

City of Marion Long Term Financial Plan 2024-2034

A great place to live



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Purpose of the LTFP

The Long Term Financial Plan (LTFP) is an integral part of Council's suite of strategic management plans that links Council's Business Plans and Asset Management Plans and translates the outcomes and strategies of Council's Business Plans into financial terms. Council's LTFP provides the basis for the preparation of Council's Annual Business Plan. The LTFP also reflects the known impacts of projects included in Council's 4 Year Business Plan 2023-2027.



The LTFP ensures that long term financial sustainability can be maintained while meeting the needs and expectations of our communities and delivering Council's objectives as specified in the 30 Year Community Vision – 'Towards 2040', and related strategies.

Reviewing the LTFP on an annual basis concurrently with Council's Annual Budget ensures confidence in the long-term financial sustainability of the organisation.

Part of this process includes conducting an environmental scan. Environmental scanning is an ongoing process, keeping us future focussed, aware of the bigger picture and mindful of emerging risks and opportunities. An extensive review of opportunities and challenges from current and emerging internal and external trends and influences is conducted annually with key issues being identified in Council's Annual Business Plan. This supports the consideration of strategic priorities and responses considering emerging priority pressures and opportunities. The criticality of each issue and opportunity was assessed. Responses targeting what council has in place or will do differently have been developed for all critical issues and opportunities.

Because of the nature of the estimates and assumptions made and the uncertainty of changes within the economy, the LTFP requires regular review and updating. This process involves input from management, Council and the Finance Risk and Audit Committee.

The review and updating of Council's Asset Management Plans assist in providing accurate information for the renewal and ongoing maintenance of Council's existing assets.

CEO Statement on Financial Sustainability

This LTFP demonstrates that Council is in a strong financial position and well placed to support the community applying an average rate increase of 4.8% for the 2024-25 financial year. Along with appropriate debt and treasury management, Council also forecasts rate increases reducing to 3% over the coming years consistent with the Reserve Bank of Australia's targeted range in the latter part of the 10-year term of the LTFP.

The key financial indicators used to assess Council's long-term financial sustainability include the operating surplus ratio, asset renewal funding ratio, net financial liabilities ratio and debt servicing ratio. These ratios are in line with Council's established benchmarks ensuring the sustainability of Council's long-term financial performance and position.

Continually improving the integration between City of Marion's suite of Strategic Plans including Council's Asset Management Plans, LTFP, 4Year Business Plan and Annual Business Plan ensures the Council develops and implements a robust and transparent system of financial management aligned to the longer-term aspirations for the city as expressed in the 30 Year Community Vision - 'Towards 2040'.

The LTFP is the mechanism by which the funding requirements for these Strategic Plans are identified ensuring we continue to operate in a financially sustainable manner by progressively establishing, maintaining and assessing our long-term financial sustainability.

The Council ensures we have the financial capacity to continue to provide service levels which meet the needs of our community in a financially sustainable way by:

- Striving to continually improve our efficiency in the provision of existing and future services without affecting service delivery levels.
- Maintaining an operating surplus over the life of the LTFP while continually investing in the renewal and upgrade of community assets.
- Continuously improving our Asset Management Plans to ensure we are appropriately maintaining over \$1 billion of assets by renewing vital infrastructure and facilities.
- Taking out new borrowings where appropriate in accordance with Council's Treasury Management Policy and maintaining debt and interest levels within Council's established benchmarks ensuring our capacity to service and repay this debt into the future.
- Operating within the key financial indicators and benchmarks over the life of the LTFP ensuring we maintain a sound financial position.

Consideration must also be given to numerous risks with the potential to influence the outcomes that affect Council's long-term financial position. The following key risks may fall into this category:

- Inflationary Pressures - Although a 4.8% increase in average rates forecasts a financially sustainable position for 2024-2025 and beyond, the current inflationary phase in the economic climate exposes council to risk. Some projects and programs may deliver outcomes that place additional pressure on the budget.
- Maintaining an appropriate rating strategy - Council will continue to monitor the appropriateness of forecast rate increases in the LTFP. Council's forecast rates assume an average rate increase reflective of the RBA targeted CPI throughout the 10-year term of the LTFP. This strategy must however be sustainable and balanced with the real cost of service provision, capital maintenance and service demand from the community.
- Unfunded and unprioritised initiatives – Will need to be prudently assessed with appropriate due diligence and in a disciplined manner to ensure Councils long term financial sustainability is preserved.
- Increasing levels of community housing transfers across the City of Marion resulting in increasing levels of rate rebates.
- Changes to Local Government funding programs and potential risk in relation to cost shifting from the Federal and State Government to Local Government.
- Asset renewal and infrastructure management may present challenges that will need to be addressed. Council's LTFP currently indicates there is sufficient funding to meet the renewal requirements of its Asset Management Plans, however timing of funds and works for different asset classes will be refined with annual iterations of the asset management plans that further inform the LTFP.

Basis of Preparation

Council's LTFP provides the basis for the preparation of its Annual Business Plan. The LTFP also reflects the known impacts of projects included in Council's 4 Year Business Plan 2023-2027.

Plan Framework

The LTFP has been prepared under the following framework:

- Supports the achievement of the City of Marion's Strategic Directions.
- Maintains, on average, a break-even or better funding (cash) position over the LTFP.
- Addresses issues arising and opportunities identified from internal audit reviews, service reviews and business excellence assessments.
- Continues to improve the maintenance of assets in accordance with Council's Asset Management Plans, with a priority on maintenance before renewal, and renewal before new when it is cost effective to do so.

- Reviews existing services and assets to ensure they meet prioritised community needs.
- Council only approves new Major Projects where it has the identified funding capacity to do so.
- Maintains Council's position for an average residential rate that remains among the lower rating metropolitan councils.

Key Assumptions

In developing the LTFP, several key assumptions and variables were applied:

Service Levels – Where changes to service delivery are prioritised and approved by Council subject to financial capacity, these changes will be incorporated into the 2024-2025 Budget and Long-Term Financial Plan. Where no other endorsement exists, service delivery levels will be maintained at current levels.

Rate Revenue – The LTFP is prepared based on a 4.8% average rate increase in 2024-2025 moving gradually back to a forecast 3.0% from 2027-2028 onwards through to the end of the 10 years of the LTFP. Rateable property growth or new properties from development is forecast on achieving the continued historical trend of 1%.

Council rate modelling options considered balancing the real cost of service provision and service demand from the community with the financial impact this may have on Marion ratepayers' and their capacity to pay.

Council has continued to adopt an appropriate rating strategy over the past number of years applying rate increases appropriate to manage escalating costs and inflationary pressures experienced. The rating position proposed for 2024-25 is closely aligned with current reported CPI, which at the time of writing this report is 4.3% (Adelaide CPI – Year on Year to March 2024). The proposed rate increase will enable the achievement of Council's strategic objectives while maintaining long term financial sustainability throughout the 10 years of the LTFP.

These proposed increments will continue to be monitored in light of global and local economic forecasts and the financial impact that those circumstances may have on Marion ratepayers along with their capacity to pay.

Indexation – the 2024-2025 budget is based on forecast expenditure levels indexed to reflect current cost pressures and future anticipated costs including the consideration of major contract price escalation and other market pressures.

With CPI expected to remain at the higher end of the RBA inflation target of 2–3%, the draft LTFP has factored this higher indexation over the coming years before gradually reverting back to a longer term forecast of 2.50% from 2028-2029 onwards.

Continued price escalation and difficult market conditions makes the forecasting task more challenging leading to a higher than normal degree of uncertainty the further one looks into the future. Indexation beyond 2024-25 will be aligned to the Reserve Bank's projected inflation estimates in the medium and longer term, with the following exceptions;

Employee Costs – will be increased in alignment with Council's Enterprise Agreement provisions. In addition, any costs relating to Council approved staff resources to meet operational requirements or Council endorsed new initiatives will be incorporated into the ABP and LTFP. Higher inflation and the ongoing tight labour market is expected to translate into moderately stronger wages growth over time and forecast employee costs in the LTFP will

accommodate these expected conditions. The remaining 2 scheduled annual increases of 0.5% to the Superannuation Guarantee are also be incorporated into the LTFP.

Interest expenses – are directly related to Council borrowings and cash flows. Forecast interest rates are based on current market rates with an added margin giving consideration for future potential rate increases.

Interest revenue – is directly related to Council investments and cash flows and is carefully monitored in line with interest rate movements.

Non recurrent Costs/Revenues – an adjustments schedule has been developed to account for any future variations in operating activities (e.g. - an adjustment is made for election expenses to reflect that they only occur once every 4 years). Adjustments will be made to remove any 2023-24 one-off expenditure amounts and to account for any future variation in operating activities or contract renewals.

Capital Grants, subsidies and monetary contributions - reflect tied monies received in relation to the purchase/construction of new assets and are budgeted in accordance with information known at the time of preparing the LTFP.

Commonwealth and State Government Stimulus / Election funding – Council will continue to seek and optimise the opportunity to leverage any State and Federal stimulus funding provided to the sector. It should also be noted Federal and State Government funding attracted throughout the 2022 elections supports major infrastructure initiatives continuing in 2024-2025. The impact of the attraction of this funding and the resource requirements to deliver identified projects and initiatives has been considered in the development of the 2024-2025 ABP and LTFP.

Breakeven or Better Funding (Cash Position) – A positive cash flow is vital to support operating requirements to continually deliver uninterrupted council services in addition to providing cash to fund:

- Renewal of existing assets over time to maintain community service standards
- Scheduled principal loan repayments and
- Provision of funding for future long term asset management objectives

Council will endeavour to set rates that minimise the impact on our community but also enable the achievement of its long-term strategic objectives while maintaining a break-even or better (cash) position over the LTFP thus ensuring the long term financial sustainability for the City of Marion.

Key Outcomes/Conclusions

Overview

The major outcomes and projects contained within the LTFP include:

Marion Cultural Centre Plaza Upgrade

The Marion Cultural Centre (MCC) Plaza is being upgraded to create a vibrant public space that aims to create a new destination hub. It will support community events, social interactions, and tourism. The upgrade will improve pedestrian and cyclist connection, provide a versatile space for various community events, and maintain vehicle access to businesses and community facilities on Milham Street.

Marino Hall

A rebuild of the ageing hall will progress and be completed in 2024-25 to support a new vibrant centre that attracts a broad range of community groups. The new pavilion-style hall will include meeting spaces, a performance area, art gallery and studio. A café and expanded car park will also support the site as an accessible creative and community events hub. The State and Federal Governments have partnered with Council to support this project.

Marion Basketball Stadium

The current stadium no longer meets the current needs, standards, and expectations of the basketball community. Council has proposed a new 5 court indoor stadium at the current site on Norfolk Road. Works to be completed in 2024-2025 include the development of concept designs, community consultation and options for Marion Tennis Club. The Federal Government has pledged \$6m towards the project.

Seacliff Golf Park Upgrade

This multi-year project will be completed in 2024-25 with the construction of a new clubhouse and car park, which will provide hospitality services, meeting spaces, outdoor deck and a Golf pro-shop. The Federal Government has partnered with Council to support this project.

Warradale Park Tennis Club

The tennis club has shared designs for upgraded facilities, and the Council will collaborate with the club to develop a detailed design that meets community needs. The upgrade will include a new upper-level floor function space and decking, upgraded shower and toilet facilities, bar and office space. The project will be funded by Council with contributions from the State and Federal Government.

The Community's Capacity to Pay

CPI, and ultimately average wage movements, is a guide of the ability of most residents to pay. Those residents whose financial position does not necessarily move with CPI (e.g. pensioners) may not have the ability or capacity to afford the full payment of rates. This is in part dealt with by Council's existing rating policy which provides multiple forms of financial assistance to these people: -

- Postponement of Rates – Hardship
- Postponement of Rates – Seniors
- Payment on Terms
- Rate Capping
- Large variety of payment options

Other Potential Revenue Sources/ Opportunities

- Grant funding is Council's second largest operating revenue source representing between 7% and 8% of operating income over the term of the LTFP. Council's ability and opportunity to attract State and Federal Government funding for major projects and service improvements is critical to the long-term financial sustainability of the organisation.

- Shared services – entering shared service arrangements with other councils and the LGA to achieve economies of scale. Partnering with not-for-profit entities to provide services and facilities for the community is another option.
- Potential sale of surplus land and buildings – Whilst the LTFP is prepared on the basis that there is no reliance on gains from the disposal of assets to fund essential services, consideration should be given to this potential revenue source when considering the funding options for major strategic redevelopment projects.
- Exploring community governance and community capacity building opportunities – that is empowering the community to explore, fund and manage projects with minimal council assistance.

Asset Management

The City of Marion's Asset Management Vision is:

'To maintain the City of Marion's assets to agreed levels of service which maximise community value throughout an asset's life'.

Council's Asset Management Plans detail information about our assets and define the services to be provided, how the services are provided, and what funds are required to provide the services. All City of Marion assets are audited regularly and frequently inspected on a rolling inspection regime.

Large proportions of Council's assets have been in existence for many years. Council has also received several 'gifted' assets from developers, which attract ongoing operational and maintenance costs over their life. At the same time, demographic change is challenging the capacity of existing assets to meet the increasing demands of the environment in which they are located. The community's expectations too are increasing, which affects the ability of existing purpose-built assets to meet the changing needs of future residents. As community assets have a lengthy useful life, it is a complex task to monitor the cost and timing of their renewal.

Asset management is a critical tool in ensuring appropriate provision is made for the long-term management of community assets, and their impacts on all areas of service planning and delivery.

We own and manage over \$1 billion in assets



Artworks, Culture
and Heritage



Buildings and
Structures



Coastal Walkway



Fleet, Plant and
Equipment



Open Space



Stormwater



Transport



Water Treatment
and Resources

Our assets enable the provision of services to the community and businesses for current and future generations. Assets play a vital role in the local economy and on residents' quality of life.

Financial Indicators

Key Financial Indicators

Operating Surplus Ratio

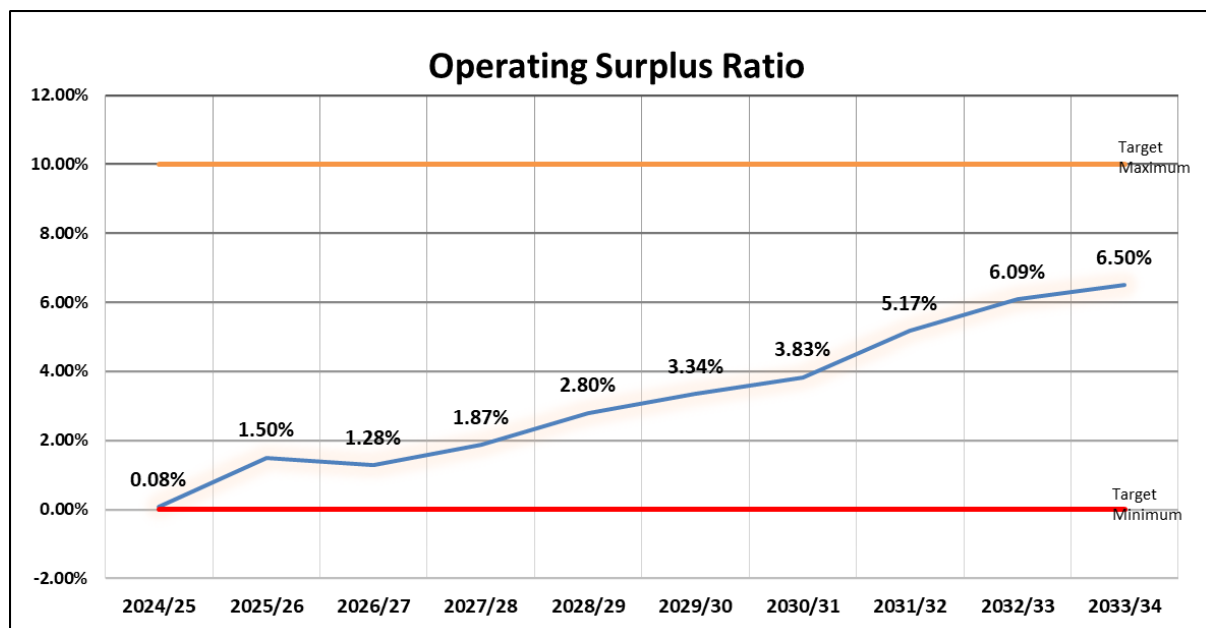
The Operating Surplus ratio expresses the level of operating surplus before capital expenditure as a percentage of rates. It gives an indication of Council's ability to service its operations from expected rate income and maintain financial sustainability in the long term.

Target

An operating surplus ratio averaging between 0% and 10% over any consecutive five-year period.

LTFP Commentary

The Operating Surplus Ratio is within the adopted target range of 0 – 10%. The forecast surplus is required to provide the funding necessary to meet the costs of delivering services and projects to the community including the renewal and upgrade of existing community assets over time to maintain community service standards and expectations, along with the ability to fund future major projects.



Net Financial Liability Ratio

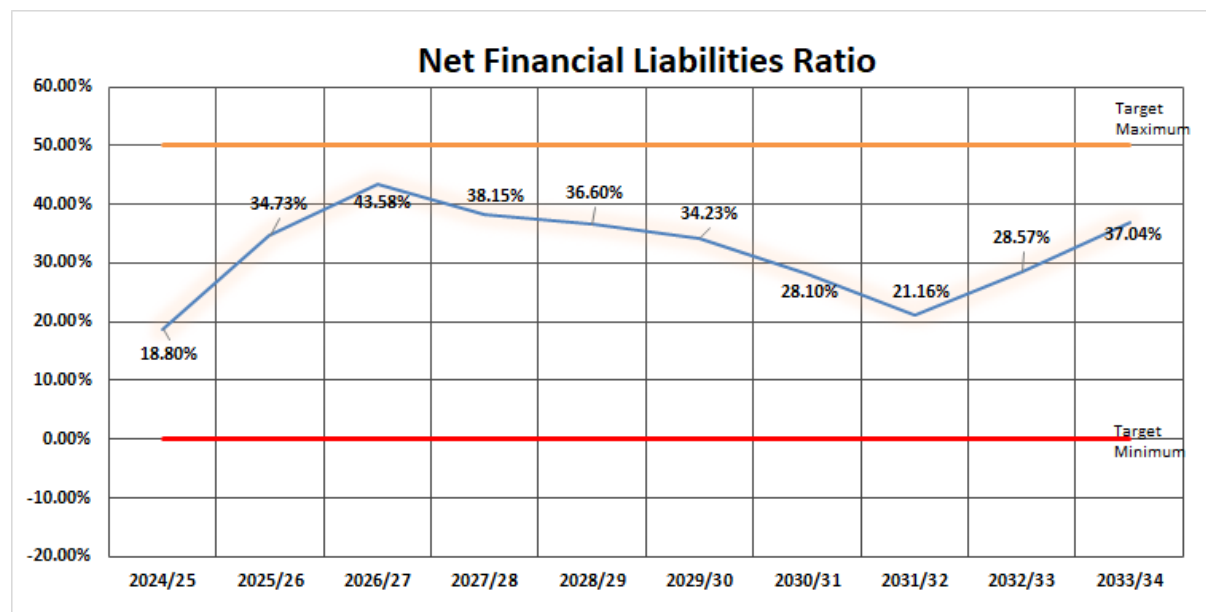
Net Financial Liabilities Ratio expresses Net Financial Liabilities – This comprises total liabilities less financial assets (where financial assets for this purpose includes cash, investments, loans to community groups, receivables and prepayments) expressed as a percentage of total operating revenue. This indicates Council's capacity to meet its financial obligations from operating revenue.

Target

The desirable target range for this indicator is between 0% and 50%.

LTFP Commentary

The net financial liability ratio is forecast to be 18.80% in 2024-2025 increasing with the additional forecast annual borrowings to peak at 43.58% in 2026-2027 and then decreasing across the LTFP as loan repayments are made. Borrowings are forecast to increase in 2032-2033 and 2033-2034, where the Ratio increases to 37.04%. Future borrowings are aligned to projects outlined in the City of Marion Building Asset Strategy (CoMBAS). The timing and funding implications for CoMBAS projects is reviewed on an annual basis in conjunction with the ABP and LTFP to ensure Council's key financial sustainability targets are forecast to be met.



Asset Renewal Funding Ratio

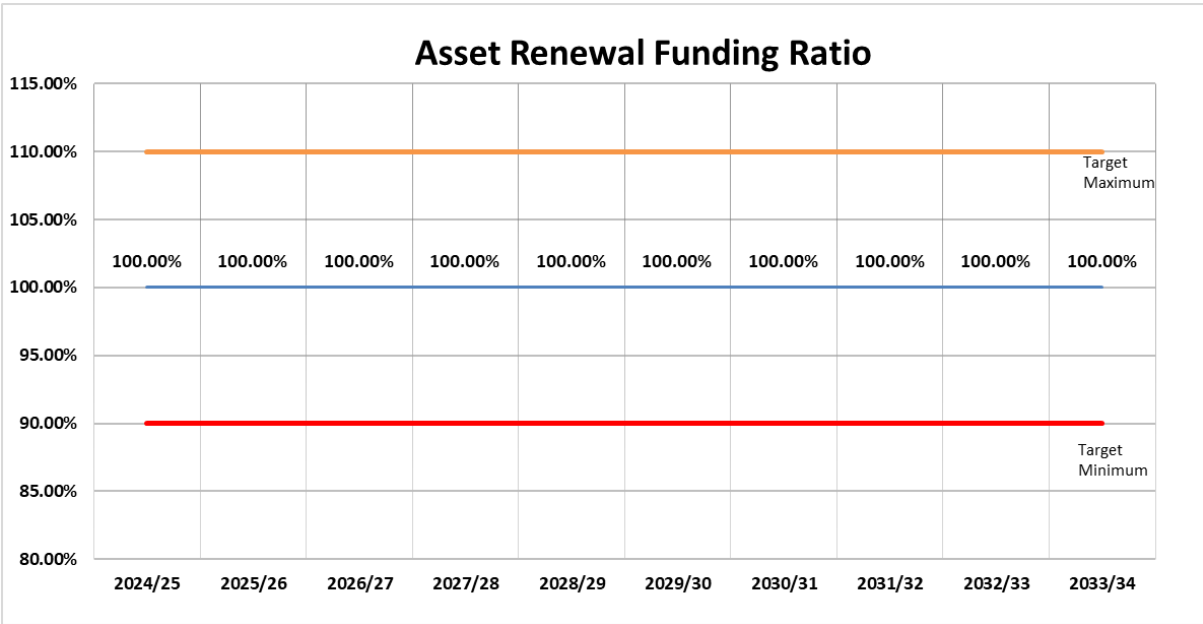
The Asset Renewal Funding ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to the Infrastructure and Asset Management Plan required expenditure. This indicates whether Council is renewing or replacing existing non-financial assets in accordance with its future Asset Management renewal requirements.

Target

It is suggested that a long-term asset sustainability index between 90 - 110% is acceptable as per Council’s Asset Management Policy.

LTFP Commentary

With the Renewal Expenditure identified within the Asset Management Plans fully funded within the Long Term Financial Plan, Council’s Asset Renewal Funding Ratio is projected to sit exactly on target over the life of the LTFP. This indicates that Council’s asset base is being renewed in keeping with the desired expenditure from the Asset Management Plans. Actual expenditure may vary in any given year between the 90% minimum and 110% maximum for strategic and/or timing reasons associated with the replacement of significant long lived assets.



Other Financial Indicators

While the Key Financial Indicators are those that are required by the Regulations, several other ratios can be used to measure financial performance. Council has elected to use the following additional indicator:

Debt Servicing Ratio

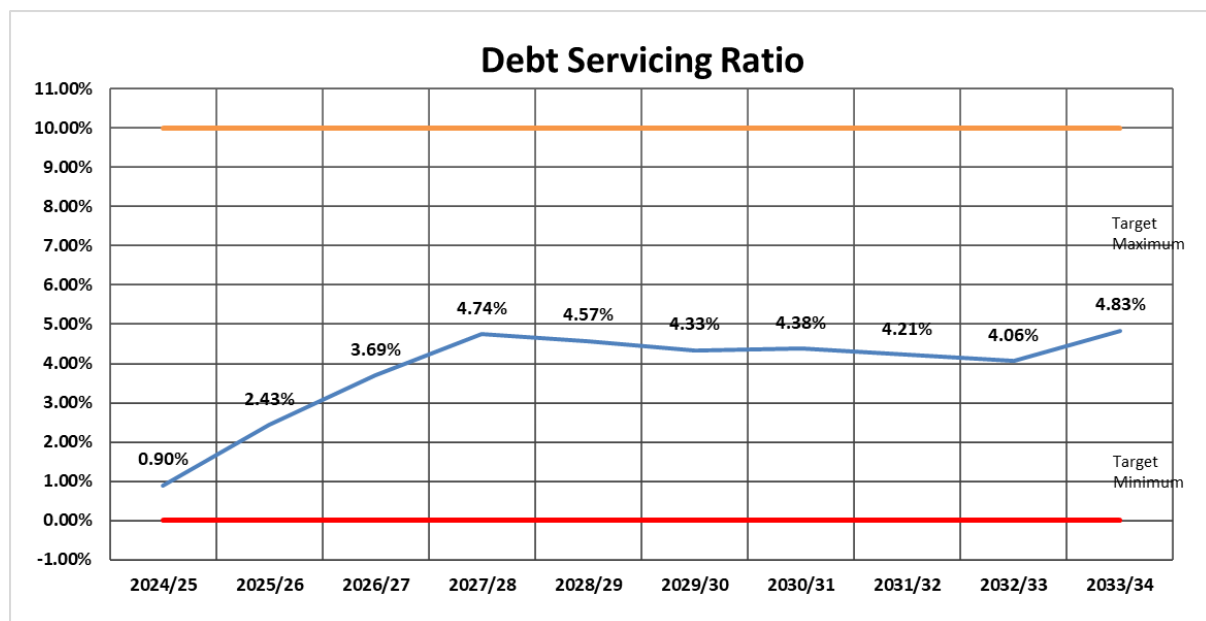
The Debt Servicing ratio expresses forecast debt servicing costs (principal and interest) compared to rates revenue. This indicates the ability of Council to service borrowings from forecast rate income.

Target

This indicator has a desired target range between 0% and 10%.

LTFP Commentary

With forecast new borrowings within the LTFP of \$9.5m required in 2024-2025, and additional borrowings of \$66.1m to fund capital expenditure over the remainder of the plan, the Debt Servicing Ratio is set to peak at 4.83% in 2033-2034. Council's Debt Servicing Ratio is set to remain within the target range over the course of the LTFP. This indicates a moderate capacity to further borrow and remain within the ratio bandwidths, noting that related borrowing capacity ratios should be considered before making this decision.



Financial Statements

Uniform Presentation of Finances

City of Marion 10 Year Financial Plan for the Years ending 30 June 2034 UNIFORM PRESENTATION OF FINANCES										
	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Operating Activities										
Income	113,533	119,127	123,956	128,679	133,541	138,131	143,405	148,880	154,566	160,470
less Expenses	(113,447)	(117,341)	(122,365)	(126,277)	(129,798)	(133,517)	(137,912)	(141,190)	(145,157)	(150,038)
Operating Surplus / (Deficit)	86	1,786	1,590	2,402	3,742	4,614	5,492	7,691	9,409	10,433
Capital Activities										
less (Net Outlays) on Existing Assets										
Capital Expenditure on Renewal and Replacement of Existing Assets	(15,314)	(18,628)	(15,540)	(14,454)	(16,811)	(16,612)	(16,548)	(18,868)	(17,954)	(22,240)
add back Depreciation, Amortisation and Impairment	21,100	21,944	22,822	23,735	24,684	25,672	26,699	27,767	28,877	30,032
add back Proceeds form Sale of Replaced Assets	353	320	100	766	847	454	525	1,580	1,117	1,597
(Net Outlays) on Existing Assets	6,139	3,637	7,382	10,047	8,720	9,513	10,676	10,480	12,040	9,389
less (Net Outlays) on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(19,488)	(33,016)	(24,829)	(8,771)	(16,669)	(16,685)	(10,451)	(11,180)	(52,139)	(53,738)
add back Amounts Received Specifically for New and Upgraded Assets	2,642	8,232	3,891	1,952	5,142	4,898	2,042	2,589	18,859	19,476
(Net Outlays) on New and Upgraded Assets	(16,846)	(24,784)	(20,938)	(6,818)	(11,527)	(11,788)	(8,409)	(8,592)	(33,280)	(34,261)
less Share of Profit in Equity Accounted Investments (excl dividend)	(645)	(664)	(684)	(705)	(726)	(748)	(770)	(793)	(817)	(842)
Net Lending / (Borrowing) for Financial Year	(11,266)	(20,026)	(12,650)	4,927	209	1,592	6,989	8,785	(12,648)	(15,281)

Budgeted Funding Statement

City of Marion 10 Year Financial Plan for the Years ending 30 June 2034 FUNDS STATEMENT										
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rates Indexation	4.80%	4.30%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Income										
Rates	94,823	99,917	104,229	108,464	112,867	117,445	122,205	127,155	132,301	137,651
Statutory Charges	2,738	2,820	2,905	2,985	3,059	3,136	3,214	3,295	3,377	3,461
User Charges	4,164	4,289	4,418	4,539	4,653	4,769	4,888	5,011	5,136	5,264
Grants, Subsidies and Contributions	9,174	9,398	9,629	9,846	10,049	9,800	10,045	10,296	10,554	10,818
Investment Income	300	300	300	300	300	300	300	300	300	300
Reimbursements	1,020	1,051	1,082	1,112	1,140	1,168	1,198	1,228	1,258	1,290
Other Income	668	688	708	728	746	765	784	803	823	844
Net gain - equity accounted Council businesses	645	664	684	705	726	748	770	793	817	842
Total Income	113,533	119,127	123,956	128,679	133,541	138,131	143,405	148,880	154,566	160,470
Expenses										
Employee Costs	46,610	48,216	49,663	51,153	52,687	54,268	55,896	57,573	59,300	61,079
Materials, Contracts & Other Expenses	45,378	46,098	47,951	48,756	49,993	51,225	53,052	53,817	55,185	56,543
Depreciation, Amortisation & Impairment	21,100	21,944	22,822	23,735	24,684	25,672	26,699	27,767	28,877	30,032
Finance Costs	359	1,083	1,929	2,633	2,433	2,353	2,265	2,033	1,794	2,383
Total Expenses	113,447	117,341	122,365	126,277	129,798	133,517	137,912	141,190	145,157	150,038
Operating Surplus	86	1,786	1,590	2,402	3,742	4,614	5,492	7,691	9,409	10,432
Operating Surplus Ratio	0.08%	1.50%	1.28%	1.87%	2.80%	3.34%	3.83%	5.17%	6.09%	6.50%
Amounts Received Specifically for New or Upgraded Assets	2,642	8,232	3,891	1,952	5,142	4,898	2,042	2,589	18,859	19,476
Net Surplus / (Deficit) for the Year	2,728	10,018	5,481	4,355	8,884	9,511	7,535	10,279	28,269	29,909
Capital (Balance Sheet) and Reserve Movements										
Capital Expenditure	(34,802)	(51,644)	(40,369)	(23,224)	(33,481)	(33,297)	(26,999)	(30,048)	(70,093)	(75,978)
Loan Repayments (External)	(657)	(1,809)	(2,635)	(3,456)	(3,656)	(3,620)	(3,997)	(4,225)	(4,466)	(4,344)
Funds from Replaced Asset Disposal	353	320	100	766	847	454	525	1,580	1,117	1,597
New Loan Borrowings (External)	9,500	16,600	15,400	-	2,250	2,200	-	-	14,550	15,100
Net Transfers (to)/from Reserves	2,473	5,275	(75)	(1,375)	1,225	(75)	(2,975)	(4,525)	2,625	4,575
Total Capital (Balance Sheet) and Reserve Movements	(23,133)	(31,258)	(27,579)	(27,289)	(32,815)	(34,339)	(33,446)	(37,217)	(56,267)	(59,050)
Net Result (including Depreciation & Other non-cash items)	(20,406)	(21,240)	(22,097)	(22,935)	(23,930)	(24,827)	(25,911)	(26,938)	(27,999)	(29,141)
Add back Depreciation Expense (non-cash)	21,100	21,944	22,822	23,735	24,684	25,672	26,699	27,767	28,877	30,032
Less Other Income (non-cash)	(645)	(664)	(684)	(705)	(726)	(748)	(770)	(793)	(817)	(842)
Cash Budget Surplus	49	40	41	95	28	97	18	36	62	49

Budgeted Income Statement

City of Marion 10 Year Financial Plan for the Years ending 30 June 2034 STATEMENT OF COMPREHENSIVE INCOME										
	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Income										
Rates	94,823	99,917	104,229	108,464	112,867	117,445	122,205	127,155	132,301	137,651
Statutory Charges	2,738	2,820	2,905	2,985	3,059	3,136	3,214	3,295	3,377	3,461
User Charges	4,164	4,289	4,418	4,539	4,653	4,769	4,888	5,011	5,136	5,264
Grants, Subsidies and Contributions	9,174	9,398	9,629	9,846	10,049	9,800	10,045	10,296	10,554	10,818
Investment Income	300	300	300	300	300	300	300	300	300	300
Reimbursements	1,020	1,051	1,082	1,112	1,140	1,168	1,198	1,228	1,258	1,290
Other Income	668	688	708	728	746	765	784	803	823	844
Net gain - equity accounted Council businesses	645	664	684	705	726	748	770	793	817	842
Total Income	113,533	119,127	123,956	128,679	133,541	138,131	143,405	148,880	154,566	160,470
Expenses										
Employee Costs	46,610	48,216	49,663	51,153	52,687	54,268	55,896	57,573	59,300	61,079
Materials, Contracts & Other Expenses	45,378	46,098	47,951	48,756	49,993	51,225	53,052	53,817	55,185	56,543
Depreciation, Amortisation & Impairment	21,100	21,944	22,822	23,735	24,684	25,672	26,699	27,767	28,877	30,032
Finance Costs	359	1,083	1,929	2,633	2,433	2,353	2,265	2,033	1,794	2,383
Total Expenses	113,447	117,341	122,365	126,277	129,798	133,517	137,912	141,190	145,157	150,038
Operating Surplus	86	1,786	1,590	2,402	3,742	4,614	5,492	7,691	9,409	10,433
Operating Surplus Ratio	0.08%	1.50%	1.28%	1.87%	2.80%	3.34%	3.83%	5.17%	6.09%	6.50%
Amounts Received Specifically for New or Upgraded Assets	2,642	8,232	3,891	1,952	5,142	4,898	2,042	2,589	18,859	19,476
Net Surplus / (Deficit) for the Year	2,728	10,018	5,481	4,355	8,884	9,511	7,535	10,279	28,269	29,909

Budgeted Statement of Financial Position

City of Marion 10 Year Financial Plan for the Years ending 30 June 2034 STATEMENT OF FINANCIAL POSITION										
	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
ASSETS										
Current Assets										
Cash & Cash Equivalents	10,090	5,062	5,181	6,604	5,610	5,823	8,866	13,456	11,591	6,163
Trade & Other Receivables	4,955	5,495	5,411	5,458	5,833	5,970	5,990	6,213	7,433	7,682
Inventories	488	496	516	525	538	551	571	579	594	608
Total Current Assets	15,533	11,053	11,108	12,587	11,981	12,345	15,427	20,248	19,618	14,454
Non-Current Assets										
Equity Accounted Investments in Council Businesses	9,511	10,175	10,860	11,564	12,290	13,038	13,808	14,602	15,419	16,260
Infrastructure, Property, Plant & Equipment	1,198,934	1,228,669	1,246,116	1,244,840	1,252,789	1,259,961	1,259,736	1,260,436	1,300,535	1,344,884
Total Non-Current Assets	1,208,445	1,238,845	1,256,976	1,256,404	1,265,079	1,272,999	1,273,544	1,275,038	1,315,954	1,361,144
TOTAL ASSETS	1,223,978	1,249,898	1,268,084	1,268,991	1,277,060	1,285,344	1,288,971	1,295,286	1,335,572	1,375,598
LIABILITIES										
Current Liabilities										
Trade & Other Payables	10,119	10,870	10,807	10,815	11,405	11,596	11,685	11,944	13,876	14,243
Borrowings	1,815	2,641	3,462	3,662	3,626	4,003	4,231	4,472	5,359	5,103
Provisions	6,715	6,715	6,715	6,715	6,715	6,715	6,715	6,715	6,715	6,715
Total Current Liabilities	18,649	20,226	20,984	21,191	21,746	22,314	22,630	23,131	25,950	26,061
Non-Current Liabilities										
Borrowings	17,562	31,528	43,472	39,816	38,446	36,649	32,424	27,958	37,155	47,158
Provisions	667	667	667	667	667	667	667	667	667	667
TOTAL LIABILITIES	36,878	52,421	65,123	61,675	60,859	59,630	55,722	51,756	63,772	73,886
Net Assets	1,187,100	1,197,477	1,202,961	1,207,316	1,216,201	1,225,714	1,233,249	1,243,530	1,271,800	1,301,712
EQUITY										
Accumulated Surplus	461,695	477,346	482,755	485,735	495,845	505,281	509,841	515,596	546,491	580,977
Asset Revaluation Reserves	711,329	711,329	711,329	711,329	711,329	711,329	711,329	711,329	711,329	711,329
Other Reserves	14,076	8,801	8,877	10,252	9,028	9,103	12,079	16,605	13,980	9,406
Total Equity	1,187,100	1,197,477	1,202,961	1,207,316	1,216,201	1,225,714	1,233,249	1,243,530	1,271,800	1,301,712

Budgeted Statement of Cashflows

City of Marion 10 Year Financial Plan for the Years ending 30 June 2034 STATEMENT OF CASH FLOWS										
	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Cash Flows from Operating Activities										
Receipts:	112,960	118,314	123,143	127,847	132,684	137,219	142,496	147,943	153,599	159,474
Payments:	(92,326)	(95,251)	(99,249)	(102,388)	(104,900)	(107,631)	(110,917)	(113,269)	(116,042)	(119,768)
Net Cash provided (or used in) Operating Activities	20,634	23,063	23,894	25,459	27,784	29,588	31,579	34,675	37,557	39,707
Cash Flows from Investing Activities										
Receipts:										
Amounts Received Specifically for New/Upgraded Assets	2,157	8,442	3,728	1,880	5,262	4,888	1,935	2,609	19,469	19,499
Sale of Replaced Assets	353	320	100	766	847	454	525	1,580	1,117	1,597
Payments:										
Expenditure on Renewal/Replacement of Assets	(17,601)	(18,628)	(15,540)	(14,454)	(16,811)	(16,612)	(16,548)	(18,868)	(17,954)	(22,240)
Expenditure on New/Upgraded Assets	(21,774)	(33,016)	(24,829)	(8,771)	(16,669)	(16,685)	(10,451)	(11,180)	(52,139)	(53,738)
Net Cash provided (or used in) Investing Activities	(36,866)	(42,882)	(36,541)	(20,579)	(27,372)	(27,955)	(24,538)	(25,858)	(49,507)	(54,881)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	9,500	16,600	15,400	-	2,250	2,200	-	-	14,550	15,100
Payments:										
Repayments of Borrowings	(657)	(1,809)	(2,635)	(3,456)	(3,656)	(3,620)	(3,997)	(4,225)	(4,466)	(5,353)
Net Cash Flow provided (used in) Financing Activities	8,843	14,791	12,765	(3,456)	(1,406)	(1,420)	(3,997)	(4,225)	10,084	9,747
Net Increase/(Decrease) in Cash & Cash Equivalents	(7,389)	(5,028)	118	1,424	(994)	212	3,044	4,591	(1,866)	(5,428)
plus: Cash & Cash Equivalents - beginning of year	17,479	10,090	5,062	5,181	6,604	5,610	5,823	8,866	13,458	11,591
Cash & Cash Equivalents - end of the year	10,090	5,062	5,181	6,604	5,610	5,823	8,866	13,458	11,591	6,163

Glossary

Financial Assets

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.

Financial Sustainability

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.

Interest Cover Ratio

Interest Cover Ratio indicates the extent to which Council's commitment to interest expenses are met by total operating revenues. The ratio is calculated by measuring net interest expense to total operating revenue (excluding Land Services levy).

Net Lending/ (Borrowing)

Net Lending/ (Borrowing) equals Operating Surplus / (Deficit), less net outlays on non-financial assets. This result is a measure of the Council's overall (i.e. Operating and Capital) budget on an accrual basis. Achieving a zero result in any one year essentially means that the Council has met all of all its expenditure (both operating and capital) from the current year's revenues.

Non-financial or Physical Assets

Non-financial or Physical Assets refers to infrastructure, land, buildings, plant, equipment, furniture and fittings, library books and inventories.

Operating Deficit

Operating Deficit is where operating revenues are less than operating expenses (i.e. operating revenue is therefore not sufficient to cover all operating expenses).

Operating Expenses

Operating Expenses are operating expenses shown in the Income Statement, including depreciation, but excluding losses on disposal or revaluation of non-financial assets.

Operating Revenues

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). For ratios calculated where the denominator specified is total operating revenue or rate revenue, Regional Landscape levy revenue is excluded.

Operating Surplus

Operating Surplus is where operating revenues are greater than operating expenses (i.e. operating revenue is therefore sufficient to cover all operating expenses) but does not take into account any capital expenditure.