19,921	20,148	20,766	21,509	21,419	21,966	22,437	23,588	23,504	24,128	24,694
10,176	Depreciation, Amortisation & Impairment	11,019	11,857	12,142	12,637	13,043	13,590	14,135	14,244	15,605	15,831	15,938
1,094	Finance Costs	1,876	1,928	1,817	1,587	1,394	1,208	987	1,073	821	485	263
<b>43,095</b>	<b>Total Expenses</b>	<b>48,308</b>	<b>50,257</b>	<b>52,027</b>	<b>53,860</b>	<b>54,841</b>	<b>56,622</b>	<b>58,305</b>	<b>60,571</b>	<b>62,573</b>	<b>64,124</b>	<b>65,653</b>
<b>(984)</b>	<b>Operating surplus / (deficit)</b>	<b>(4,248)</b>	<b>(1,683)</b>	<b>(115)</b>	<b>57</b>	<b>1,214</b>	<b>1,588</b>	<b>2,110</b>	<b>2,136</b>	<b>2,610</b>	<b>3,646</b>	<b>4,863</b>
17	Timing Adjustment for grant revenue	(36)										
<b>(967)</b>	<b>Adjusted Operating Surplus (Deficit)</b>	<b>(4,285)</b>	<b>(1,683)</b>	<b>(115)</b>	<b>57</b>	<b>1,214</b>	<b>1,588</b>	<b>2,110</b>	<b>2,136</b>	<b>2,610</b>	<b>3,646</b>	<b>4,863</b>
	<b>Net outlays on existing assets</b>											
(5,370)	Capital expenditure on renewal and replacement of existing assets	(6,395)	(8,696)	(7,893)	(8,254)	(8,326)	(8,292)	(9,048)	(10,480)	(9,144)	(8,590)	(10,003)
10,176	Depreciation, amortisation and impairment	11,019	11,857	12,142	12,637	13,043	13,590	14,135	14,244	15,605	15,831	15,938
40	Proceeds from sale of replaced assets	242	332	228	213	198	219	257	312	231	166	249
<b>4,846</b>	<b>Net outlays on existing assets</b>	<b>4,866</b>	<b>3,493</b>	<b>4,477</b>	<b>4,595</b>	<b>4,915</b>	<b>5,516</b>	<b>5,345</b>	<b>4,076</b>	<b>6,693</b>	<b>7,407</b>	<b>6,184</b>
	<b>Net outlays on new and upgraded assets</b>											
(18,216)	Capital expenditure on new and upgraded assets <i>(including investments property &amp; real estate developments)</i>	(6,501)	(2,743)	(1,061)	(1,555)	(1,874)	(6,644)	(1,433)	(9,936)	(1,501)	(6,388)	(6,499)
5,142	Amounts received specifically for new and upgraded assets	500	250	0	0	269	2,484	282	2,599	296	2,728	311
20	Proceeds from sale of surplus assets <i>(including investment property and real estate developments and non-current assets held for resale)</i>											
<b>(13,054)</b>	<b>Net outlays on new and upgraded assets</b>	<b>(6,002)</b>	<b>(2,493)</b>	<b>(1,061)</b>	<b>(1,555)</b>	<b>(1,605)</b>	<b>(4,160)</b>	<b>(1,150)</b>	<b>(7,337)</b>	<b>(1,205)</b>	<b>(3,660)</b>	<b>(6,188)</b>
<b>(9,175)</b>	<b>Annual net impact to financing activities (surplus (deficit))</b>	<b>(5,421)</b>	<b>(683)</b>	<b>3,302</b>	<b>3,097</b>	<b>4,524</b>	<b>2,945</b>	<b>6,305</b>	<b>(1,125)</b>	<b>8,098</b>	<b>7,393</b>	<b>4,859</b>



# Long Term Financial Plan 2025-2034

## Financial Statements - Statement of Comprehensive Income

2023 Actual		2024 BR3	2025 ABP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP	2031 LTFP	2032 LTFP	2033 LTFP	2034 LTFP
<b>Income</b>												
24,893	Rates	26,455	30,314	33,398	35,029	36,713	38,442	40,215	42,072	44,057	46,181	48,409
731	Statutory Charges	847	896	913	931	948	966	985	1,003	1,022	1,042	1,062
6,947	User Charges	9,055	9,812	10,188	10,442	10,703	10,960	11,212	11,470	11,745	12,039	12,340
1,071	Grants, Subsidies and Contributions - Capital	1,053	388	138	63	65	66	68	69	71	73	75
6,402	Grants, Subsidies and Contributions - Operating	4,738	5,250	5,341	5,475	5,607	5,717	5,835	5,955	6,094	6,221	6,362
49	Investment Income	53	57	60	55	50	43	38	27	33	0	0
755	Reimbursements	1,351	1,192	1,195	1,225	1,256	1,286	1,316	1,346	1,378	1,413	1,448
1,263	Other Income	509	665	679	696	713	730	747	764	783	802	822
<b>42,111</b>	<b>Total Income</b>	<b>44,060</b>	<b>48,574</b>	<b>51,913</b>	<b>53,916</b>	<b>56,055</b>	<b>58,211</b>	<b>60,415</b>	<b>62,707</b>	<b>65,183</b>	<b>67,770</b>	<b>70,516</b>
<b>Expenses</b>												
14,365	Employee Costs	15,492	16,324	17,302	18,127	18,985	19,858	20,745	21,665	22,642	23,679	24,758
17,460	Materials, Contracts & Other Expenses	19,921	20,148	20,766	21,509	21,419	21,966	22,437	23,588	23,504	24,128	24,694
10,176	Depreciation, Amortisation & Impairment	11,019	11,857	12,142	12,637	13,043	13,590	14,135	14,244	15,605	15,831	15,938
1,094	Finance Costs	1,876	1,928	1,817	1,587	1,394	1,208	987	1,073	821	485	263
<b>43,095</b>	<b>Total Expenses</b>	<b>48,308</b>	<b>50,257</b>	<b>52,027</b>	<b>53,860</b>	<b>54,841</b>	<b>56,622</b>	<b>58,305</b>	<b>60,571</b>	<b>62,573</b>	<b>64,124</b>	<b>65,653</b>
<b>(984)</b>	<b>Operating Surplus / (Deficit)</b>	<b>(4,248)</b>	<b>(1,683)</b>	<b>(115)</b>	<b>57</b>	<b>1,214</b>	<b>1,588</b>	<b>2,110</b>	<b>2,136</b>	<b>2,610</b>	<b>3,646</b>	<b>4,863</b>
1,054	Physical Resources Received Free of Charge	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
5,808	Amounts Received Specifically for New or Upgraded Assets	211	250	0	0	269	2,484	282	2,599	296	2,728	311
(364)	Asset Disposal & Fair Value Adjustments	(0)	0	0	0	0	0	0	0	0	0	0
<b>5,514</b>	<b>Net Surplus / (Deficit)</b>	<b>(3,038)</b>	<b>(433)</b>	<b>885</b>	<b>1,057</b>	<b>2,483</b>	<b>5,072</b>	<b>3,392</b>	<b>5,735</b>	<b>3,906</b>	<b>7,374</b>	<b>6,174</b>
<b>Other Comprehensive Income</b>												
<b>Amounts which will not be reclassified subsequently to operating result</b>												
90,897	Changes in Revaluation Surplus - I,PP&E	42,695	0	11,316	11,101	11,325	11,093	10,930	11,112	12,045	12,742	13,055
(575)	Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0
<b>90,322</b>	<b>Total Other Comprehensive Income</b>	<b>42,695</b>	<b>0</b>	<b>11,316</b>	<b>11,101</b>	<b>11,325</b>	<b>11,093</b>	<b>10,930</b>	<b>11,112</b>	<b>12,045</b>	<b>12,742</b>	<b>13,055</b>
<b>95,836</b>	<b>Total Comprehensive Income</b>	<b>39,657</b>	<b>(433)</b>	<b>12,202</b>	<b>12,158</b>	<b>13,809</b>	<b>16,165</b>	<b>14,322</b>	<b>16,848</b>	<b>15,951</b>	<b>20,116</b>	<b>19,229</b>

# Long Term Financial Plan 2025-2034

## Financial Statements - Statement of Financial Position (Balance Sheet)

2023 Actual	\$'000s	2024 BR3	2025 ABP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP	2031 LTFP	2032 LTFP	2033 LTFP	2034 LTFP
<b>ASSETS</b>												
<b>Current Assets</b>												
76	Cash & Cash Equivalents	500	507	506	502	498	497	493	497	499	494	1,662
4,155	Trade & Other Receivables	1,813	2,056	2,228	2,323	2,414	2,520	2,622	2,728	2,833	2,962	3,089
67	Inventories	69	71	73	74	76	78	80	82	84	86	88
<b>4,298</b>	<b>Total Current Assets</b>	<b>2,381</b>	<b>2,634</b>	<b>2,806</b>	<b>2,899</b>	<b>2,988</b>	<b>3,095</b>	<b>3,195</b>	<b>3,306</b>	<b>3,415</b>	<b>3,542</b>	<b>4,839</b>
<b>Non-Current Assets</b>												
399,756	Infrastructure, Property, Plant & Equipment	448,270	448,700	457,784	467,026	476,493	489,894	498,092	517,399	525,434	538,337	554,190
0	Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0	0
<b>399,756</b>	<b>Total Non-Current Assets</b>	<b>448,270</b>	<b>448,700</b>	<b>457,784</b>	<b>467,026</b>	<b>476,493</b>	<b>489,894</b>	<b>498,092</b>	<b>517,399</b>	<b>525,434</b>	<b>538,337</b>	<b>554,190</b>
<b>404,054</b>	<b>TOTAL ASSETS</b>	<b>450,651</b>	<b>451,334</b>	<b>460,590</b>	<b>469,926</b>	<b>479,480</b>	<b>492,988</b>	<b>501,286</b>	<b>520,706</b>	<b>528,849</b>	<b>541,879</b>	<b>559,029</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
4,801	Trade & Other Payables	5,714	5,705	5,613	5,735	5,711	5,811	5,888	6,570	6,052	6,165	6,457
3,088	Borrowings	1,269	1,337	1,417	1,484	1,555	1,629	8,744	1,330	753	780	0
3,011	Provisions	3,086	3,176	3,258	3,340	3,423	3,505	3,586	3,669	3,757	3,851	3,947
<b>10,900</b>	<b>Total Current Liabilities</b>	<b>10,070</b>	<b>10,218</b>	<b>10,288</b>	<b>10,559</b>	<b>10,689</b>	<b>10,945</b>	<b>18,218</b>	<b>11,569</b>	<b>10,562</b>	<b>10,796</b>	<b>10,404</b>
<b>Non-Current Liabilities</b>												
28,519	Borrowings	33,202	35,266	32,155	28,967	24,486	21,478	8,087	19,057	12,154	4,725	2,835
3,495	Provisions	6,582	5,486	5,582	5,677	5,774	5,869	5,963	4,213	4,316	4,425	4,629
<b>32,014</b>	<b>Total Non-Current Liabilities</b>	<b>39,784</b>	<b>40,753</b>	<b>37,737</b>	<b>34,643</b>	<b>30,259</b>	<b>27,346</b>	<b>14,049</b>	<b>23,271</b>	<b>16,469</b>	<b>9,149</b>	<b>7,464</b>
<b>42,914</b>	<b>TOTAL LIABILITIES</b>	<b>49,855</b>	<b>50,971</b>	<b>48,025</b>	<b>45,202</b>	<b>40,948</b>	<b>38,292</b>	<b>32,268</b>	<b>34,839</b>	<b>27,032</b>	<b>19,946</b>	<b>17,868</b>
<b>361,140</b>	<b>Net Assets</b>	<b>400,797</b>	<b>400,364</b>	<b>412,565</b>	<b>424,723</b>	<b>438,532</b>	<b>454,697</b>	<b>469,019</b>	<b>485,866</b>	<b>501,817</b>	<b>521,933</b>	<b>541,162</b>
<b>EQUITY</b>												
87,644	Accumulated Surplus	84,606	84,173	85,058	86,115	88,598	93,670	97,062	102,798	106,704	114,078	120,252
271,174	Asset Revaluation Reserves	313,869	313,869	325,185	336,286	347,612	358,705	369,634	380,747	392,792	405,533	418,588
2,322	Other Reserves	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,322
<b>361,140</b>	<b>Total Equity</b>	<b>400,797</b>	<b>400,364</b>	<b>412,565</b>	<b>424,723</b>	<b>438,532</b>	<b>454,697</b>	<b>469,019</b>	<b>485,866</b>	<b>501,817</b>	<b>521,933</b>	<b>541,162</b>

# Long Term Financial Plan 2025-2034

## Financial Statements - Cashflow Statement

2023 Actual	2024 BR3	2025 ABP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP	2031 LTFP	2032 LTFP	2033 LTFP	2034 LTFP	
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
24,803	Rates Receipts	26,455	30,314	33,226	34,935	36,622	38,336	40,114	41,966	43,951	46,052	48,282
731	Statutory Charges	847	896	913	931	948	966	985	1,003	1,022	1,042	1,062
6,947	User Charges	9,055	9,812	10,188	10,442	10,703	10,960	11,212	11,470	11,745	12,039	12,340
6,419	Grants, Subsidies and Contributions (operating purpose)	4,702	5,250	5,341	5,475	5,607	5,717	5,835	5,955	6,094	6,221	6,362
49	Investment Receipts	53	57	60	55	50	43	38	27	33	0	0
755	Reimbursements	1,351	1,192	1,195	1,225	1,256	1,286	1,316	1,346	1,378	1,413	1,448
50	Other Revenue	2,851	422	679	696	713	730	747	764	783	802	822
<b>Payments:</b>												
(14,081)	Payments to Employees	(15,492)	(16,324)	(17,302)	(18,127)	(18,985)	(19,858)	(20,745)	(21,665)	(22,642)	(23,679)	(24,758)
(15,666)	Payments for Materials, Contracts & Other Expenses	(19,099)	(21,166)	(20,685)	(21,213)	(21,265)	(21,691)	(22,187)	(25,730)	(23,834)	(23,814)	(25,408)
(720)	Finance Payments	(1,876)	(1,928)	(1,817)	(1,587)	(1,394)	(1,208)	(987)	(1,073)	(821)	(485)	(263)
<b>9,287</b>	<b>Net Cash provided (or used in) Operating Activities</b>	<b>8,845</b>	<b>8,526</b>	<b>11,798</b>	<b>12,832</b>	<b>14,255</b>	<b>15,281</b>	<b>16,326</b>	<b>14,064</b>	<b>17,710</b>	<b>19,590</b>	<b>19,887</b>
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
1,071	Grants Utilised For Capital Purposes	1,053	388	138	63	65	66	68	69	71	73	75
5,142	Amounts Received Specifically for New/Upgraded Assets	500	250	0	0	269	2,484	282	2,599	296	2,728	311
40	Sale of Replaced Assets	242	332	228	213	198	219	257	312	231	166	249
20	Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0
<b>Payments:</b>												
(5,370)	Expenditure on Renewal/Replacement of Assets	(6,395)	(8,696)	(7,893)	(8,254)	(8,326)	(8,292)	(9,048)	(10,480)	(9,144)	(8,590)	(10,003)
(18,216)	Expenditure on New/Upgraded Assets	(6,501)	(2,743)	(1,061)	(1,555)	(1,874)	(6,644)	(1,433)	(9,936)	(1,501)	(6,388)	(6,499)
<b>(17,313)</b>	<b>Net Cash provided (or used in) Investing Activities</b>	<b>(11,102)</b>	<b>(10,469)</b>	<b>(8,587)</b>	<b>(9,534)</b>	<b>(9,669)</b>	<b>(12,167)</b>	<b>(9,873)</b>	<b>(17,436)</b>	<b>(10,047)</b>	<b>(12,012)</b>	<b>(15,867)</b>
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
10,000	Proceeds from Loans	5,791	3,402	0	0	0	0	0	12,301	0	0	0
22	Proceeds from Bonds and Deposits											
<b>Payments:</b>												
<b>Payments:</b>												
(1,905)	Repayments of Loans	(2,930)	(1,269)	(3,032)	(3,121)	(4,410)	(2,934)	(6,275)	(8,744)	(7,480)	(7,402)	(2,670)
(265)	Repayment of Lease Liabilities	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)
0	Repayment of Bonds and Deposits											
<b>7,852</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>2,680</b>	<b>1,951</b>	<b>(3,212)</b>	<b>(3,302)</b>	<b>(4,591)</b>	<b>(3,115)</b>	<b>(6,456)</b>	<b>3,376</b>	<b>(7,661)</b>	<b>(7,583)</b>	<b>(2,851)</b>
<b>(174)</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>424</b>	<b>8</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(1)</b>	<b>(3)</b>	<b>4</b>	<b>2</b>	<b>(5)</b>	<b>1,168</b>
<b>250</b>	<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	<b>76</b>	<b>500</b>	<b>507</b>	<b>506</b>	<b>502</b>	<b>498</b>	<b>497</b>	<b>493</b>	<b>497</b>	<b>499</b>	<b>494</b>
<b>76</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>500</b>	<b>507</b>	<b>506</b>	<b>502</b>	<b>498</b>	<b>497</b>	<b>493</b>	<b>497</b>	<b>499</b>	<b>494</b>	<b>1,662</b>

# Long Term Financial Plan 2025-2034

## Financial Statements - Statement of Equity

2023 Actual	\$'000s	2024 BR3	2025 ABP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP	2031 LTFP	2032 LTFP	2033 LTFP	2034 LTFP
<b>Accumulated Surplus</b>												
83,080	Balance at the end of previous reporting period	87,644	84,606	84,173	85,058	86,115	88,598	93,670	97,062	102,798	106,704	114,078
5,514	Net result for the year	(3,038)	(433)	885	1,057	2,483	5,072	3,392	5,735	3,906	7,374	6,174
(950)	Transfers from other reserves/adjustments	0	0	0	0	0	0	0	0	0	0	0
<b>87,644</b>	<b>Balance at the end of the period</b>	<b>84,606</b>	<b>84,173</b>	<b>85,058</b>	<b>86,115</b>	<b>88,598</b>	<b>93,670</b>	<b>97,062</b>	<b>102,798</b>	<b>106,704</b>	<b>114,078</b>	<b>120,252</b>
<b>Asset Revaluation Reserve</b>												
180,852	Balance at the end of previous reporting period	271,174	313,869	313,869	325,185	336,286	347,612	358,705	369,634	380,747	392,792	405,533
90,322	Gain (Loss) on Revaluation of I, PP&E	42,695	0	11,316	11,101	11,325	11,093	10,930	11,112	12,045	12,742	13,055
<b>271,174</b>	<b>Balance at the end of period</b>	<b>313,869</b>	<b>313,869</b>	<b>325,185</b>	<b>336,286</b>	<b>347,612</b>	<b>358,705</b>	<b>369,634</b>	<b>380,747</b>	<b>392,792</b>	<b>405,533</b>	<b>418,588</b>
<b>Other Reserves</b>												
1,372	Balance at the end of previous reporting period	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,322
950	Transfers from Accumulated Surplus	0	0	0	0	0	0	0	0	0	0	0
<b>2,322</b>	<b>Balance at the end of period</b>	<b>2,322</b>	<b>2,322</b>	<b>2,322</b>	<b>2,322</b>	<b>2,322</b>	<b>2,322</b>	<b>2,322</b>	<b>2,322</b>	<b>2,322</b>	<b>2,322</b>	<b>2,322</b>
<b>361,140</b>	<b>Total Equity at end of reporting period</b>	<b>400,797</b>	<b>400,364</b>	<b>412,565</b>	<b>424,723</b>	<b>438,532</b>	<b>454,697</b>	<b>469,019</b>	<b>485,866</b>	<b>501,817</b>	<b>521,933</b>	<b>541,162</b>

## Long Term Financial Plan 2025-2034

### Glossary

Term	Definition
<b>Asset Renewal Funding Ratio</b>	Indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its assets are used or 'consumed'. The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to the level of depreciation. Where a Council has soundly based Asset Management Plan, a more meaningful asset sustainability ratio would be calculated by measuring the actual level of capital expenditure on renewal and replacement of assets (or proposed in the budget) with the optimal level identified in the plan.
<b>Financial Assets</b>	Financial Assets include cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses, inventories and land held for resale.
<b>Financial Sustainability</b>	Financial Sustainability is where planned long-term service and infrastructure levels and standards are met without unplanned and disruptive increases in rates or cuts to services.
<b>Asset Management Plan (AMPs)</b>	An operational plan for Council's Landfill, Building and Structures, Infrastructure (Roads), Plant and Equipment and Sundry physical assets with the objective of providing the required level of service, maintenance and renewal of such assets in the most cost effective and efficient manner.
<b>Net Financial Liabilities Ratio (NFLR)</b>	Is Net Financial Liabilities as a percentage of total operating revenue. The ratio allows interested parties to readily equate the outstanding level of the Council's accumulated financial obligations against the level of one-year's operating revenue. Where the ratio reduces over time, it generally indicates that the Council's capacity to meet its financial obligations is strengthening.
<b>Annual net impact to financing activities (surplus (deficit))</b>	Annual net impact to financing activities (surplus (deficit)) equals Operating surplus / (deficit), less net outlays on non-financial assets. The Net lending / (borrowing) result is a measure of the Council's overall (i.e. Operating and Capital) budget. Achieving a zero result on the Net lending / (borrowing) measure in any one year essentially means that the Council has met its expenditure (both operating and capital) from the current year's revenues.
<b>Non-financial or physical asset</b>	Non-financial or physical assets refers to infrastructure, land, buildings, plant, equipment, furniture and fittings, library books and inventories.
<b>Operating deficit</b>	Where operating revenues are less than operating expenses (i.e. operating revenue is therefore not sufficient to cover all operating expenses).
<b>Operating expenses</b>	Operating expenses are operating expenses shown in the Income Statement, including depreciation, but excluding losses on disposal or revaluation of non-financial assets.

## Long Term Financial Plan 2025-2034

<b>Operating revenues</b>	Operating revenues are incomes shown in the Income Statement but exclude profit on disposal of non-financial assets and amounts received specifically for new/upgraded assets (e.g. from a developer).
<b>Operating surplus</b>	Operating surplus is where operating revenues are greater than operating expenses (i.e. operating revenue is therefore sufficient to cover all operating expenses).
<b>Operating Surplus Ratio (OSR)</b>	Operating Surplus Ratio expresses the operating surplus (deficit) as a percentage of operating revenue.