



**CAMPBELLTOWN**  
**CITY COUNCIL**

**Long Term Financial Plan**  
**2020/2021 to 2029/2030**

**Adopted by Council 7 April 2020**

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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 2020/2021 to 2029/2030, 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 7 April 2019:

### **LTFP Averages Across the 10 year period**

Rate Increase	2.44%
Rates Growth	0.71%
<b>Total Rates Increase</b>	<b>2.85%</b>
Operating Income	\$58,909,900
Operating Expenses	\$57,794,100
<b>Operating Surplus</b>	<b>\$1,115,800</b>
Operating Surplus Ratio	1.7%
Net Financial Liabilities Ratio	-33%
Asset Renewal Funding Ratio	103%

### **LTFP Totals**

Capital-Renewal and Replacement Expenditure	\$80,700,000
Capital-New Expenditure	\$41,839,000
<b>Total Capital Expenditure</b>	<b>\$122,539,000</b>

### **At Year 10 (2029/2030)**

Net Cash & Investments/(Borrowings)	\$59,407,000
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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 meeting held on 3 March 2020, 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.

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

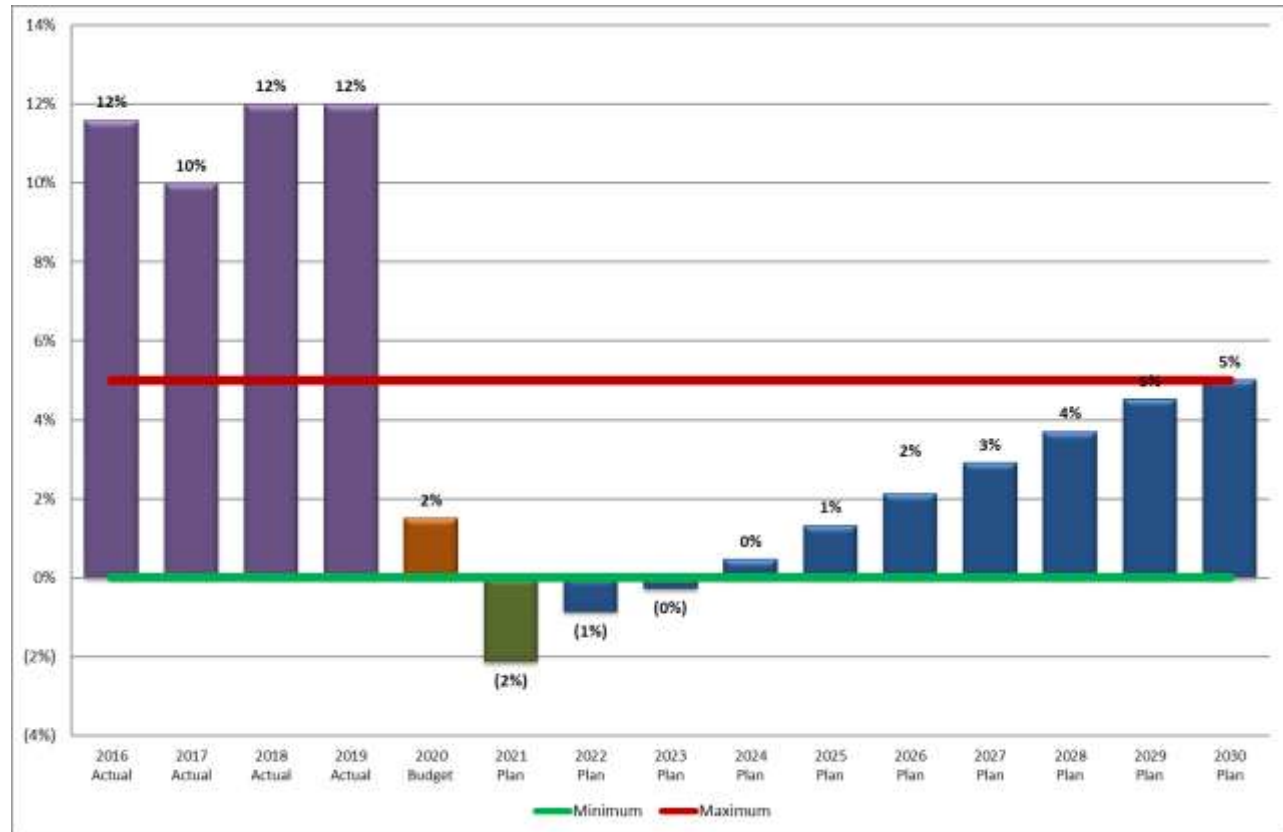
### What is the LTFP Target?

To achieve a ratio between 0% and 5%.

### Commentary on Projected Performance

Due to COVID-19, Council has planned to provide for a 0% General Rate increase in 2020/2021. This, in addition to other financial relief measures provided to sporting clubs, community groups and business, will see Council projecting an operating deficit for the next three financial years, based on General Rate increases of LGPI plus growth from Year 2 (2021/2022). The Plan is expected to return to the target range from 2023/2024.

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

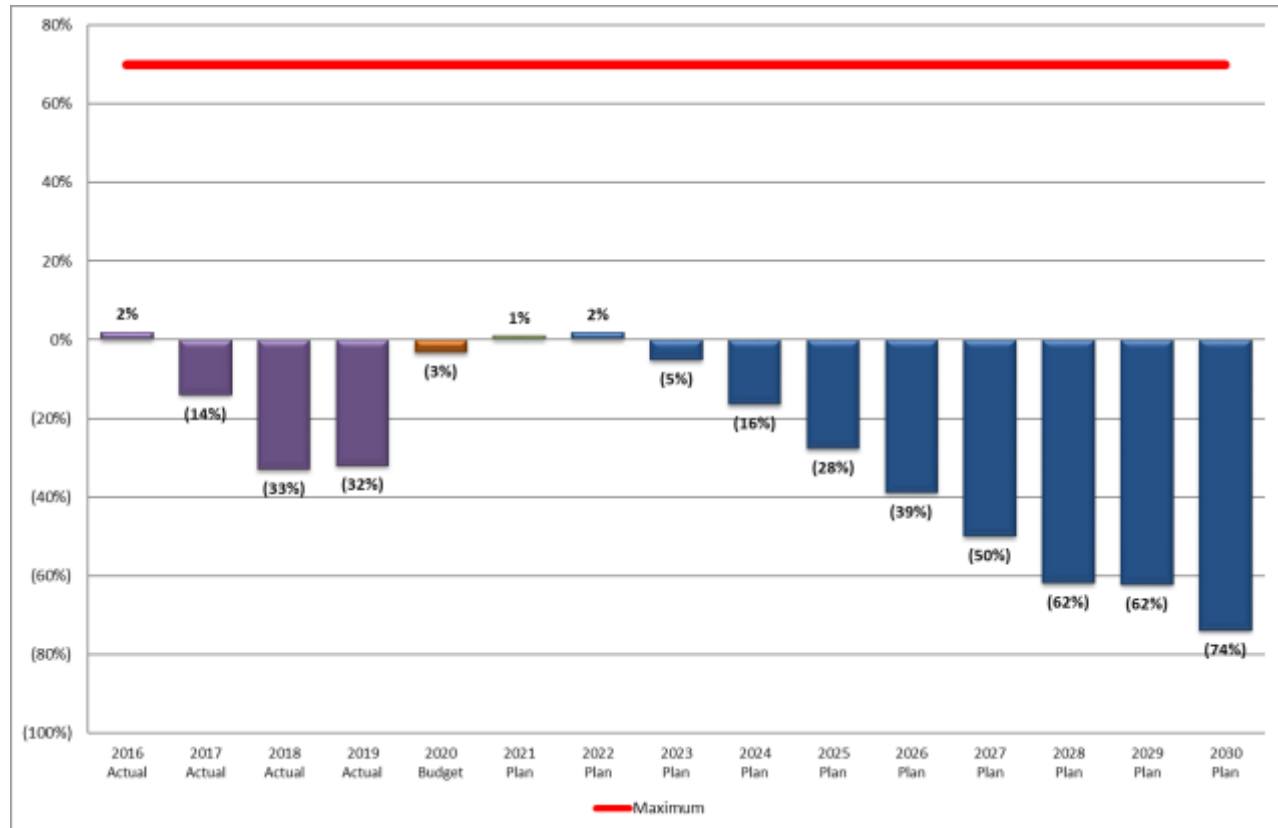
### What is the LTFP Target?

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 74% in 2029/2030 (Year 10). Based on LTFP projections, Council is expected to have more liquid financial assets (ie cash and investments) than total liabilities (ie borrowings and accounts payable), 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

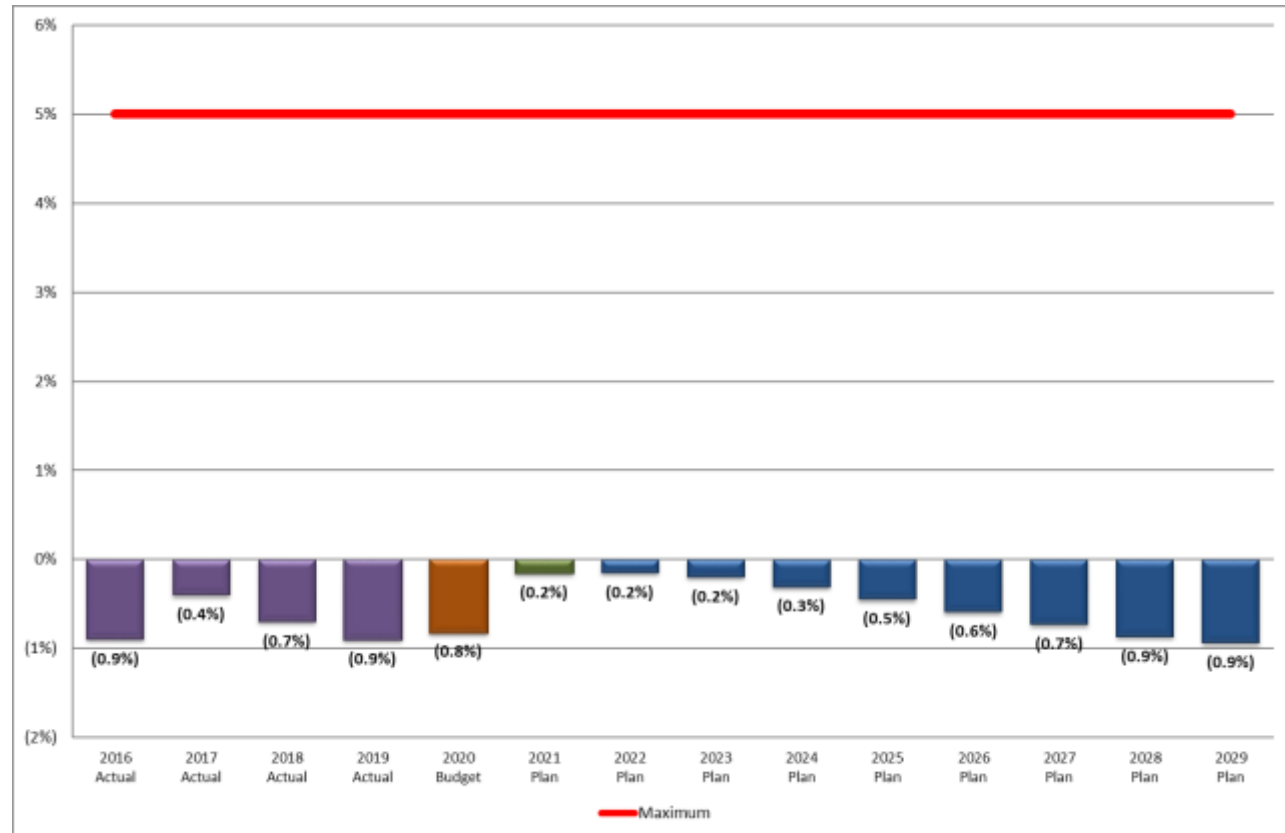
#### What is the LTFP Target?

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 borrowings at present and no 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?**

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

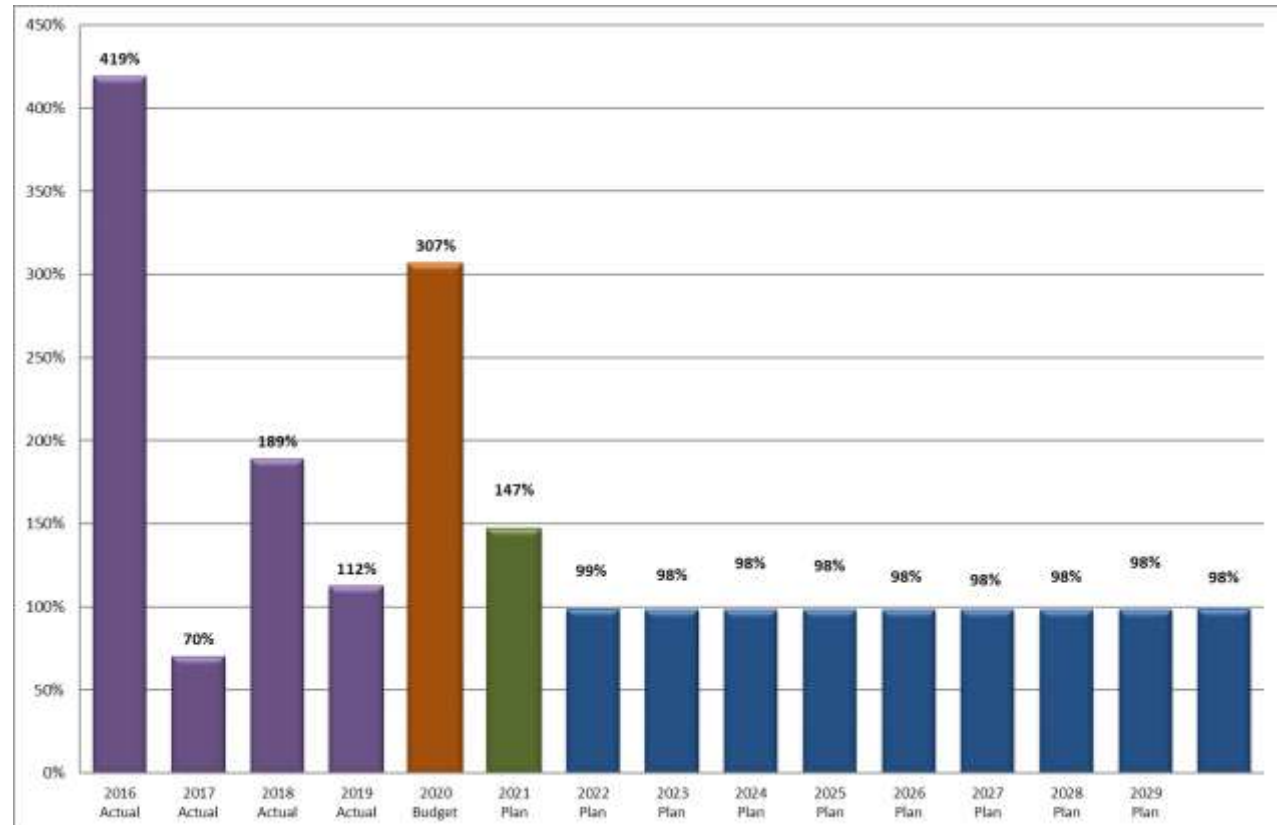
- A** = Capital-Renewal and Replacement expenditure  
**B** = Proceeds from the Sale of Replaced Assets  
**C** = Planned spend as per IAMPs and Asset Schedules

**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 IAMPs are currently under review, with the updates to these being incorporated into the next revision of the LTFP.



The high value recorded for 2015/2016 relates to the redevelopment of the ARC Campbelltown, the high value in 2017/2018 relates to the redevelopment of the Campbelltown Memorial Oval, while the high value in 2019/2020 relates to the budgets allocated for the Magill and Campbelltown Villages and a number of road reseals that were carried over from the 2018/2019 financial year.

### Target 5: Asset Consumption Ratio

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

How is this target calculated?

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

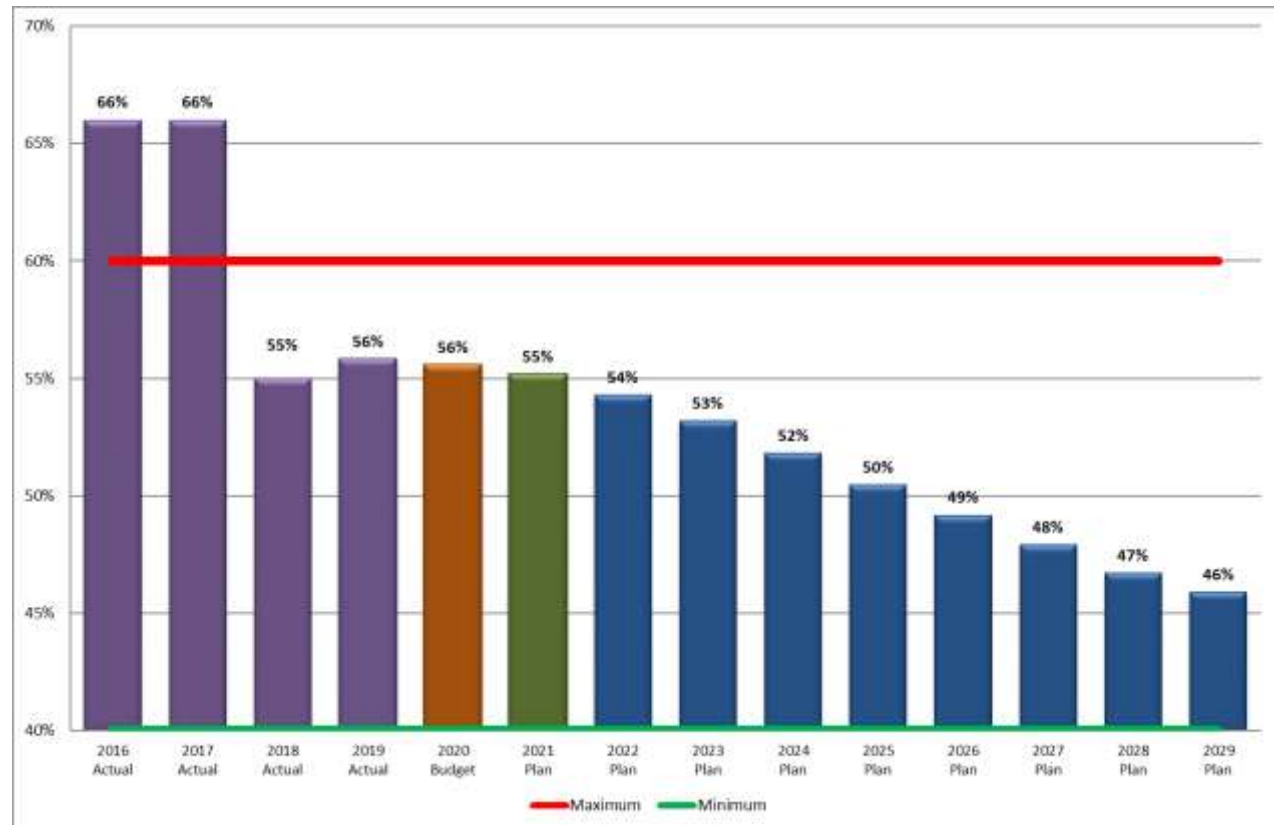
A = Carrying Amount of Depreciable Assets  
B = Gross Value of Depreciable Assets

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
2018/19	Actuals	2018/2019 – Audited Financial Statements
2019/20	Current	2019/2020 - First Budget Review
2020/21	Projected	Year 1 – LTFP
2021/22	Projected	Year 2 – LTFP
2022/23	Projected	Year 3 – LTFP
2023/24	Projected	Year 4 – LTFP
2024/25	Projected	Year 5 – LTFP
2025/26	Projected	Year 6 – LTFP
2026/27	Projected	Year 7 – LTFP
2027/28	Projected	Year 8 – LTFP
2028/29	Projected	Year 9 – LTFP
2029/30	Projected	Year 10– LTFP

## Projected Rates Increase Table

Financial Year	CPI <sup>1</sup>	LGPI Increase <sup>2</sup>	LGPI <sup>3</sup>	Additional Increase Required	Rates Increase	Rates Growth	Total Rates (inc. Growth)
2020/21	1.60%	0.00%	<b>1.60%</b>	0.00%	<b>1.60%</b>	0.71%	<b>2.31%</b>
2021/22	1.80%	0.45%	<b>2.25%</b>	0.00%	<b>2.25%</b>	0.71%	<b>2.96%</b>
2022/23	1.90%	0.45%	<b>2.35%</b>	0.00%	<b>2.35%</b>	0.71%	<b>3.06%</b>
2023/24	2.20%	0.45%	<b>2.65%</b>	0.00%	<b>2.65%</b>	0.71%	<b>3.36%</b>
2024/25	2.40%	0.45%	<b>2.85%</b>	0.00%	<b>2.85%</b>	0.71%	<b>3.56%</b>
2025/26	2.30%	0.45%	<b>2.75%</b>	0.00%	<b>2.75%</b>	0.71%	<b>3.46%</b>
2026/27	2.20%	0.45%	<b>2.65%</b>	0.00%	<b>2.65%</b>	0.71%	<b>3.36%</b>
2027/28	2.40%	0.45%	<b>2.85%</b>	0.00%	<b>2.85%</b>	0.71%	<b>3.56%</b>
2028/29	2.60%	0.45%	<b>3.05%</b>	0.00%	<b>3.05%</b>	0.71%	<b>3.76%</b>
2029/30	2.50%	0.45%	<b>2.95%</b>	0.00%	<b>2.95%</b>	0.71%	<b>3.66%</b>
<b>Average</b>	<b>2.19%</b>	<b>0.40%</b>	<b>2.59%</b>	<b>0.00%</b>	<b>2.59%</b>	<b>0.71%</b>	<b>3.31%</b>

<sup>1</sup> **Source:** Year 1 as per ABS (Australian Bureau of Statistics) – CPI Adelaide, 12 months ending December quarter 2019. Year 2 onwards as per Deloitte Access Economics (February 2020) forecast applied is based on Adelaide CPI for the preceding December quarter.

<sup>2</sup> From 2014/2015 to 2018/2019, the LGPI has been 0.45% higher than the corresponding CPI on average.

<sup>3</sup> Year 1 LGPI - Local Government Price Index, quarterly series – December 2019 - <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

#### Statutory Charges

- Projected Rate Increase.

#### User Charges

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

#### Grants, Subsidies & Contributions

- ***Financial Assistance Grant***
  - Annual increase CPI.
- ***Local Roads Grant***
  - Annual increase of CPI.
- ***Roads to Recovery Grant***
  - Annual Allocation of \$536,800 (no indexation).
- ***Library Operating and Materials Grants***
  - Projected Rate Increase.
- ***CHSP (Commonwealth Home Support) Grant***
  - Year 1 - Projected Rate Increase
  - Year 2 – program no longer funded.
- ***Other Grants***
  - No other major grants identified.

### Investment Income

- Based on cash flows throughout year (as per LTFP model).
- **Interest rate**
  - 1.22% per annum.

### Reimbursements

- Projected Rate Increase.

### Other Income

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

### Net Gain-Joint Ventures & Associates

- **East Waste**
  - As per Council's equity share in East Waste (2019/2020 First Budget Review).

## 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** *(including productivity savings)*

- NRM Levy – 3%
- Prescribed Expenses (includes Auditor's Fees, Elections, Operating Leases, Mayoral and Elected Member Allowances) – 0.5 x LGPI
- Water Expenses – CPI
- Other Utility Expenses (includes Electricity, Gas and Fuel) – 2 x CPI
- Waste – CPI plus Rates Growth
- Solid Waste Levy – 3% plus Rates Growth
- Remaining Contractors, Materials and Other Expenses – 0.5 x LGPI.

**Depreciation, Amortisation & Impairment**

- Based on opening Current Replacement Cost and Acquisitions and Disposals during the calculated year
- Annual depreciation percentages:
  - Buildings – 2.5%
  - Infrastructure – 1.7%
  - Bridges - 1.4%
  - Plant & Equipment – 9.1%
  - Furniture & Fittings – 7.4%
  - Library Stock – 23.4%
  - Other Assets – 3.0%.

**Finance Costs**

- No loans outstanding
- No loans projected.



## Amounts Received Specifically for New Assets

- Year 1 – Max Amber Sportsfield Redevelopment – Federal Government Grant - \$5.0 million
- No other 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 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	Year 9 2028/29	Year 10 2029/30
Land	0	0	0	0	0	0	0	0	0	0
Buildings	370	378	386	396	407	418	429	441	454	467
Infrastructure	900	920	941	965	992	1,019	1,045	1,074	1,106	1,138
Bridges	0	0	0	0	0	0	0	0	0	0
Plant & Equipment	335	342	350	359	369	379	389	400	412	424
Furniture & Fittings	57	58	59	60	61	62	63	64	65	66
Library Stock	0	0	0	0	0	0	0	0	0	0
Other Assets	594	607	621	637	655	673	690	709	730	751
Open Space Fund	254	259	265	272	279	286	293	301	310	319
Max Amber Sportsfield Redevelopment	7,480	0	0	0	0	0	0	0	0	0
Magill Village	1,125	511	0	0	0	0	0	0	0	0
Master Plan Capital Works	0	0	523	536	551	566	580	596	614	632
<b>TOTAL</b>	<b>11,115</b>	<b>3,075</b>	<b>3,145</b>	<b>3,225</b>	<b>3,314</b>	<b>3,403</b>	<b>3,489</b>	<b>3,585</b>	<b>3,691</b>	<b>3,797</b>

## Capital-Renewal & Replacement Expenditure Summary

Asset Category	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	Year 9 2028/29	Year 10 2029/30
Land	0	0	0	0	0	0	0	0	0	0
Buildings	33	4,813	0	0	458	0	484	147	7,699	702
Infrastructure	2,910	3,620	5,541	2,635	2,732	3,785	3,885	3,996	4,118	4,239
Bridges	0	0	0	0	0	0	0	0	0	0
Plant & Equipment	1,988	1,709	1,366	2,128	2,377	1,822	1,869	2,088	2,372	1,936
Furniture & Fittings	21	142	46	18	37	204	151	84	189	590
Library Stock	191	185	228	190	197	220	207	266	215	231
Other Assets	492	377	24	416	40	296	304	313	322	332
Max Amber Sportsfield Redevelopment	2,720	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>8,355</b>	<b>10,846</b>	<b>7,205</b>	<b>5,387</b>	<b>5,841</b>	<b>6,327</b>	<b>6,900</b>	<b>6,894</b>	<b>14,915</b>	<b>8,030</b>

## Appendix B - Estimated Financial Statements

### Estimated Statement of Comprehensive Income

	Actuals	Current Year	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>												
Rates	38,115	39,589	39,864	41,089	42,350	43,773	45,329	46,896	48,471	50,194	52,075	53,976
Statutory Charges	1,097	1,027	837	1,050	1,074	1,103	1,134	1,166	1,196	1,231	1,268	1,306
User Charges	5,830	5,937	5,722	6,154	6,275	6,418	6,577	6,733	6,887	7,057	7,246	7,433
Grants, Subsidies and Contributions	7,305	3,399	3,348	2,602	2,643	2,691	2,745	2,797	2,849	2,906	2,969	3,032
Investment Income	537	425	31	77	106	173	259	349	445	550	615	692
Reimbursements	1,104	961	929	950	973	998	1,027	1,055	1,083	1,114	1,148	1,182
Other Income	778	634	547	400	413	426	440	454	469	484	500	516
Net gain - equity accounted Council businesses	33	23	23	23	23	23	23	23	23	23	23	23
<b>Total Income</b>	<b>54,799</b>	<b>51,995</b>	<b>51,300</b>	<b>52,346</b>	<b>53,857</b>	<b>55,606</b>	<b>57,533</b>	<b>59,473</b>	<b>61,422</b>	<b>63,558</b>	<b>65,844</b>	<b>68,160</b>
<b>Expenses</b>												
Employee Costs	13,125	14,307	14,804	14,912	15,429	15,965	16,519	17,092	17,685	18,299	18,934	19,591
Materials, Contracts & Other Expenses	22,817	24,051	24,241	23,931	24,187	24,498	24,865	25,227	25,563	25,943	26,378	27,000
Depreciation, Amortisation & Impairment	12,061	12,851	13,348	13,952	14,391	14,880	15,386	15,879	16,388	16,960	17,551	18,145
Finance Costs	-	-	-	-	-	-	-	-	-	-	-	-
Net loss - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>48,003</b>	<b>51,209</b>	<b>52,392</b>	<b>52,795</b>	<b>54,007</b>	<b>55,343</b>	<b>56,770</b>	<b>58,199</b>	<b>59,636</b>	<b>61,202</b>	<b>62,862</b>	<b>64,736</b>
<b>Operating Surplus / (Deficit)</b>	<b>6,796</b>	<b>786</b>	<b>(1,092)</b>	<b>(449)</b>	<b>(150)</b>	<b>263</b>	<b>764</b>	<b>1,275</b>	<b>1,786</b>	<b>2,356</b>	<b>2,981</b>	<b>3,424</b>
Asset Disposal & Fair Value Adjustments	(1,344)	-	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	1,101	2,166	5,000	-	-	-	-	-	-	-	-	-
Physical Resources Received Free of Charge	27	-	-	-	-	-	-	-	-	-	-	-
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Surplus / (Deficit)</b>	<b>6,580</b>	<b>2,952</b>	<b>3,908</b>	<b>(449)</b>	<b>(150)</b>	<b>263</b>	<b>764</b>	<b>1,275</b>	<b>1,786</b>	<b>2,356</b>	<b>2,981</b>	<b>3,424</b>
<b>Other Comprehensive Income</b>												
<b>Amounts which will not be reclassified subsequently to operating result</b>												
Changes in Revaluation Surplus - I,PP&E	45,284	16,260	16,021	17,187	18,924	19,306	18,240	18,493	20,890	21,268	20,904	19,951
Share of Other Comprehensive Income - Equity Accounted Council Business	6	-	-	-	-	-	-	-	-	-	-	-
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Revalued I,PP&E	-	-	-	-	-	-	-	-	-	-	-	-
Net assets transferred - Council restructure	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Amounts which will be reclassified subsequently to operating result</b>												
Available-for-Sale Financial Instruments - Change in Fair Value	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Available-for-Sale Financial Instr	-	-	-	-	-	-	-	-	-	-	-	-
Movements in Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>45,290</b>	<b>16,260</b>	<b>16,021</b>	<b>17,187</b>	<b>18,924</b>	<b>19,306</b>	<b>18,240</b>	<b>18,493</b>	<b>20,890</b>	<b>21,268</b>	<b>20,904</b>	<b>19,951</b>
<b>Total Comprehensive Income</b>	<b>51,870</b>	<b>19,212</b>	<b>19,929</b>	<b>16,738</b>	<b>18,774</b>	<b>19,569</b>	<b>19,003</b>	<b>19,768</b>	<b>22,676</b>	<b>23,624</b>	<b>23,886</b>	<b>23,374</b>

**Estimated Balance Sheet**

	Actuals	Current Year	Projected Years									
	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	21,706	6,360	4,523	4,619	8,738	15,481	22,672	30,308	38,321	47,378	49,518	59,407
Trade & Other Receivables	5,065	3,946	3,825	3,822	3,900	3,995	4,100	4,196	4,300	4,415	4,536	4,666
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	24	17	17	17	17	17	18	18	18	18	19	19
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>26,795</b>	<b>10,323</b>	<b>8,365</b>	<b>8,458</b>	<b>12,656</b>	<b>19,493</b>	<b>26,790</b>	<b>34,521</b>	<b>42,639</b>	<b>51,812</b>	<b>54,073</b>	<b>64,093</b>
<b>Non-Current Assets</b>												
Financial Assets	258	245	234	223	213	203	193	194	194	195	198	201
Equity Accounted Investments in Council Businesses	254	277	300	323	345	368	391	414	437	460	483	505
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	608,211	635,402	657,546	674,701	689,584	702,622	714,631	726,975	741,866	756,654	778,613	792,246
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	4,416	12,516	12,615	12,454	12,587	12,749	12,940	13,128	13,303	13,501	13,727	14,051
<b>Total Non-Current Assets</b>	<b>613,139</b>	<b>648,440</b>	<b>670,694</b>	<b>687,701</b>	<b>702,730</b>	<b>715,942</b>	<b>728,155</b>	<b>740,711</b>	<b>755,800</b>	<b>770,809</b>	<b>793,020</b>	<b>807,003</b>
<b>TOTAL ASSETS</b>	<b>639,934</b>	<b>658,763</b>	<b>679,059</b>	<b>696,159</b>	<b>715,385</b>	<b>735,435</b>	<b>754,945</b>	<b>775,232</b>	<b>798,439</b>	<b>822,620</b>	<b>847,093</b>	<b>871,096</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	6,597	5,900	5,942	5,968	6,073	6,193	6,327	6,461	6,592	6,737	6,897	7,084
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	1,854	2,022	2,242	2,470	2,705	2,949	3,201	3,462	3,732	4,011	4,300	4,599
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>8,451</b>	<b>7,923</b>	<b>8,184</b>	<b>8,438</b>	<b>8,778</b>	<b>9,141</b>	<b>9,528</b>	<b>9,923</b>	<b>10,324</b>	<b>10,748</b>	<b>11,196</b>	<b>11,682</b>
<b>Non-Current Liabilities</b>												
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	821	967	1,072	1,181	1,293	1,409	1,530	1,655	1,784	1,917	2,055	2,198
Liability - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>821</b>	<b>967</b>	<b>1,072</b>	<b>1,181</b>	<b>1,293</b>	<b>1,409</b>	<b>1,530</b>	<b>1,655</b>	<b>1,784</b>	<b>1,917</b>	<b>2,055</b>	<b>2,198</b>
<b>TOTAL LIABILITIES</b>	<b>9,272</b>	<b>8,890</b>	<b>9,256</b>	<b>9,619</b>	<b>10,071</b>	<b>10,550</b>	<b>11,058</b>	<b>11,577</b>	<b>12,108</b>	<b>12,665</b>	<b>13,251</b>	<b>13,880</b>
<b>Net Assets</b>	<b>630,662</b>	<b>649,873</b>	<b>669,803</b>	<b>686,540</b>	<b>705,314</b>	<b>724,884</b>	<b>743,887</b>	<b>763,655</b>	<b>786,331</b>	<b>809,955</b>	<b>833,841</b>	<b>857,216</b>
<b>EQUITY</b>												
Accumulated Surplus	127,410	135,845	134,069	129,914	121,966	112,096	102,664	93,734	85,406	77,073	76,935	69,596
Asset Revaluation Reserves	452,577	468,837	484,858	502,045	520,969	540,275	558,515	577,008	597,898	619,166	640,071	660,021
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	50,675	45,192	50,876	54,581	62,379	72,513	82,708	92,913	103,027	113,716	116,835	127,598
<b>Total Equity</b>	<b>630,662</b>	<b>649,874</b>	<b>669,803</b>	<b>686,541</b>	<b>705,314</b>	<b>724,884</b>	<b>743,887</b>	<b>763,655</b>	<b>786,331</b>	<b>809,956</b>	<b>833,841</b>	<b>857,216</b>

## Estimated Cash Flow Statement

	Actuals	Current Year	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates Receipts	38,112	39,556	39,859	41,068	42,328	43,748	45,301	46,868	48,444	50,163	52,042	53,942
Statutory Charges	1,103	1,136	880	1,001	1,069	1,096	1,127	1,158	1,189	1,223	1,260	1,297
User Charges	6,230	6,409	5,771	6,056	6,248	6,386	6,541	6,698	6,852	7,018	7,203	7,390
Grants, Subsidies and Contributions (operating purpose)	7,305	3,758	3,050	3,216	2,639	2,686	2,739	2,791	2,843	2,900	2,963	3,025
Investment Receipts	537	448	69	73	103	167	251	341	436	540	609	685
Reimbursements	1,208	1,084	936	946	968	993	1,021	1,049	1,077	1,107	1,140	1,174
Other	2,774	92	841	18	465	485	505	520	534	556	579	596
<b>Payments:</b>												
Payments to Employees	(13,354)	(13,953)	(14,465)	(14,572)	(15,067)	(15,590)	(16,131)	(16,691)	(17,270)	(17,869)	(18,489)	(19,131)
Payments for Materials, Contracts & Other Expenses	(25,980)	(32,273)	(24,321)	(23,800)	(24,295)	(24,629)	(25,020)	(25,381)	(25,705)	(26,104)	(26,562)	(27,064)
Finance Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Operating Activities</b>	<b>17,935</b>	<b>6,257</b>	<b>12,620</b>	<b>14,005</b>	<b>14,457</b>	<b>15,342</b>	<b>16,334</b>	<b>17,354</b>	<b>18,400</b>	<b>19,534</b>	<b>20,744</b>	<b>21,716</b>
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
Amounts Received Specifically for New/Upgraded Assets	1,101	2,166	5,000	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	188	476	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	4	-	-	-	-	-	-	-	-	-	-	-
Repayments of Loans by Community Groups	-	13	12	12	12	12	12	12	2	2	2	-
<b>Payments:</b>												
Expenditure on Renewal/Replacement of Assets	(13,110)	(17,272)	(8,355)	(10,846)	(7,205)	(5,387)	(5,841)	(6,327)	(6,900)	(6,894)	(14,915)	(8,030)
Expenditure on New/Upgraded Assets	(5,719)	(6,986)	(11,115)	(3,075)	(3,145)	(3,225)	(3,314)	(3,403)	(3,489)	(3,585)	(3,691)	(3,797)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(17,536)</b>	<b>(21,603)</b>	<b>(14,458)</b>	<b>(13,909)</b>	<b>(10,338)</b>	<b>(8,600)</b>	<b>(9,143)</b>	<b>(9,718)</b>	<b>(10,387)</b>	<b>(10,477)</b>	<b>(18,604)</b>	<b>(11,827)</b>
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from Borrowings	84	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Repayment of Bonds & Deposits	(141)	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>(57)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>342</b>	<b>(15,346)</b>	<b>(1,837)</b>	<b>96</b>	<b>4,119</b>	<b>6,743</b>	<b>7,191</b>	<b>7,636</b>	<b>8,013</b>	<b>9,057</b>	<b>2,140</b>	<b>9,889</b>
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	<b>21,364</b>	<b>21,706</b>	<b>6,360</b>	<b>4,523</b>	<b>4,619</b>	<b>8,738</b>	<b>15,481</b>	<b>22,672</b>	<b>30,308</b>	<b>38,321</b>	<b>47,378</b>	<b>49,518</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>21,706</b>	<b>6,360</b>	<b>4,523</b>	<b>4,619</b>	<b>8,738</b>	<b>15,481</b>	<b>22,672</b>	<b>30,308</b>	<b>38,321</b>	<b>47,378</b>	<b>49,518</b>	<b>59,407</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>21,706</b>	<b>6,360</b>	<b>4,523</b>	<b>4,619</b>	<b>8,738</b>	<b>15,481</b>	<b>22,672</b>	<b>30,308</b>	<b>38,321</b>	<b>47,378</b>	<b>49,518</b>	<b>59,407</b>
<b>Investments - end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>21,706</b>	<b>6,360</b>	<b>4,523</b>	<b>4,619</b>	<b>8,738</b>	<b>15,481</b>	<b>22,672</b>	<b>30,308</b>	<b>38,321</b>	<b>47,378</b>	<b>49,518</b>	<b>59,407</b>

## Estimated Statement of Changes in Equity





















































































	Actuals	Current Year	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening Balance</b>	578,768	630,662	649,874	669,803	686,541	705,314	724,884	743,887	763,655	786,331	809,956	833,841
Net Surplus / (Deficit) for Year	6,580	2,952	3,908	(449)	(150)	263	764	1,275	1,786	2,356	2,981	3,424
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	45,284	16,260	16,021	17,187	18,924	19,306	18,240	18,493	20,890	21,268	20,904	19,951
- Share of OCI - Equity Accounted Council Businesses	6	-	-	-	-	-	-	-	-	-	-	-
- Other Equity Adjustments - Equity Accounted Council Businesses	24	-	-	-	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income</b>	45,314	16,260	16,021	17,187	18,924	19,306	18,240	18,493	20,890	21,268	20,904	19,951
<b>Total Comprehensive Income</b>	51,894	19,212	19,929	16,738	18,774	19,569	19,003	19,768	22,676	23,624	23,886	23,374
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>	<b>630,662</b>	<b>649,874</b>	<b>669,803</b>	<b>686,541</b>	<b>705,314</b>	<b>724,884</b>	<b>743,887</b>	<b>763,655</b>	<b>786,331</b>	<b>809,956</b>	<b>833,841</b>	<b>857,216</b>



**Uniform Presentation of Finances**

	Actuals	Current Year	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Activities</b>												
Income	54,799	51,995	51,300	52,346	53,857	55,606	57,533	59,473	61,422	63,558	65,844	68,160
less Expenses	(48,003)	(51,209)	(52,392)	(52,795)	(54,007)	(55,343)	(56,770)	(58,199)	(59,636)	(61,202)	(62,862)	(64,736)
<b>Operating Surplus / (Deficit)</b>	<b>6,796</b>	<b>786</b>	<b>(1,092)</b>	<b>(449)</b>	<b>(150)</b>	<b>263</b>	<b>764</b>	<b>1,275</b>	<b>1,786</b>	<b>2,356</b>	<b>2,981</b>	<b>3,424</b>
<b>Capital Activities</b>												
<b>less (Net Outlays) on Existing Assets</b>												
Capital Expenditure on Renewal and Replacement of Existing Assets	(13,110)	(17,272)	(8,355)	(10,846)	(7,205)	(5,387)	(5,841)	(6,327)	(6,900)	(6,894)	(14,915)	(8,030)
add back Depreciation, Amortisation and Impairment	12,061	12,851	13,348	13,952	14,391	14,880	15,386	15,879	16,388	16,960	17,551	18,145
add back Proceeds from Sale of Replaced Assets	188	476	-	-	-	-	-	-	-	-	-	-
<b>(Net Outlays) on Existing Assets</b>	<b>(861)</b>	<b>(3,945)</b>	<b>4,993</b>	<b>3,106</b>	<b>7,186</b>	<b>9,493</b>	<b>9,545</b>	<b>9,552</b>	<b>9,488</b>	<b>10,066</b>	<b>2,636</b>	<b>10,115</b>
<b>less (Net Outlays) on New and Upgraded Assets</b>												
Capital Expenditure on New and Upgraded Assets												
(including Investment Property & Real Estate Developments)	(5,719)	(6,986)	(11,115)	(3,075)	(3,145)	(3,225)	(3,314)	(3,403)	(3,489)	(3,585)	(3,691)	(3,797)
add back Amounts Received Specifically for New and Upgraded Assets	1,101	2,166	5,000	-	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets												
(including Investment Property & Real Estate Developments)	4	-	-	-	-	-	-	-	-	-	-	-
<b>(Net Outlays) on New and Upgraded Assets</b>	<b>(4,614)</b>	<b>(4,820)</b>	<b>(6,115)</b>	<b>(3,075)</b>	<b>(3,145)</b>	<b>(3,225)</b>	<b>(3,314)</b>	<b>(3,403)</b>	<b>(3,489)</b>	<b>(3,585)</b>	<b>(3,691)</b>	<b>(3,797)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>1,321</b>	<b>(7,980)</b>	<b>(2,214)</b>	<b>(418)</b>	<b>3,891</b>	<b>6,532</b>	<b>6,995</b>	<b>7,424</b>	<b>7,785</b>	<b>8,837</b>	<b>1,926</b>	<b>9,742</b>

## Key Financial Targets

		Current Year 2019/20	Projected Years									
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
			<div> <div>  Within green benchmark (green min and/or green max)            Within green benchmark         </div> <div>  Within amber benchmark (amber min and/or amber max)            above green maximum and below amber maximum         </div> <div>  Not within benchmark (amber min and/or amber max)            below green minimum and above amber minimum         </div> <div>  above amber maximum         </div> <div>  below amber minimum         </div> </div>									
<b>Council's Target Benchmarks</b>												
<b>Note 15 Ratios</b>												
Operating Surplus Ratio	Snapshot											
	Actual Ratio	1.51%	 	 	 							 
Adjusted Operating Surplus Ratio	Snapshot											
	Actual Ratio	1.51%	 	 	 							 
Net Financial Liabilities Ratio	Snapshot											
	Actual Ratio	-3.20%										
Asset Renewal Funding Ratio	Snapshot	 										
	Actual Ratio	306.50%	 									
Interest Cover Ratio	Snapshot											
	Actual Ratio	-0.82%										
Asset Consumption Ratio	Snapshot											
	Actual Ratio	55.66%										

## 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.