



CAMPBELLTOWN
CITY COUNCIL

**Long Term Financial Plan
2019/2020 to 2028/2029**

Adopted by Council 16 April 2019

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Key Acronyms

AGAC	Audit and Governance Advisory Committee
CPI	Consumer Price Index
IAMP	Infrastructure Asset Management Plan
LGA	Local Government Association of South Australia
LGPI	Local Government Price Index
LTFP	Long Term Financial Plan

Executive Summary

Under Section 122(1)(a) of the Local Government Act 1999, Council is required to develop and adopt a Long Term Financial Plan for a period of at least 10 years, which forms part of its suite of Strategic Management Plans.

This document has been developed not only to satisfy this requirement, but to assist in determining the financial projections for the City of Campbelltown from 2019/2020 to 2028/2029, based on information available at the time.

Council adopted its original Plan on 3 October 2006.

The Plan has been developed based on a series of assumptions and information available, which includes:

- Council's Strategic Plan (Towards 2020 – Campbelltown City Council Strategic Plan)
- IAMP (Infrastructure Asset Management Plans)
- Current and future levels of service
- Projected rating strategies
- CPI and LGPI forecasts

Consultation with members of the AGAC through meetings has also assisted in the development of the Plan, prior to it being presented to Council for adoption.

The following table provides a financial overview of the Plan adopted by Council on 16 April 2019:

LTFP Averages Across the 10 year period

Rate Increase	2.50%
Rates Growth	0.77%
Total Rates Increase	3.27%
Operating Income	\$59,200,000
Operating Expenses	\$56,850,000
Operating Surplus	\$2,350,000
Operating Surplus Ratio	3.8%
Net Financial Liabilities Ratio	-62%
Asset Renewal Funding Ratio	87%

LTFP Totals

Capital-Renewal and Replacement Expenditure	\$64,722,000
Capital-New Expenditure	\$26,246,000
Total Capital Expenditure	\$90,968,000

At Year 10 (2028/2029)

Net Cash & Investments/(Borrowings)	\$92,284,000
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What is Financial Sustainability?

In 2005, an independent inquiry into the financial sustainability of local government was undertaken by the LGA. Following this inquiry, the following definition was adopted at the LGA's General Meeting held in 2006:

“Council’s long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.”

This definition was subsequently adopted by the Australian Local Government Association at its National Assembly Meeting in December 2006.

In simple terms, the principle of financial sustainability is that each generation ‘pays their way’ for the services and assets that they consume. This is also known as intergenerational equity and occurs when Council records a breakeven operating result (ie. where day to day expenses are equal to day to day income).

Where Council records operating deficits, it means that future generations will be subsidising the current costs of services and will be responsible for addressing the issue of funding the replacement of worn out assets.

Long Term Financial Plan Framework

The following principles have been used as part of the framework to develop the LTFP:

- Consistency with Council’s Strategic Plan and IAMPs
- Consideration of Council’s financial targets
- No changes to recurrent service levels provided by Council
- Stability and predictability in determining future rate increases
- Allocation of funding for New Initiatives (based on recurrent budget and planned operating result)
- Use of CPI and LGPI forecasts
- Ensure Council can afford to fund identified major projects
- To address the legislative and regulated requirements of Council.

Chief Executive Officer’s Report on Financial Sustainability

As part of the financial sustainability inquiry conducted in 2005, each Council was categorized into one of 6 groups, with Category 1 being Sustainable with a very substantial margin of comfort and Category 7 being Unsustainable.

Campbelltown’s ranking at this time was a Category 4, being sustainable with a minimum margin of comfort. The definition attributed to this category was:

*“If unanticipated financial shocks/risks eventuate on top of known developments, the Council should be able to avoid a substantial per-property rates increase albeit with a minimum margin of comfort **provided** its revenue and spending policies remain unchanged over time.”*

To put this into some form of context, 43 of the 68 South Australian Councils (63%) received a rating of 4 or worse.

Over the life of this Plan, Council is projected to maintain a strong financial position and meet all of its financial targets. Over the medium to long term, Council is expected to be financially sustainable in accordance with the information contained within this Plan.

This position can be maintained where Council continues to fund the existing services provided and provides for additional funding should it decide to introduce new services. An allowance has been made to recognise the new and expanded services to be provided at the redeveloped Campbelltown ARC and Campbelltown Memorial Oval.

Risks Associated with the Long Term Financial Plan

This Plan has been developed based on the best information and assumptions available at the time. Users of this information should be aware that there are inherent risks associated with the outcomes reported, as circumstances (ie change in legislative requirements) may bring about changes that could materially affect the outcome and projected results of the Plan.

To ensure that the Plan is timely and relevant to Council forecasts, the LTFP will be reviewed at least twice per year, being:

- prior to adopting the Annual Business Plan and Budget for the purposes of community consultation. This will help determine the financial parameters and rate increases for the upcoming financial year; and
- as soon as practicable after adopting the Council's Annual Business Plan for the relevant financial year (in accordance with Section 122(4)(a)).

Key Financial Targets

As its meetings held on 22 January and 16 April 2019, Council adopted an updated set of key financial targets that have been used to guide the direction of the LTFP.

Description	Target
1. Operating Surplus Ratio	To achieve a ratio between 0% and 5%
2. Net Financial Liabilities Ratio	Less than 70%
3. Interest Cover Ratio	Less than 5% of operating income
4. Asset Renewal Funding Ratio	100% spend as per IAMPs and asset schedules on a rolling 5 year basis
5. Asset Consumption Ratio	Greater than 40% but less than 60%

Further information and definitions of the targets are provided below. Data contained in the graphs commences from the 2015/2016 financial year.

From the 2011/2012 financial year, Council is only required to report on the following targets in accordance with Regulation 5(1)(c) of the Local Government (Financial Management) Regulations 2011:

- 1 - Operating Surplus ratio
- 2 - Net Financial Liabilities ratio; and
- 4 - Asset Renewal Funding ratio

Please note that this document refers to an additional two targets

.

Target 1: Operating Surplus Ratio

The percentage by which rates vary from day to day expenses.

A positive ratio indicates the percentage of rates available for the provision of new services, to pay down existing debt or to fund Capital-New expenditure.

A negative ratio for this target indicates the percentage that rates would need to increase by to achieve a break even operating result.

How is this target calculated?

$$\frac{A}{B}$$

A = Operating Surplus/(Deficit)

B = Total Operating Income

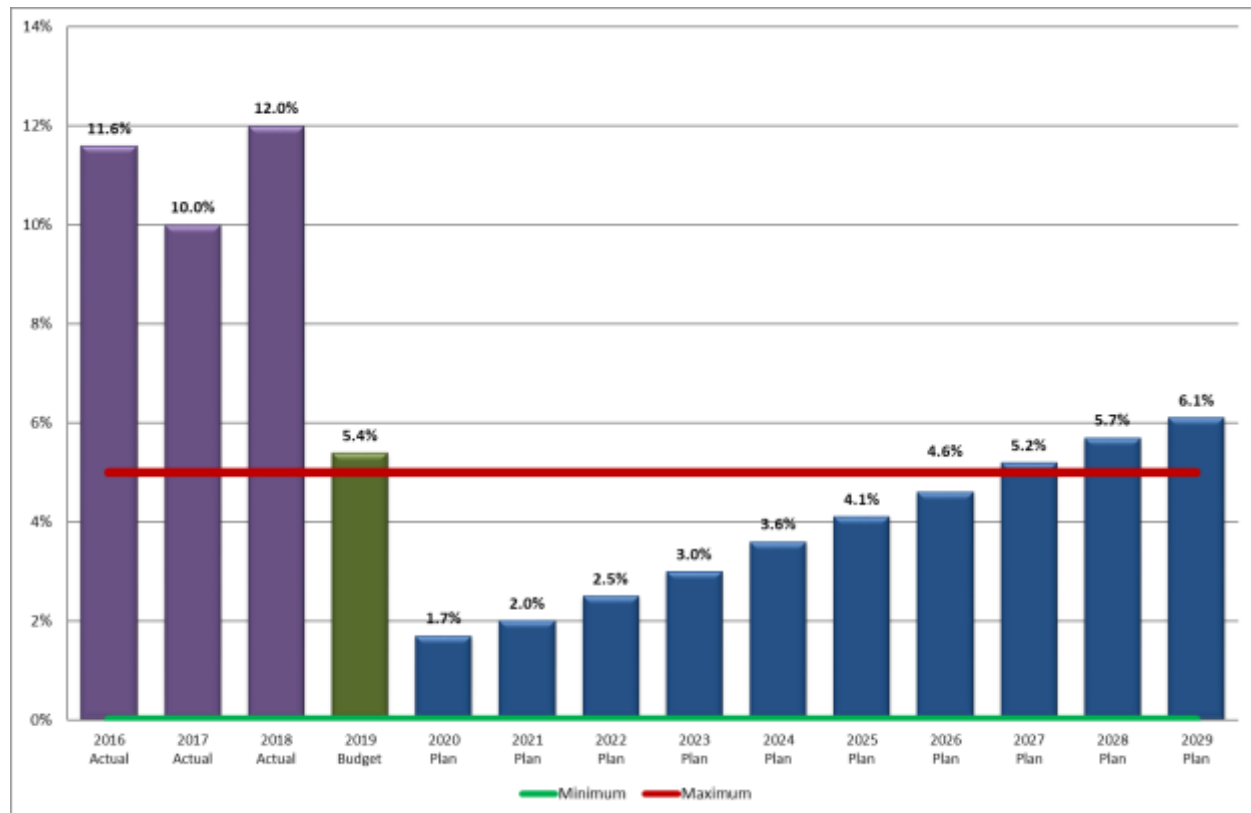
What is the LTFP Target?

To achieve a ratio between 0% and 5%.

Commentary on Projected Performance

The adopted plan shows that Council will meet its targets across each year of the plan, based on rate increases of LGPI plus growth, with the exception of Years 8 to 10 (2026/27 to 2028/29). While exceeding the maximum target in these three years, at this time the additional income generated will be used to reduce the gap to fund future asset renewals.

When this target is 0% or higher, it means that ratepayers are meeting the costs of the services they have consumed in that year (including depreciation). This also helps Council prepare for the future by minimising the likelihood of excessive rate increases beyond those currently projected within this Plan.



Target 2: Net Financial Liabilities Ratio

How significant the net amount owed by Council is compared with its income.

A drop in this ratio indicates that Council's capacity to meet its financial obligations from operating income is strengthening.

An increase in this ratio indicates that Council requires more of its operating income to fund its financial obligations.

How is this target calculated?

$$\frac{A}{B}$$

A = Net Financial Liabilities
B = Total Operating Income

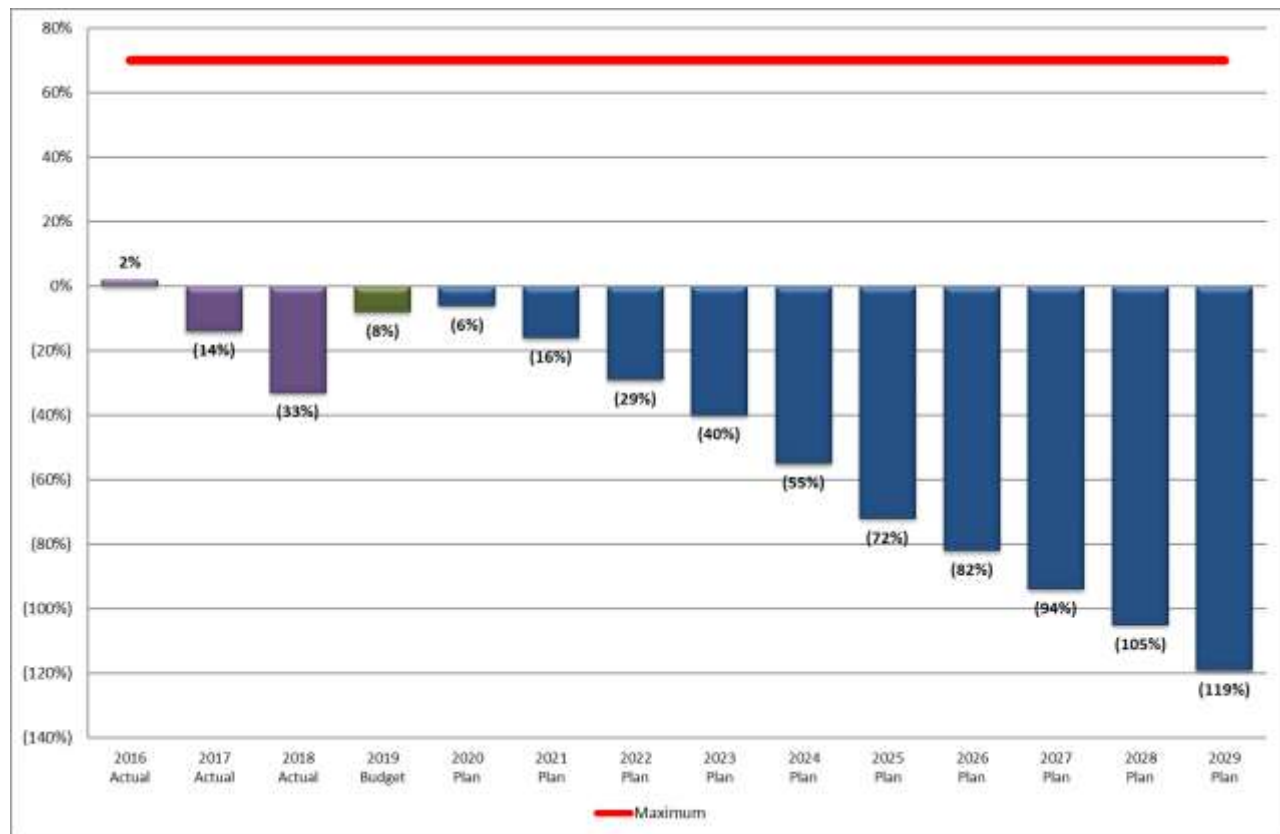
What is the LTFP Target?

Less than 70% (of Council's annual operating income).

Commentary on Projected Performance

With no borrowings, Council's net financial liabilities and this ratio are very strong, projecting to be minus 119% in Year 10 (2028/29). Based on LTFP projections, Council is expected to have more liquid financial assets (ie cash and investments) than total liabilities (ie borrowings), which causes a negative ratio.

While not planned at this stage, the result and projections of this target gives Council significant scope to be able to increase borrowings in the future should the need arise without significantly impacting on this target.



Target 3: Interest Cover Ratio

The amount of income used to pay interest on its borrowings.

How is this target calculated?

$$\frac{A \text{ minus } B}{C}$$

- A = Finance Costs
B = Investment Income
C = Total Operating Income

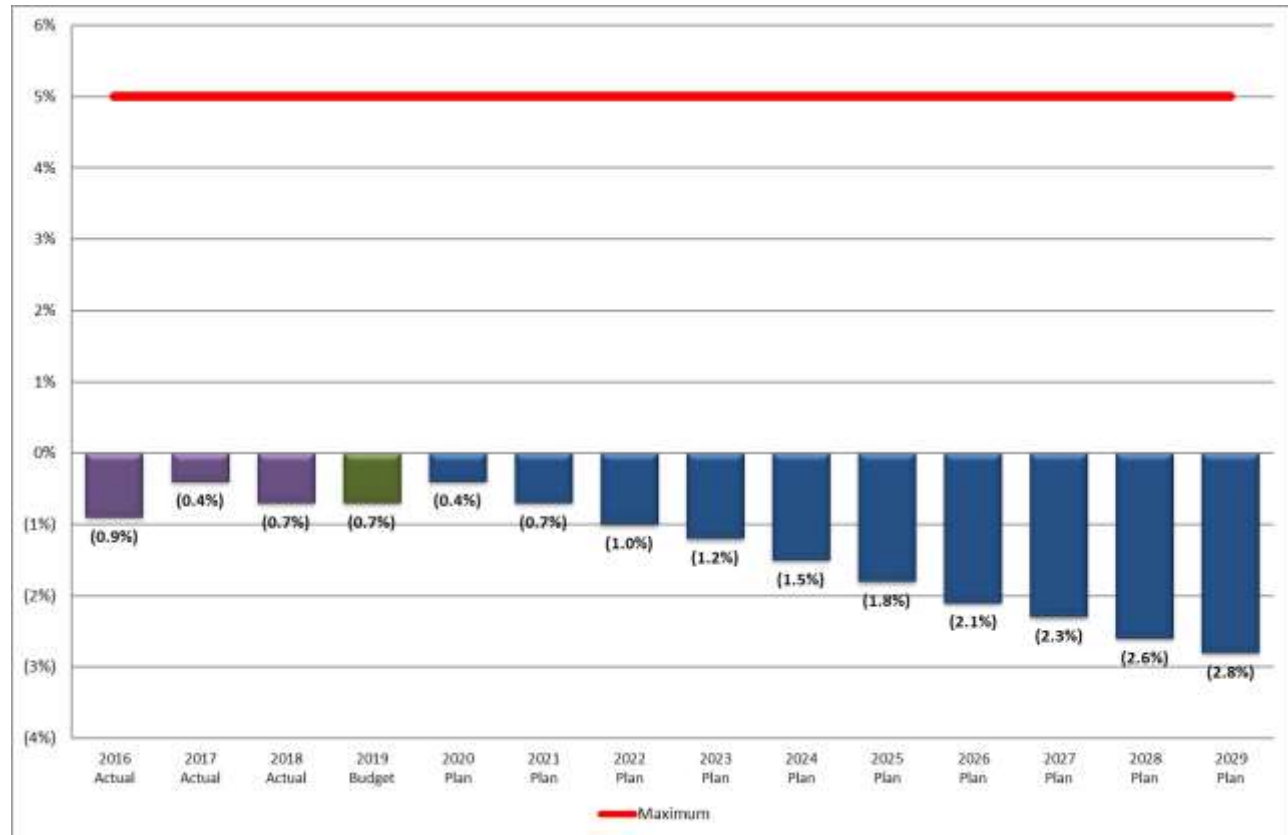
What is the LTFP Target?

Less than 5% of Operating Income.

Commentary on Projected Performance

Council has traditionally earned more interest income from investments than it pays out for interest expense on its borrowings.

With no borrowing at present and loans forecast across the life of the plan, Council expects to continue to recognise more interest income than interest expense.



Target 4: Asset Renewal Funding Ratio

Are assets being replaced at the rate they are wearing out?

How is this target calculated?

$$\frac{A \text{ minus } B}{C}$$

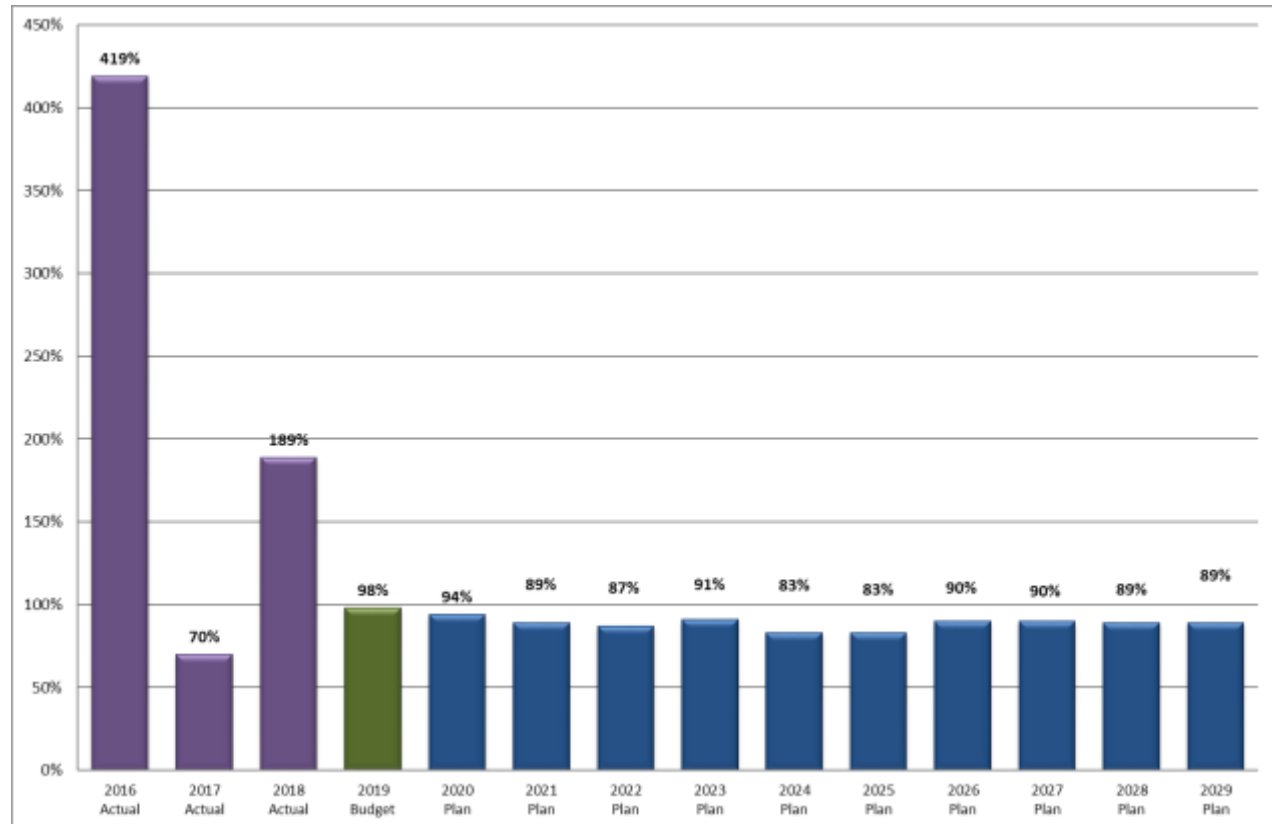
- A** = Capital-Renewal and Replacement expenditure
B = Proceeds from the Sale of Replaced Assets
C = Planned spend as per IAMPs and Asset Schedules

What is the LTFP Target?

100% spend as per IAMPs and asset schedules on a rolling 5 year basis.

Commentary on Projected Performance

Council's planned expenditure for the renewing and replacing of its existing assets is in line with its IAMPs and asset replacement schedules.



The high value projected for 2016 relates to the redevelopment of the ARC Campbelltown, while the high value in 2018 relates to the Campbelltown Memorial Oval.

Target 5: Asset Consumption Ratio

The average proportion of 'as new condition' left in assets.

How is this target calculated?

$$\frac{A}{B}$$

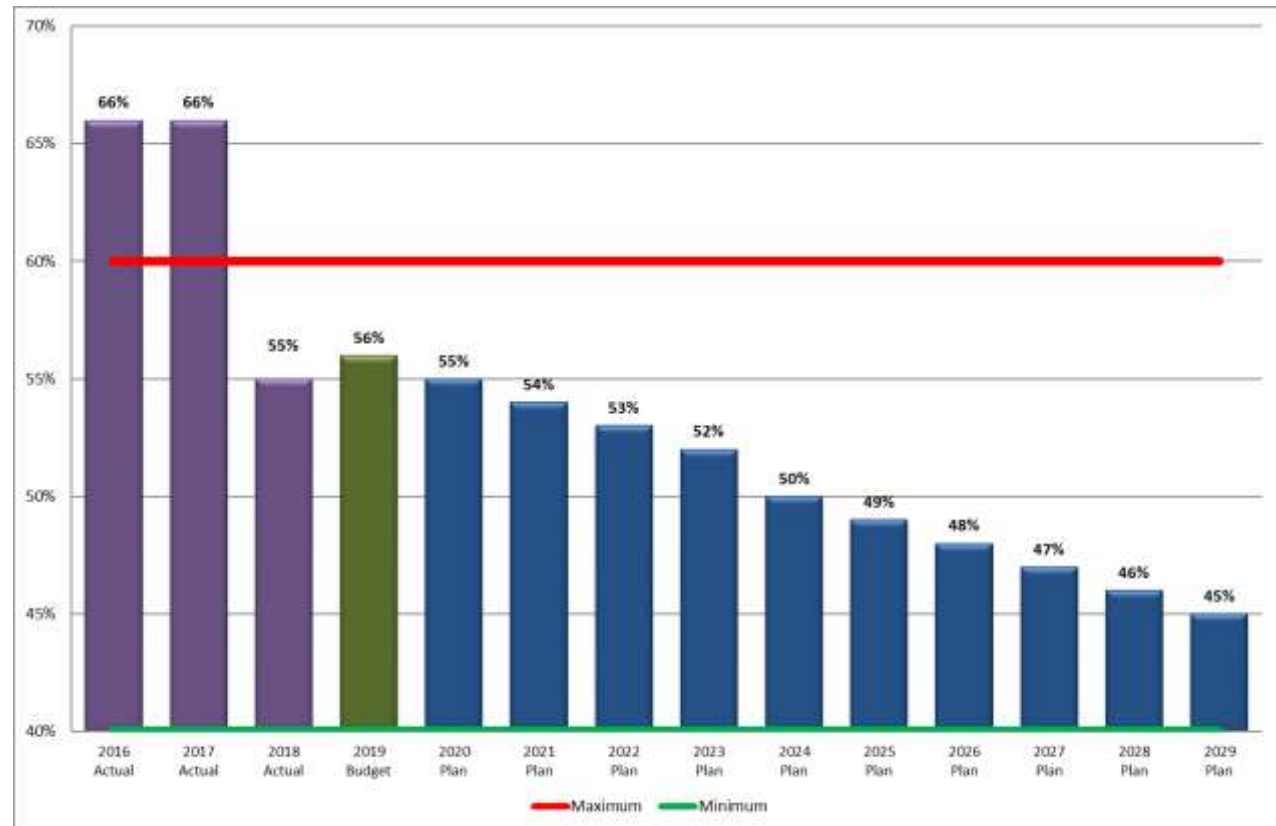
A = Carrying Amount of Depreciable Assets
B = Gross Value of Depreciable Assets

What is the LTFP Target?

Greater than 40% but less than 60%.

Commentary on Projected Performance

Council is well within the target range, with assets having an average condition of 50% over the life of the adopted Plan.



Appendix A - LTFP Assumptions

Financial Year Explanation

Year	Current/ Projected Year	Description
2017/18	Actuals	2017/2018 – Audited Financial Statements
2018/19	Current	2018/2019 - 2nd Budget Review
2019/20	Projected	Year 1 – LTFP
2020/21	Projected	Year 2 – LTFP
2021/22	Projected	Year 3 – LTFP
2022/23	Projected	Year 4 – LTFP
2023/24	Projected	Year 5 – LTFP
2024/25	Projected	Year 6 – LTFP
2025/26	Projected	Year 7 – LTFP
2026/27	Projected	Year 8 – LTFP
2027/28	Projected	Year 9 – LTFP
2028/29	Projected	Year 10– LTFP

Projected Rates Increase Table

Financial Year	CPI ¹	LGPI Increase ²	LGPI ³	Additional Increase Required	Rates Increase	Rates Growth	Total Rates (inc. Growth)
2019/20	1.60%	1.10%	2.70%	0.00%	2.70%	1.39%	4.09%
2020/21	2.10%	0.15%	2.25%	0.00%	2.25%	0.70%	2.95%
2021/22	2.20%	0.15%	2.35%	0.00%	2.35%	0.70%	3.05%
2022/23	2.44%	0.15%	2.55%	0.00%	2.55%	0.70%	3.25%
2023/24	2.40%	0.15%	2.55%	0.00%	2.55%	0.70%	3.25%
2024/25	2.20%	0.15%	2.35%	0.00%	2.35%	0.70%	3.05%
2025/26	2.20%	0.15%	2.35%	0.00%	2.35%	0.70%	3.05%
2026/27	2.50%	0.15%	2.65%	0.00%	2.65%	0.70%	3.35%
2027/28	2.50%	0.15%	2.65%	0.00%	2.65%	0.70%	3.35%
2028/29	2.40%	0.15%	2.55%	0.00%	2.55%	0.70%	3.25%
Average	2.25%	0.25%	2.50%	0.00%	2.50%	0.76%	3.26%

¹ **Source:** Year 1 as per ABS (Adelaide, December 2018). Year 2 onwards as per Deloitte Access Economics (January 2019) forecast applied is based on Adelaide CPI for the preceding December quarter.

² From 2013/2014 to 2017/2018, the LGPI has been 0.15% higher than the corresponding CPI on average.

³ Year 1 LGPI is on figure quoted at <http://www.adelaide.edu.au/saces/economy/lgpi/>

Overview of Key Assumptions

Operating Income

Rates

- Refer to Projected Rates Increase table for annual increases
- NRM Levy – 3% annual increase
- Separate Rate – Campbelltown Shopping Centre toilets – LGPI.

Statutory Charges

- Annual increase of LGPI.

User Charges

- ARC Campbelltown – annual increase of CPI
- Other User Charges - Projected Rates Increase.

Grants, Subsidies & Contributions

- ***Financial Assistance Grant***
 - Year 1 onwards - annual increase CPI.
- ***Local Roads Grant***
 - Years 1 onwards - annual increase of CPI.
- ***Roads to Recovery Grant***
 - Year 1 onward – \$429,450 per annum (no indexation).
- ***Library Operating and Materials Grants***
 - Year 1 onwards - annual increase of LGPI.
- ***CHSP (Commonwealth Home Support) Grant***
 - Year 1 to 2 - annual increase of LGPI
 - Year 3 – program no longer funded.
- ***Other Grants***
 - No other grants identified.

Investment Income

- Based on cash flows throughout year (as per LTFP model).
- **Interest rate**
 - 2.05% per annum.

Reimbursements

- Increase based on Projected Rates Increase.

Other Income

- **Workers' Compensation Rebate**
 - Annual increase in line with Employee Cost increase (3.47%).
- **Other income**
 - Increase based on Rates Increase.

Net Gain-Joint Ventures & Associates

- **East Waste**
 - As per East Waste's LTFP x 16.67% (Council's equity share).

Operating Expenses

Employee Costs

- Annual Increase – 3.47%, comprising:
 - Assumed Enterprise Bargaining Agreement increase of 2.34%
 - Leave Liability Increments – 0.46% increase
 - Employee Increments – 0.65% increase
 - Employee Reclassifications – 0.02% increase
- Workers' Compensation Premium – annual increase of 3.47%.

Materials, Contracts & Other Expenses

- NRM Levy – 3%
- Prescribed Expenses (includes Auditor's Fees, Elections, Operating Leases, Mayoral and Elected Member Allowances) – LGPI
- Water Expenses – CPI
- Other Utility Expenses (includes Electricity, Gas and Fuel) – 2 x CPI
- Waste – CPI plus Rates Growth
- Solid Waste Levy – 3%
- Remaining Contractors, Materials and Other Expenses – LGPI.

Depreciation, Amortisation & Impairment

- Based on opening Current Replacement Cost and Acquisitions and Disposals during the calculated year
- Annual depreciation percentages:
 - Buildings – 2.4%
 - Infrastructure – 1.7%
 - Bridges - 1.1%
 - Plant & Equipment – 9.0%
 - Furniture & Fittings – 7.5%
 - Library Stock – 23.6%
 - Other Assets – 3.3%.

Finance Costs

- No loans outstanding
- No loans projected.

Net Loss-Joint Ventures & Associates

- **East Waste**
 - As per East Waste's LTFP x 16.67% (Council's equity share).

Productivity Savings

- 0.5 x LGPI of Materials, Contractors and Other Expenses, excluding:
 - Water
 - Electricity
 - Waste Collection Contract
 - NRM Levy
 - Solid Waste Levy.

Amounts Received Specifically for New Assets

- No income forecast.

Capital Expenditure

Capital-New

- If required, net capital expenditure (Capital-New less Amounts Received Specifically for New Assets less Sale of Surplus Assets) to be funded from New Borrowings
- Refer to Capital-New Expenditure Summary for further information on yearly spending patterns.

Capital-Renewal and Replacement

- Net capital expenditure (Capital-Renewal and Replacement less Depreciation less Sale of Replaced Assets) to be sourced from (or transferred to) the Renewal and Replacement Reserve
- Refer to Capital-Renewal and Replacement Expenditure Summary for further information on yearly spending patterns.

Asset Sales

- No profit/loss on sale of assets from Year 1
- Sale proceeds based on Asset Replacement Schedules
- No projections for the sale of land
- No projections for the sale of buildings.

Reserves

Asset Revaluation Reserve

- Annual increase from Year 1 based on LGPI for the following asset categories:
 - Land
 - Buildings
 - Infrastructure
 - Bridges
 - Other Assets.

Asset Replacement Reserve

- Reserve is not cash-backed, but balance shown represents amounts available for future plant, equipment and furniture asset replacement expenditure.

Renewal and Replacement Reserve

- Transfer to/from reserve based on Net Outlays on Existing Assets
- Reserve is not cash-backed, but balance shown represents amounts available for future asset replacement expenditure.

Other Reserves

- Assume zero balance at end of Current year.

Loans

Existing Loans

- No loans outstanding

Projected Loans (not required for this Plan)

- Additional loans used to ensure sufficient cash and investments available at end of each financial year, where applicable
- **Rate of Interest** – not applicable
- **Term of Loan** - 10 Years
- **Payments per Year** - 2

Capital-New Expenditure Summary

Asset Category	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24	Year 6 2024/25	Year 7 2025/26	Year 8 2026/27	Year 9 2027/28	Year 10 2028/29
Land	0	0	0	0	0	0	0	0	0	0
Buildings	276	282	288	295	302	309	316	324	332	340
Infrastructure	2,492	1,373	1,393	915	938	960	982	1,008	1,034	1,060
Plant & Equipment	223	228	233	238	244	249	254	260	266	272
Furniture & Fittings	55	56	57	58	59	60	61	62	63	64
Other Assets	402	411	420	430	440	450	460	472	484	496
Master Plans	0	0	0	500	500	500	500	500	500	500
TOTAL	3,448	2,350	2,391	2,436	2,483	2,528	2,573	2,626	2,679	2,732

Capital-Renewal & Replacement Expenditure Summary

Asset Category	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24	Year 6 2024/25	Year 7 2025/26	Year 8 2026/27	Year 9 2027/28	Year 10 2028/29
Land	0	0	0	0	0	0	0	0	0	0
Buildings	28	518	170	27	613	0	2,350	1,145	569	0
Infrastructure	2,698	2,870	3,396	4,315	1,752	1,763	2,770	3,271	4,561	4,034
Plant & Equipment	2,322	1,903	1,866	1,607	2,207	1,939	2,134	1,897	2,415	2,064
Furniture & Fittings	459	224	335	288	237	243	430	373	313	278
Other Assets	0	947	0	523	156	421	440	847	358	646
TOTAL	5,507	6,462	5,767	6,760	4,965	4,366	8,124	7,533	8,216	7,022

Appendix B - Estimated Financial Statements

Estimated Statement of Comprehensive Income

	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income												
Rates	36,264	38,093	39,647	40,822	42,071	43,440	44,853	46,226	47,640	49,237	50,886	52,542
Statutory Charges	1,172	1,068	1,097	1,121	1,148	1,177	1,207	1,235	1,265	1,298	1,332	1,366
User Charges	5,618	5,639	5,739	5,861	5,991	6,136	6,285	6,425	6,568	6,733	6,903	7,071
Grants, Subsidies and Contributions	4,901	6,088	3,424	3,488	2,807	2,864	2,922	2,977	3,034	3,099	3,166	3,232
Investment Income	378	405	227	365	508	660	838	1,056	1,255	1,442	1,646	1,878
Reimbursements	1,407	1,329	1,082	1,107	1,133	1,161	1,191	1,219	1,248	1,281	1,315	1,348
Other Income	823	3,219	616	633	489	504	520	536	552	570	588	606
Net gain - equity accounted Council businesses	33	9	9	9	9	9	9	9	9	9	9	9
Total Income	50,597	55,849	51,840	53,405	54,155	55,952	57,826	59,683	61,570	63,668	65,846	68,052
Expenses												
Employee Costs	12,560	13,571	14,500	15,003	15,118	15,643	16,186	16,748	17,329	17,930	18,552	19,196
Materials, Contracts & Other Expenses	20,619	27,743	24,017	24,441	24,383	24,867	25,364	25,842	26,332	26,884	27,451	28,016
Depreciation, Amortisation & Impairment	11,052	11,511	12,457	12,914	13,320	13,733	14,189	14,662	15,108	15,545	16,114	16,659
Finance Costs	18	-	0	-	-	-	-	-	-	-	-	-
Net loss - Equity Accounted Council Businesses	56	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	44,304	52,825	50,974	52,358	52,821	54,243	55,739	57,252	58,768	60,359	62,117	63,871
Operating Surplus / (Deficit)	6,292	3,024	866	1,047	1,334	1,708	2,087	2,432	2,801	3,308	3,728	4,181
Asset Disposal & Fair Value Adjustments	(617)	-	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	243	2,811	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	5,918	5,835	866	1,047	1,334	1,708	2,087	2,432	2,801	3,308	3,728	4,181
Other Comprehensive Income												
Amounts which will not be reclassified subsequently to operating result												
Changes in Revaluation Surplus - I,PP&E	(32,156)	16,028	15,774	13,383	14,173	15,585	15,852	14,798	14,946	17,105	17,395	17,021
Share of Other Comprehensive Income - Equity Accounted Council Businesses	2	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	(32,154)	16,028	15,774	13,383	14,173	15,585	15,852	14,798	14,946	17,105	17,395	17,021
Total Comprehensive Income	(26,236)	21,863	16,640	14,430	15,507	17,293	17,939	17,229	17,747	20,414	21,124	21,202

Estimated Balance Sheet

	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	21,444	2,766	10,095	16,195	23,838	30,920	40,832	52,030	60,327	69,995	80,132	92,284
Trade & Other Receivables	3,263	4,266	3,975	4,067	4,126	4,232	4,341	4,447	4,546	4,668	4,793	4,916
Inventories	23	12	11	11	11	11	11	11	12	12	12	12
Total Current Assets	24,730	7,044	14,080	20,273	27,975	35,163	45,185	56,488	64,884	74,674	84,937	97,212
Non-Current Assets												
Financial Assets	267	265	255	245	234	224	214	204	204	204	204	206
Equity Accounted Investments in Council Businesses	191	200	209	218	227	236	245	254	263	272	281	289
Infrastructure, Property, Plant & Equipment	558,456	590,348	601,691	610,211	618,476	628,881	637,109	643,363	653,044	664,003	675,214	684,503
Other Non-Current Assets	3,627	14,323	12,399	12,618	12,588	12,838	13,095	13,341	13,594	13,879	14,172	14,463
Total Non-Current Assets	562,541	605,136	614,554	623,291	631,525	642,179	650,662	657,161	667,104	678,358	689,870	699,463
TOTAL ASSETS	587,271	612,180	628,634	643,564	659,500	677,342	695,847	713,649	731,988	753,032	774,807	796,675
LIABILITIES												
Current Liabilities												
Trade & Other Payables	5,565	8,384	7,880	8,052	8,140	8,337	8,540	8,737	8,939	9,166	9,400	9,634
Provisions	1,886	2,098	2,309	2,526	2,752	2,985	3,226	3,476	3,734	4,002	4,278	4,564
Total Current Liabilities	7,530	10,482	10,189	10,578	10,892	11,322	11,766	12,213	12,673	13,167	13,678	14,198
Non-Current Liabilities												
Provisions	972	1,067	1,174	1,285	1,400	1,518	1,641	1,768	1,899	2,035	2,176	2,321
Total Non-Current Liabilities	972	1,067	1,174	1,285	1,400	1,518	1,641	1,768	1,899	2,035	2,176	2,321
TOTAL LIABILITIES	8,502	11,549	11,363	11,863	12,292	12,841	13,407	13,981	14,572	15,203	15,854	16,520
Net Assets	578,768	600,631	617,271	631,701	647,208	664,501	682,440	699,669	717,416	737,829	758,953	780,155
EQUITY												
Accumulated Surplus	117,835	133,795	126,919	120,572	113,515	107,640	99,887	91,853	87,751	83,595	80,317	76,489
Asset Revaluation Reserves	408,165	424,193	439,967	453,349	467,523	483,108	498,960	513,757	528,703	545,808	563,203	580,224
Other Reserves	52,768	42,643	50,385	57,779	66,170	73,754	83,593	94,059	100,962	108,427	115,433	123,442
Total Equity	578,768	600,631	617,271	631,701	647,208	664,501	682,440	699,669	717,416	737,829	758,953	780,155

Estimated Cash Flow Statement

	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	36,246	38,122	39,621	40,802	42,050	43,417	44,830	46,203	47,617	49,210	50,859	52,514
Statutory Charges	1,181	1,068	1,097	1,121	1,148	1,177	1,207	1,235	1,265	1,298	1,332	1,366
User Charges	6,180	5,639	5,739	5,861	5,991	6,136	6,285	6,425	6,568	6,733	6,903	7,071
Grants, Subsidies and Contributions (operating purpose)	5,664	6,088	3,424	3,488	2,807	2,864	2,922	2,977	3,034	3,099	3,166	3,232
Investment Receipts	378	404	227	365	508	660	838	1,056	1,255	1,442	1,646	1,878
Reimbursements	1,540	1,329	1,082	1,107	1,133	1,161	1,191	1,219	1,248	1,281	1,315	1,348
Other	2,970	3,982	828	671	541	549	566	580	598	623	643	661
Payments:												
Payments to Employees	(13,072)	(13,253)	(14,171)	(14,662)	(14,775)	(15,278)	(15,808)	(16,357)	(16,925)	(17,512)	(18,120)	(18,748)
Payments for Materials, Contracts & Other Expenses	(22,509)	(37,418)	(22,505)	(24,613)	(24,359)	(25,064)	(25,566)	(26,036)	(26,530)	(27,108)	(27,681)	(28,245)
Finance Payments	(19)	-	(0)	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Operating Activities	18,561	5,961	15,342	14,139	15,043	15,622	16,465	17,303	18,128	19,066	20,064	21,077
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	243	2,811	-	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	139	248	929	761	746	643	883	776	854	759	966	826
Repayments of Loans by Community Groups	3	5	13	12	12	12	12	12	12	2	2	2
Payments:												
Expenditure on Renewal/Replacement of Assets	(5,901)	(17,345)	(5,507)	(6,462)	(5,767)	(6,760)	(4,965)	(4,366)	(8,124)	(7,533)	(8,216)	(7,022)
Expenditure on New/Upgraded Assets	(2,230)	(10,278)	(3,448)	(2,350)	(2,391)	(2,436)	(2,483)	(2,528)	(2,573)	(2,626)	(2,679)	(2,732)
Net Cash provided (or used in) Investing Activities	(7,748)	(24,560)	(8,013)	(8,039)	(7,400)	(8,541)	(6,553)	(6,106)	(9,831)	(9,398)	(9,927)	(8,926)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Bonds & Deposits	92	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayments of Borrowings	(116)	-	-	-	-	-	-	-	-	-	-	-
Repayment of Bonds & Deposits	(569)	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(593)	-	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	10,220	(18,599)	7,329	6,100	7,643	7,082	9,912	11,197	8,297	9,668	10,137	12,152
plus: Cash & Cash Equivalents - beginning of year	11,145	21,365	2,766	10,095	16,195	23,838	30,920	40,832	52,030	60,327	69,995	80,132
Cash & Cash Equivalents - end of the year	21,365	2,766	10,095	16,195	23,838	30,920	40,832	52,030	60,327	69,995	80,132	92,284

Estimated Statement of Changes in Equity

	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	604,970	578,768	600,631	617,271	631,701	647,208	664,501	682,440	699,669	717,416	737,829	758,953
Net Surplus / (Deficit) for Year	5,918	5,835	866	1,047	1,334	1,708	2,087	2,432	2,801	3,308	3,728	4,181
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	(32,156)	16,028	15,774	13,383	14,173	15,585	15,852	14,798	14,946	17,105	17,395	17,021
- Share of OCI - Equity Accounted Council Businesses	2	-	-	-	-	-	-	-	-	-	-	-
- Other Equity Adjustments - Equity Accounted Council Businesses	34	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	(32,120)	16,028	15,774	13,383	14,173	15,585	15,852	14,798	14,946	17,105	17,395	17,021
Total Comprehensive Income	(26,201)	21,863	16,640	14,430	15,507	17,293	17,939	17,229	17,747	20,414	21,124	21,202
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	578,768	600,631	617,271	631,701	647,208	664,501	682,440	699,669	717,416	737,829	758,953	780,155

Uniform Presentation of Finances

	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Activities												
Income	50,597	55,849	51,840	53,405	54,155	55,952	57,826	59,683	61,570	63,668	65,846	68,052
less Expenses	(44,304)	(52,825)	(50,974)	(52,358)	(52,821)	(54,243)	(55,739)	(57,252)	(58,768)	(60,359)	(62,117)	(63,871)
Operating Surplus / (Deficit)	6,292	3,024	866	1,047	1,334	1,708	2,087	2,432	2,801	3,308	3,728	4,181
Capital Activities												
less (Net Outlays) on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(5,901)	(17,345)	(5,507)	(6,462)	(5,767)	(6,760)	(4,965)	(4,366)	(8,124)	(7,533)	(8,216)	(7,022)
add back Depreciation, Amortisation and Impairment	11,052	11,511	12,457	12,914	13,320	13,733	14,189	14,662	15,108	15,545	16,114	16,659
add back Proceeds from Sale of Replaced Assets	139	248	929	761	746	643	883	776	854	759	966	826
(Net Outlays) on Existing Assets	5,289	(5,587)	7,879	7,213	8,299	7,616	10,107	11,072	7,838	8,771	8,864	10,463
less (Net Outlays) on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(2,230)	(10,278)	(3,448)	(2,350)	(2,391)	(2,436)	(2,483)	(2,528)	(2,573)	(2,626)	(2,679)	(2,732)
add back Amounts Received Specifically for New and Upgraded Assets	243	2,811	-	-	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets (including Investment Property & Real Estate Developments)	-	-	-	-	-	-	-	-	-	-	-	-
(Net Outlays) on New and Upgraded Assets	(1,988)	(7,467)	(3,448)	(2,350)	(2,391)	(2,436)	(2,483)	(2,528)	(2,573)	(2,626)	(2,679)	(2,732)
Net Lending / (Borrowing) for Financial Year	9,594	(10,030)	5,297	5,910	7,242	6,888	9,710	10,976	8,066	9,454	9,914	11,912

Key Financial Targets

		Current Year 2018/19	Projected Years									
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Council's Target Benchmarks			● Within green benchmark (green min and/or green max)				— Within green benchmark					
			● Within amber benchmark (amber min and/or amber max)				↗ above green maximum and below amber maximum					
							↘ below green minimum and above amber minimum					
			● Not within benchmark (amber min and/or amber max)				↑ above amber maximum					
							↓ below amber minimum					
Operating Surplus Ratio	Snapshot	● ↑	● —	● —	● —	● —	● —	● —	● —	● ↑	● ↑	● ↑
	Actual Ratio	5.41%	1.67%	1.96%	2.46%	3.05%	3.61%	4.07%	4.55%	5.20%	5.66%	6.14%
Adjusted Operating Surplus Ratio	Snapshot	● ↑	● —	● —	● —	● —	● —	● —	● —	● ↑	● ↑	● ↑
	Actual Ratio	5.41%	1.67%	1.96%	2.46%	3.05%	3.61%	4.07%	4.55%	5.20%	5.66%	6.14%
Net Financial Liabilities Ratio	Snapshot	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —
	Actual Ratio	7.61%	-5.71%	-16.19%	-29.37%	-40.28%	-55.30%	-71.54%	-82.03%	-93.71%	-105.21%	-118.86%
Asset Renewal Funding Ratio	Snapshot	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —
	Actual Ratio	98.36%	83.54%	88.57%	87.41%	90.73%	82.68%	82.62%	89.99%	90.28%	88.57%	88.50%
Interest Cover Ratio	Snapshot	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —	● —
	Actual Ratio	-0.73%	-0.44%	-0.69%	-0.95%	-1.19%	-1.47%	-1.80%	-2.08%	-2.32%	-2.56%	-2.84%
Asset Consumption Ratio	Snapshot	● ↓	● ↓	● ↓	● ↓	● ↓	● ↓	● ↓	● ↓	● ↓	● ↓	● ↓
	Actual Ratio	55.88%	54.81%	53.75%	52.61%	51.62%	50.28%	48.89%	47.84%	46.77%	45.78%	44.66%

Appendix C - Glossary

Capital-New

Where assets or infrastructure are added to Council's existing asset stock, or the component of an existing asset that provides additional capabilities or service.

Capital-Renewal and Replacement

Where existing assets or infrastructure have their service life extended through repair or replacement.

CPI (Consumer Price Index)

The historical changes in the cost of a typical metropolitan household 'basket' of goods and services, prepared by the ABS (Australian Bureau of Statistics).

Financial Assets

Cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses, inventories and assets held for sale.

Infrastructure Asset Management Plan

A Plan that demonstrates responsive management of assets (and services provided from assets), compliance with regulatory requirements and to communicate the funding requirements to provide the required levels of service.

LGPI (Local Government Price Index)

Represents the movement in the price of goods and services consumed by Local Government in South Australia, prepared by SACES (The South Australian Centre for Economic Studies).

Net Financial Liabilities

Total liabilities less financial assets.

New Initiatives

Projects, programs or services provided for the first time that may have consequences on future Council budgets, or a one-off or short term in nature.

Operating Deficit

Where Council's operating income is less than its operating expenses.

Operating Surplus

Where Council's operating income is greater than its operating expenses.

Recurrent

Provision for core services provided by Council on a day to day basis. Includes income and expenses of an administrative, maintenance or legislative nature.