

City of Marion Long Term Financial Plan 2025-2035

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Purpose of the Long Term Financial Plan (LTFP)

The 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 it's Strategic Plan 2024-2034.

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

The Long-Term Financial Plan confirms Council's strong financial position and its ability to support the community, with an overall increase in average rates of 4.8% for 2025-2026. The average increase in rates for residential properties in 2025-2026 is forecast at 4.64%. Over time, this is expected to reduce to 3%, aligning with the Reserve Bank of Australia's inflation target.

Council's long-term financial sustainability is underpinned by key indicators—including the operating surplus ratio, asset renewal funding ratio, net financial liabilities ratio, and debt servicing ratio—all of which remain within benchmarked targets.

Ongoing integration of Council's strategic plans—such as the LTFP, Asset Management Plans, 4-Year Business Plan, and Annual Business Plan—supports a transparent and robust financial management framework aligned with the goals of the Strategic Plan 2024–2034.

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 - may affect project and program costs, despite current rate projections supporting financial sustainability.
- Maintaining an appropriate rating strategy – Council's rating strategy will be regularly reviewed to balance affordability with rising service delivery costs. This strategy must 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 Council's long term financial sustainability is preserved.
- 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.

Council remains committed to delivering services responsibly and sustainably to meet community needs now and into the future.

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 2025-2026 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 an overall increase in average rates of 4.8% for 2025-2026 moving gradually back to a forecast 3.0% from 2030-2031 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%.

Significant work has gone into determining a responsible rate increase that balances community impact with the need to maintain service levels. Investment in key infrastructure, alongside the ongoing capital renewal program, has also been factored in to support the City's long-term financial sustainability.

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 forecast rate increases will enable the achievement of Council's strategic objectives while maintaining long term financial sustainability throughout the 10 years of the LTFP.

Indexation

The 2025-2026 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.

The City of Marion, like many organisations, continues to face challenging market conditions and ongoing inflationary pressures into 2025-2026. In addition to CPI, council is also impacted by other cost indices, particularly those in the construction sector, where national cost escalation is projected to remain at around 5% through to 2027.

With CPI expected to remain at the higher end of the RBA inflation target of 2-3%, the 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 for operational costs.



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 2025-2026 will where possible 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 last scheduled annual increase of 0.5% to the Superannuation Guarantee has been 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 2024-2025 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. 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 2025-2026 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 responsibly 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 Basketball Stadium

The current stadium no longer meets the current needs, standards, and expectations of the basketball community. Council has proposed a new 4 court indoor stadium at the current site on Norfolk Road. Works to be completed in 2025-2026 include advancing detailed design, securing development approvals, and preparing for construction. The Federal Government has pledged \$6m towards the project.



Warradale Park Tennis Club

Council is continuing to progress the upgrade of the Warradale Park Tennis Club. The project planned to be completed in 2025-2026 includes an internal refit of the existing clubroom, along with upgrades to the shower and toilet facilities, bar, and office space. The project will be funded by Council with contributions from the State and Federal Government.



Glandore Oval Upgrade

Council, following the removal of old buildings, will commence construction of a new clubhouse, car park, and install new landscaping. The State Government has provided \$5m towards this project. Construction will commence shortly with planned expenditure in the order of \$7m in 2025-2026 with the remaining spend in 2026-2027 to complete the project.



Morphettville Park Clubroom Upgrade

The aging Morphettville Park Tennis Clubroom is set to be redeveloped. The rebuild will deliver a modern facility with a slightly larger footprint than the existing building, incorporating accessible and compliant toilets and shower areas, along with increased storage. Council is also seeking to attract external grant funding to support the delivery of the project.

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 10% 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 community assets at agreed service levels, maximising value throughout their lifespan'.

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.

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.

The City of Marion owns and manages a large and diverse asset portfolio valued at over one billion dollars



Artworks, culture and heritage assets



Buildings and structural assets



The Coastal Walkway



Fleet, plant and equipment assets



Open space assets



Stormwater assets



Transport assets



Tree assets



Water treatment and resources assets

Financial Indicators

Key Financial Indicators

Operating Surplus Ratio

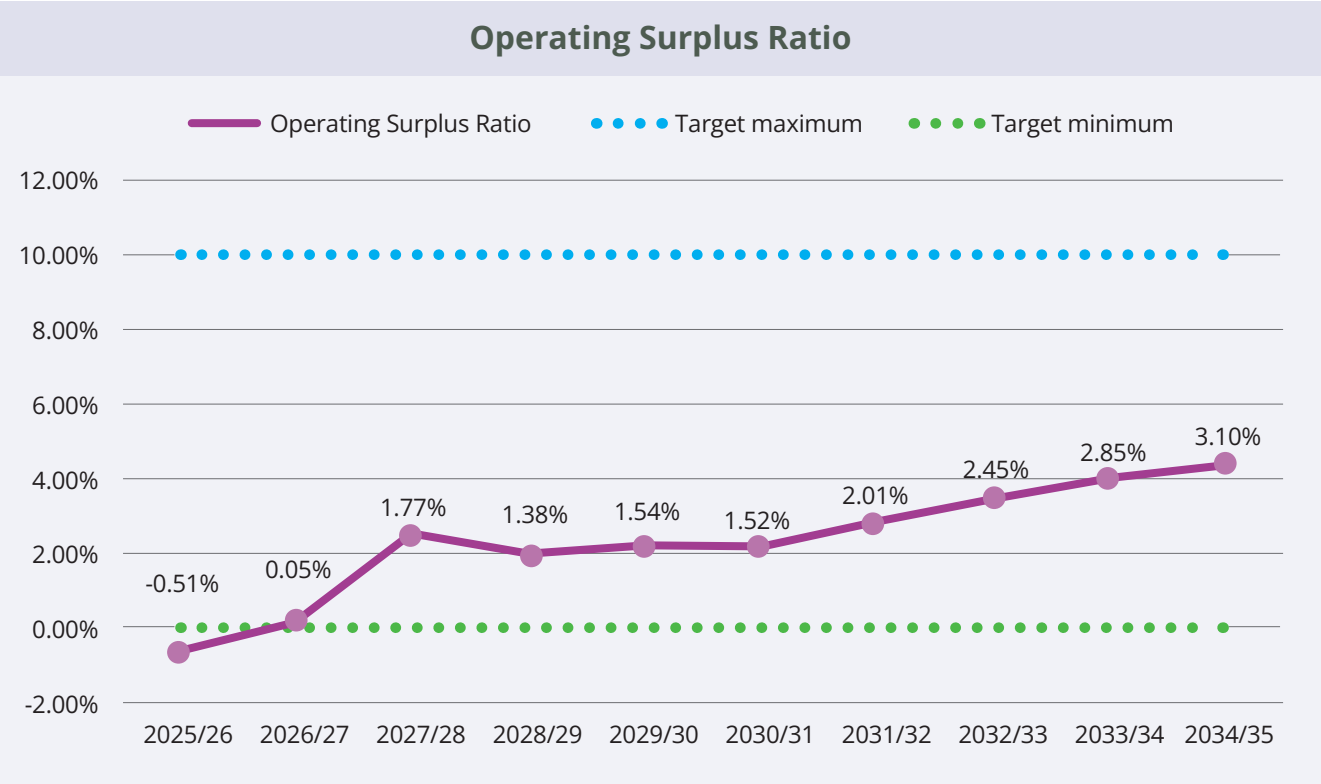
The Operating Surplus ratio expresses the level of operating surplus before capital expenditure as a percentage of rates. It gives an indication of Council's ability to service its operations from expected rate income and maintain financial sustainability in the long term.

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 with a forecast average result of 0.85% over the coming 5 years. 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

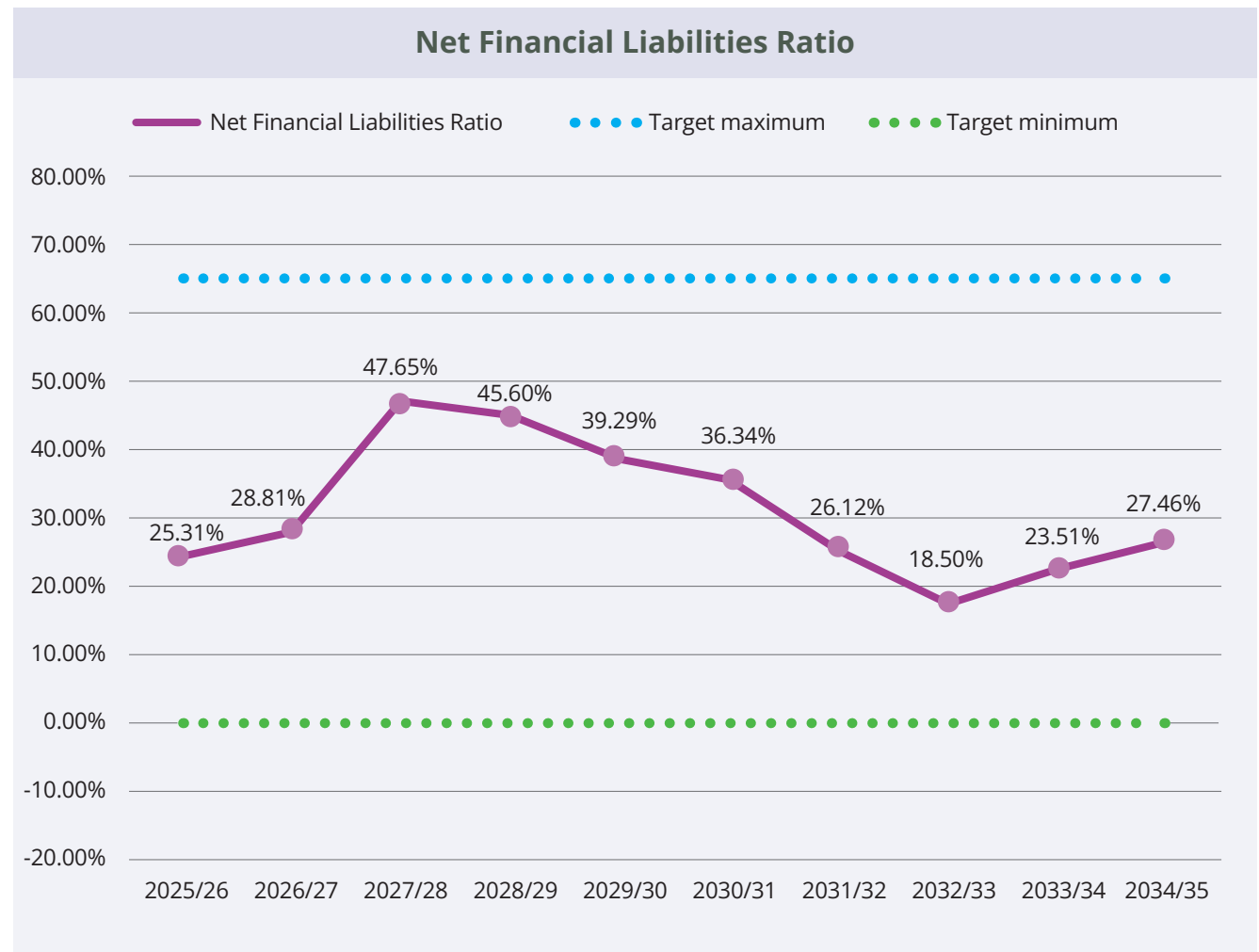
Net Financial Liabilities Ratio expresses Net Financial Liabilities – This comprises total liabilities less financial assets (where financial assets for this purpose includes cash, investments, loans to community groups, receivables and prepayments) expressed as a percentage of total operating revenue. 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 65%.

LTFP Commentary

The net financial liability ratio is forecast to be 25.31% in 2025-2026 increasing with the additional forecast annual borrowings to peak at 47.65% in 2027-2028 and then decreasing across the LTFP as loan repayments are made. Borrowings are forecast to increase in 2034-2035, where the ratio increases to 27.46%. 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

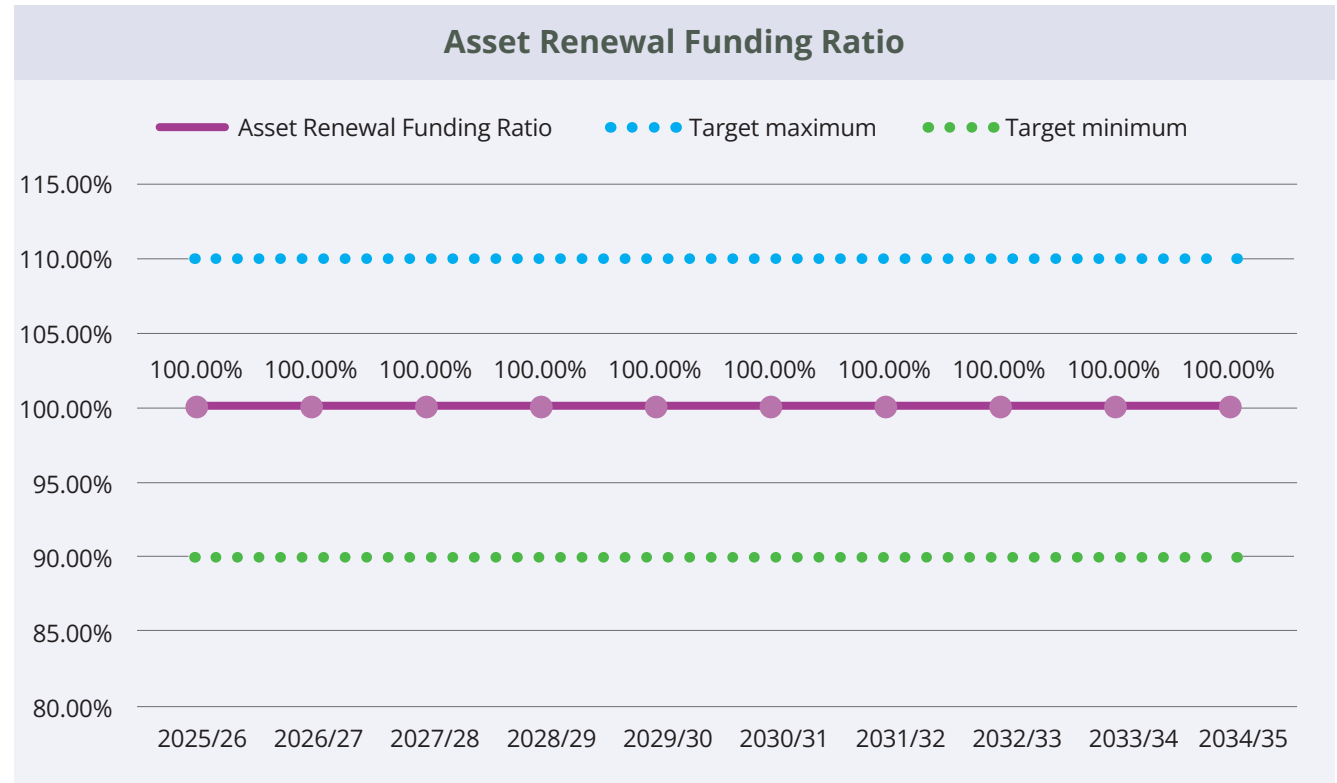
The Asset Renewal Funding ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to the Infrastructure and Asset Management Plan required expenditure. This indicates whether Council is renewing or replacing existing non-financial assets in accordance with its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

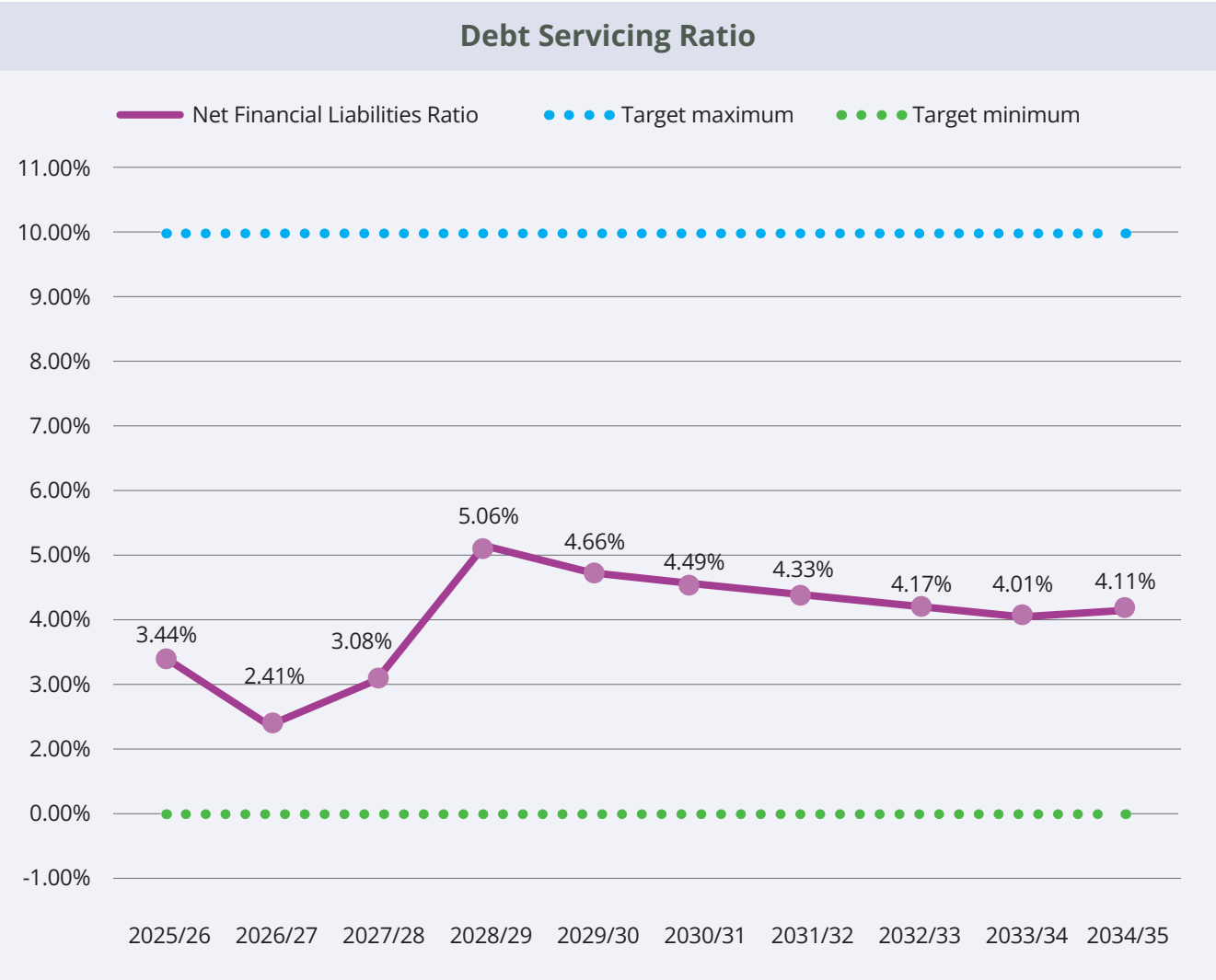
The Debt Servicing ratio expresses forecast debt servicing costs (principal and interest) compared to rates revenue. This indicates the ability of Council to service borrowings from forecast rate income.

Target

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

LTFP Commentary

With forecast new borrowings within the LTFP of \$11.900m required in 2025-2026, and additional borrowings of \$48.7m to fund capital expenditure over the remainder of the plan, the Debt Servicing Ratio is set to peak at 5.06% in 2028-2029. 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

	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	2034/35 \$'000
Operating Activities										
Income	121,895	125,653	130,962	136,181	141,613	146,966	152,526	158,299	164,294	170,519
less Expenses	(122,516)	(125,589)	(128,639)	(134,301)	(139,435)	(144,734)	(149,466)	(154,416)	(159,608)	(165,227)
Operating Surplus / (Deficit)	(621)	64	2,324	1,880	2,177	2,232	3,060	3,883	4,686	5,293
Capital Activities										
less (Net Outlays) on Existing Assets										
Capital Expenditure on Renewal and Replacement of Existing Assets	(16,390)	(15,538)	(13,889)	(13,146)	(13,293)	(12,467)	(13,017)	(12,914)	(14,496)	(13,146)
add back Depreciation, Amortisation and Impairment	24,921	25,918	26,954	28,841	30,572	32,736	35,117	37,225	39,458	41,825
add back Proceeds form Sale of Surplus Assets	2,500	-	-	-	-	-	-	-	-	-
add back Proceeds form Sale of Replaced Assets	17	476	281	250	766	516	757	817	643	908
(Net Outlays) on Existing Assets	11,048	10,855	13,347	15,944	18,045	20,784	22,857	25,128	25,605	29,588
less (Net Outlays) on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(18,208)	(24,329)	(46,972)	(26,720)	(19,813)	(29,873)	(12,745)	(22,829)	(57,692)	(58,733)
add back Amounts Received Specifically for New and Upgraded Assets	5,105	8,866	5,949	10,080	6,961	10,015	1,364	5,355	19,082	16,703
(Net Outlays) on New and Upgraded Assets	(13,103)	(15,463)	(41,023)	(16,639)	(12,852)	(19,857)	(11,381)	(17,474)	(38,609)	(42,030)
less Share of Profit in Equity Accounted Investments (excl dividend)	(793)	(817)	(841)	(867)	(893)	(919)	(947)	(975)	(1,005)	(1,035)
Net Lending / (Borrowing) for Financial Year	(3,469)	(5,361)	(26,194)	319	6,477	2,240	13,589	10,561	(9,323)	(8,184)

Budgeted Funding Statement

	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	2034/35 \$'000
Rates Indexation	4.80%	3.75%	3.50%	3.25%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%
Income										
Rates	100,395	105,233	110,036	114,779	119,723	124,577	129,623	134,871	140,327	146,000
Statutory Charges	2,820	2,905	2,985	3,059	3,136	3,214	3,295	3,377	3,461	3,548
User Charges	4,732	4,874	5,008	5,133	5,261	5,393	5,528	5,666	5,807	5,953
Grants, Subsidies and Contributions - operating	11,661	10,296	10,532	10,753	10,978	11,210	11,447	11,691	11,940	12,195
Investment Income	350	350	350	350	350	350	350	350	350	350
Reimbursements	751	774	795	815	835	856	878	899	922	945
Other Income	393	404	415	426	436	447	459	470	482	494
Net gain - equity accounted Council businesses	793	817	841	867	893	919	947	975	1,005	1,035
Total Income	121,895	125,653	130,962	136,181	141,613	146,966	152,526	158,299	164,294	170,519
Expenses										
Employee Costs	50,243	51,405	51,935	53,494	55,474	57,138	58,852	60,618	62,437	64,310
Materials, Contracts & Other Expenses	46,503	46,898	48,028	48,749	50,181	51,854	52,701	54,002	55,379	56,834
Depreciation, Amortisation & Impairment	24,921	25,918	26,954	28,841	30,572	32,736	35,117	37,225	39,458	41,825
Finance Costs	850	1,369	1,721	3,217	3,209	3,006	2,795	2,571	2,335	2,258
Total Expenses	122,516	125,589	128,639	134,301	139,435	144,734	149,466	154,416	159,608	165,227
Operating Surplus	(621)	64	2,324	1,880	2,177	2,232	3,060	3,883	4,686	5,293
Operating Surplus Ratio	-0.51%	0.05%	1.77%	1.38%	1.54%	1.52%	2.01%	2.45%	2.85%	3.10%
Amounts Received Specifically for New or Upgraded Assets	5,105	8,866	5,949	10,080	6,961	10,015	1,364	5,355	19,082	16,703
Net Surplus / (Deficit) for the Year	4,484	8,930	8,273	11,961	9,138	12,248	4,424	9,238	23,768	21,996
Capital (Balance Sheet) and Reserve Movements										
Capital Expenditure	(34,598)	(39,867)	(60,861)	(39,866)	(33,106)	(42,340)	(25,762)	(35,743)	(72,188)	(71,878)
Loan Repayments (External)	(3,331)	(1,653)	(2,300)	(3,663)	(3,376)	(3,576)	(3,787)	(4,011)	(4,248)	(4,737)
Funds from Suplus Asset Disposal	2,500	-	-	-	-	-	-	-	-	-
Funds from Replaced Asset Disposal	17	476	281	250	766	516	757	817	643	908
New Loan Borrowings (External)	11,900	7,200	28,600	3,500	-	-	-	-	3,110	6,250
Net Transfers (to)/from Reserves	4,840	(99)	(28)	(99)	(3,029)	1,401	(9,749)	(6,499)	10,531	6,751
Total Capital (Balance Sheet) and Reserve Movements	(18,671)	(33,943)	(34,308)	(39,878)	(38,745)	(43,999)	(38,541)	(45,435)	(62,151)	(62,706)
Net Result (including Depreciation & Other non-cash items)	(14,187)	(25,013)	(26,035)	(27,917)	(29,607)	(31,751)	(34,118)	(36,197)	(38,383)	(40,710)
Add back Depreciation Expense (non-cash)	24,921	25,918	26,954	28,841	30,572	32,736	35,117	37,225	39,458	41,825
Add back Other Expenses (non-cash)	(793)	(817)	(841)	(867)	(893)	(919)	(947)	(975)	(1,005)	(1,035)
Less Grants Received in Advance	(4,943)	-	-	-	-	-	-	-	-	-
Deferred borrowings not used in prior years	(4,939)	-	-	-	-	-	-	-	-	-
Cash Budget Surplus	59	88	78	57	72	65	53	52	71	80

Budgeted Income Statement

	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	2034/35 \$'000
Income										
Rates	100,395	105,233	110,036	114,779	119,723	124,577	129,623	134,871	140,327	146,000
Statutory Charges	2,820	2,905	2,985	3,059	3,136	3,214	3,295	3,377	3,461	3,548
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Grants, Subsidies and Contributions	11,661	10,296	10,532	10,753	10,978	11,210	11,447	11,691	11,940	12,195
Investment Income	350	350	350	350	350	350	350	350	350	350
Reimbursements	751	774	795	815	835	856	878	899	922	945
Other Income	393	404	415	426	436	447	459	470	482	494
Net gain - equity accounted Council businesses	793	817	841	867	893	919	947	975	1,005	1,035
Total Income	121,895	125,653	130,962	136,181	141,613	146,966	152,526	158,299	164,294	170,519
Expenses										
Employee Costs	50,243	51,405	51,935	53,494	55,474	57,138	58,852	60,618	62,437	64,310
Materials, Contracts & Other Expenses	46,503	46,898	48,028	48,749	50,181	51,854	52,701	54,002	55,379	56,834
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Total Expenses	122,516	125,589	128,639	134,301	139,435	144,734	149,466	154,416	159,608	165,227
Operating Surplus	(621)	64	2,324	1,880	2,177	2,232	3,060	3,883	4,686	5,293
Operating Surplus Ratio	-0.51%	0.05%	1.77%	1.38%	1.54%	1.52%	2.01%	2.45%	2.85%	3.10%
Amounts Received Specifically for New or Upgraded Assets	5,105	8,866	5,949	10,080	6,961	10,015	1,364	5,355	19,082	16,703
Net Surplus / (Deficit) for the Year	4,484	8,930	8,273	11,961	9,138	12,248	4,424	9,238	23,768	21,996

Budgeted Statement of Financial Position

	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	2034/35 \$'000
ASSETS										
Current Assets										
Cash & Cash Equivalents	11,302	10,915	11,034	11,440	14,624	13,627	23,223	30,095	20,328	13,758
Trade & Other Receivables	5,482	5,798	5,804	6,242	6,242	6,632	6,280	6,736	7,810	7,882
Inventories	540	545	558	566	583	602	612	627	643	660
Total Current Assets	17,325	17,257	17,396	18,249	21,449	20,861	30,115	37,458	28,781	22,300
Non-Current Assets										
Equity Accounted Investments in Council Businesses	10,709	11,526	12,367	13,234	14,126	15,045	15,992	16,968	17,972	19,007
Infrastructure, Property, Plant & Equipment	1,354,619	1,368,092	1,401,718	1,412,493	1,414,261	1,423,349	1,413,237	1,410,938	1,443,025	1,472,170
Other Non-Current Assets	23,080	23,080	23,080	23,080	23,080	23,080	23,080	23,080	23,080	23,080
Total Non-Current Assets	1,388,408	1,402,698	1,437,165	1,448,806	1,451,467	1,461,475	1,452,310	1,450,986	1,484,077	1,514,257
TOTAL ASSETS	1,405,733	1,419,955	1,454,561	1,467,055	1,472,916	1,482,335	1,482,425	1,488,444	1,512,859	1,536,557
LIABILITIES										
Current Liabilities										
Trade & Other Payables	15,803	15,527	15,559	16,256	16,355	17,103	16,555	17,347	19,131	19,320
Borrowings	1,653	2,300	3,663	3,376	3,576	3,787	4,011	4,248	4,737	5,495
Provisions	7,123	7,123	7,123	7,123	7,123	7,123	7,123	7,123	7,123	7,123
Total Current Liabilities	24,579	24,951	26,345	26,755	27,054	28,013	27,689	28,719	30,991	31,939
Non-Current Liabilities										
Borrowings	22,350	27,250	52,187	52,311	48,736	44,949	40,938	36,690	35,064	35,819
Provisions	711	711	711	711	711	711	711	711	711	711
Total Non-Current Liabilities	23,061	27,961	52,898	53,022	49,446	45,659	41,648	37,401	35,774	36,529
TOTAL LIABILITIES	47,640	52,911	79,243	79,777	76,500	73,672	69,337	66,119	66,765	68,468
Net Assets	1,358,092	1,367,044	1,375,317	1,387,278	1,396,416	1,408,663	1,413,087	1,422,325	1,446,094	1,468,089
EQUITY										
Accumulated Surplus	457,298	466,152	474,396	486,258	492,367	506,016	500,690	503,430	537,729	566,476
Asset Revaluation Reserves	893,903	893,903	893,903	893,903	893,903	893,903	893,903	893,903	893,903	893,903
Other Reserves	6,891	6,990	7,018	7,117	10,146	8,745	18,494	24,993	14,462	7,711
Total Equity	1,358,092	1,367,044	1,375,317	1,387,278	1,396,416	1,408,663	1,413,087	1,422,325	1,446,094	1,468,089

Budgeted Statement of Cashflows

	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	2034/35 \$'000
Cash Flows from Operating Activities										
Receipts:	121,117	124,012	130,079	135,269	140,671	146,002	151,531	157,273	163,235	169,427
Payments:	(98,011)	(99,562)	(101,521)	(105,318)	(108,616)	(111,729)	(114,185)	(116,967)	(119,914)	(123,154)
Net Cash provided (or used in) Operating Activities	23,107	24,450	28,558	29,951	32,055	34,273	37,346	40,306	43,321	46,273
Cash Flows from Investing Activities										
Receipts:										
Amounts Received Specifically for New/Upgraded Assets	5,112	9,006	5,841	10,234	6,845	10,129	1,042	5,503	19,594	16,614
Sale of Replaced Assets	17	476	281	250	766	516	757	817	643	908
Sale of Surplus Assets	2,500	-	-	-	-	-	-	-	-	-
Payments:										
Expenditure on Renewal/Replacement of Assets	(16,390)	(15,538)	(13,889)	(13,146)	(13,293)	(12,467)	(13,017)	(12,914)	(14,496)	(13,146)
Expenditure on New/Upgraded Assets	(18,435)	(24,329)	(46,972)	(26,720)	(19,813)	(29,873)	(12,745)	(22,829)	(57,692)	(58,733)
Net Cash provided (or used in) Investing Activities	(27,197)	(30,385)	(54,739)	(29,382)	(25,495)	(31,695)	(23,964)	(29,422)	(51,951)	(54,356)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	11,900	7,200	28,600	3,500	-	-	-	-	3,110	6,250
Payments:										
Repayments of Borrowings	(3,331)	(1,653)	(2,300)	(3,663)	(3,376)	(3,576)	(3,787)	(4,011)	(4,248)	(4,737)
Net Cash Flow provided (used in) Financing Activities	8,569	5,547	26,300	(163)	(3,376)	(3,576)	(3,787)	(4,011)	(1,138)	1,513
Net Increase/(Decrease) in Cash & Cash Equivalents	4,478	(388)	119	407	3,184	(998)	9,596	6,873	(9,768)	(6,569)
plus: Cash & Cash Equivalents - beginning of year	6,824	11,302	10,915	11,034	11,440	14,624	13,627	23,223	30,095	20,328
Cash & Cash Equivalents - end of the year	11,302	10,915	11,034	11,440	14,624	13,627	23,223	30,095	20,328	13,758

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.

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).

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.

