



CITY OF
TEA TREE GULLY

Naturally Better

Long Term Financial Plan

FYE 2026–2035

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Background

The *Local Government Act 1999* (the Act) Section 122 (1a) requires councils to develop and adopt:

- (a) *A long-term financial plan (LTFP or the Plan) for a period of at least 10 years and includes a funding plan*
 - (i) *outlines the council's approach to funding services and infrastructure of the council; and*
 - (ii) *sets out the council's projected total revenue for the period to which the long-term financial plan relates; and*
 - (iii) *outlines the intended sources of that total revenue (such as revenue from rates, grants and other fees and charges); and*
- (b) *An infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years*

(and these plans will also be taken to form part of the council's strategic management plans).

Section 122(4) requires that the LTFP should be reviewed on an annual basis.

Section 122(6) requires that a council must adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans

The purpose of a council's LTFP is to express, in financial terms, the activities it proposes to undertake over the medium-to-longer term to achieve its stated objectives. It is similar to, but usually less detailed than, the annual budget. Just like the budget, it is a guide for future action, except that its preparation requires the council to consider the longer-term impact of revenue and expenditure proposals rather than for just a single year. The aggregation of future strategic plans and business initiatives, together with their intended outlays and anticipated reviews, enables the overall financial

and economic implications of the projects to be readily identified and, if warranted, proposed future activities to be revised.

The LTFP should specify and take account of:

- Expected expenses and capital outlays for each year of the Plan
- Expected revenues for each year and the source of their funding
- Any variations in net debt required as a result of expected cash flow needs
- Performance measures to enable assessment of the Council's financial sustainability over the period of the Plan.

The LTFP should include:

- Income statement
- Balance sheet
- Cash flow statement
- Uniform Presentation of Finances
- Statement of changes in equity.

This version of the LTFP is an update to the plan adopted by Council in December 2023.

Performance against the Long-Term Financial Plan FYE 2025 to 2034

Budget – 2023-2024

Council's previous version of the LTFP was adopted by Council in December 2023 and was underpinned by a set of guiding principles.

Council has made significant progress in FYE (financial year ending) 2024 towards achieving certain strategic targets, which include the following:

1. Maintaining existing assets at their existing service levels

Council continues to invest in the renewal of assets, with an asset sustainability ratio of 62% in FYE 2023 and 95% in FYE 2024. This is within the target range for this financial year.

2. Continue to review assets for possible sale, with any proceeds being reinvested, in keeping with Council's Disposal of Land and Assets and Acquisition of Land Policy adopted in March 2023

The LTFP does not make allowances for any future divestment of non-operational assets. An assessment of the impact on any future divestment will be incorporated into a review of the LTFP.

3. Maintaining debt within the targeted range of 25%-35% over the life of the plan

The Council has a Strategic Buildings program that is dedicated to the replacement of a number of community and sporting buildings. These projects will continue into 2025 and 2026 with expenditure being incurred over these years. This expenditure has been closely managed and as a result will not increase the net financial liabilities beyond the target range.

Following the March 2022 State Government Election, Council was the recipient of a number of financial grants to support Council's investment in the Strategic Buildings Program. The majority of these grants were paid in advance, reducing NFL.

Including the value of Council held land for resale, this ratio is below the target range at 18% (\$15.6m) in FYE 2024.

Although this ratio is under Council's target range of 25%-35%, after adjusting for those planned Capital Works Projects (\$19.6m) carried forward to FYE 2025 and the Strategic Building Program, the underlying net financial liabilities ratio is 29%.

4. Retaining tight constraints on operating expenditure

The general rate increase for FYE 2024 was 7.0% (excluding growth). In formulating the increase many factors including our Strategic Plan, current economic climate, debt reduction strategy, the cost of maintaining existing services, increasing waste management expenses and the projected costs included in the various infrastructure asset management plans were taken into consideration.

The budget provided for a number of key known cost pressures for FYE 2024. These cost pressures have been able to be absorbed through adopting a tighter spending approach across all expenditure categories.

Key strategies deployed to retain tight constraints on operating expenditure include:

- Zero base budgeting approach to development of the Operating Budget
- Introduce technology that enables services and functions to be performed with greater efficiency.
- Reducing employee costs by managing vacancies and working within a capped number of FTEs
- We carried out service reviews to ensure that our services are delivered to the community promptly, sustainability and effectively and we continue to complete many other complementary continuous improvement activities
- We made procurement savings through collective buying arrangements.

5. Ensuring that the capital works program retains a level of funding for new works (e.g. new footpaths)

During FYE 2024, a total of \$15.8m was invested in new assets. Included in the new assets work in progress is the continued expenditure on the Strategic Building Program.

Long Term Financial Plan FYE 2026-2035 guiding principles

Council's LTFP has been updated to incorporate Council's most recent financial information.

The LTFP will continue to be guided by a series of principles.

These include:

1. Maintain existing assets at the current service levels
2. Continue to review assets with proceeds being reinvested into the city and community
3. Maintaining debt within the targeted range of 25-35% over the term of the Long-Term Financial Plan
4. Retaining tight constraints on operating expenditure
5. Ensuring that the capital works program retains a level of funding for new works and enhancements to community infrastructure (e.g. new footpaths, community buildings and reserve upgrades)

Principle 1 – Maintain existing assets at the current service levels

The LTFP has been updated to include funding to meet the requirements of the asset management plans. Council will apply this principle by ensuring that funding for the renewal and maintenance of assets is in line with the adopted asset management plans.

The asset management plans have been revised and updated in 2024. The reviewed AMPs represent a factual state of affairs in terms of asset condition and age, and provides a model for predicted remaining life and the estimated renewal costs for defined service levels.

The combined spend identified in the asset management plans for the 10-year period is \$215m. The LTFP provides for expenditure of \$212m in over the 10 years. This gap of \$3.7m is minor in the scheme of the \$2.17b of assets Council manages.

Since 2023 Council's depreciation expenditure has significantly increased after the revaluation of \$1.7b of assets in FYE 2023 and further asset revaluation in 2024. This increase is reflective of the increase in construction costs for assets and there will need to be increase in rates to ensure the operating surplus remains in line with the Council's Financial Sustainability policy targeted range.

This increase will occur over three financial years to ease the required rate increase on residents.

While the needs of the asset management plans will continue to guide the funding allocation for renewal and upgrade works for the annual budget, specific funding

allocations for renewal works will also be informed by Council's precinct plans.

Principle 2 – Continue to review assets with proceeds being reinvested into the City and community

Council has a responsibility to continuously review its assets and identify any that are surplus to its needs.

The sale of surplus assets includes plant and fleet, buildings and land.

To guide this process, Council continuously reviews its plant and fleet holdings to identify under-utilised assets.

Funds received from land sale proceeds are to be reinvested, in line with our Disposal of Land and Assets and Acquisition of Land Policy, into community assets.

During FYE21 Council received a Building Optimisation Internal Audit Report. The purpose of the audit was to review Council's building portfolio to assess the utilisation, functionality and condition to inform future decisions relating to the renewal and enhancement of the asset portfolio.

Amongst a number of recommendations, the report concluded that many of Council's Community facilities are approaching the end of their serviceable life or no longer meet the needs of our community (such as inclusive access). The intention will be to rationalise and replace these buildings over the next decade. It is proposed that those buildings identified for renewal will not be replaced like for like.

Principle 3 – Maintaining debt within the targeted range of 25%-35% over the life of the plan

Council has had a target to maintain the net financial liabilities ratio to between 25% and 35% over the period of the Long-Term Financial Plan.

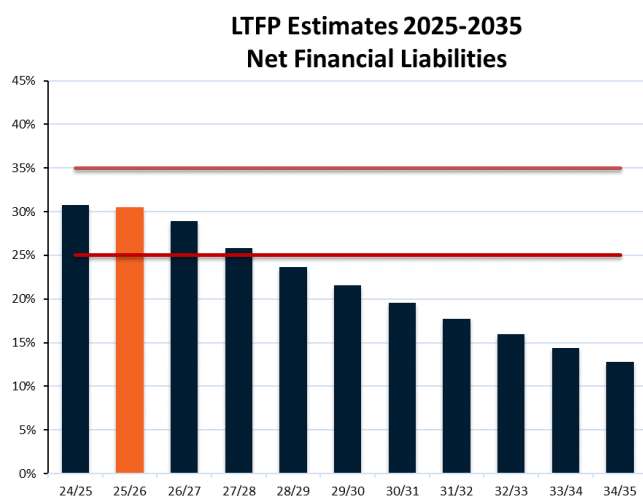
The funding of the Strategic Buildings program will continue into 2025 and 2026 with expenditure being incurred over these years. There has also been funding included for strategic land purchases. These expenditures will not increase the net financial liabilities to increase above the target range.

Council will continue to invest in the renewal and enhancement of infrastructure for the community. The LTFP will make provisions for these investments over the forward estimates while maintaining the net financial liabilities within the target range.

To ensure the Council can maintain its current services and increase spend for the renewal of assets required, it has been assumed that a rate increase for the first three years of the plan to be CPI plus 1%.

Assuming this, we believe this goal is achievable over the term of the plan with further investment in the out years of the plan.

The Net Financial Liabilities is predicted to be at 30% in 2026 and 29% in 2027. The capital program includes funding for strategic land purchases. Removing this funding the underlying NFL is 19% in 2026 and 18% in 2027.



Principle 4 – Retaining tight constraints on operating expenditure

There are several economic factors impacting Council's operating expenditure estimates within the LTFP including energy prices, the labour market and inflation.

Council will continue to review all services to ensure that it adheres to its projected expenditure and continues to deliver value for money services. To facilitate this, a sustainable framework for the review of all services and programs to ensure community value and alignment with Council's Vision and Strategic and Organisational Plans has been established.

The Council has a service review program which is designed to review services for efficiencies and better alignment of services to the current and future needs of community.

Council will continue to implement the following key strategies to retain tight constraints on operating expenditure. These include:

- Reducing employee costs by managing vacancies.
- Introduce technology that enables service and functions to be performed with greater efficiency.
- Undertaking continuous improvement initiatives, including service reviews, to ensure that services are delivered to the community promptly, sustainably and effectively.
- Quarterly reporting to Council on the continuous improvement initiatives completed
- Making procurement savings through collective buying arrangements.

Principle 5 – Ensuring that the capital works program retains a level of funding for new works and enhancements to community infrastructure (e.g. new footpaths, community buildings and reserve upgrades)

In assessing proposals for new capital works, Council will consider:

- Alignment with the Strategic Plan
- Precinct Plans, including Modbury and Tea Tree Gully
- Master Plan Implementation
- Main Roads and Gateways
- Current state of operating surplus or deficit
- Any additional costs for depreciation, maintenance or interest on borrowings
- Impact on overall operating surplus or deficit
- Any need to increase Council rates to fund new work
- The age, life expectancy, suitability and service potential of any asset to be replaced
- The discounted cash flow analysis, where appropriate.

To ensure Council is in a position to partner with the State Government to deliver on master plan objectives in the future, capacity has been incorporated in the revised LTFP in the later years. This capacity will be achieved through an annual uplift in planned expenditure on new assets.

Key considerations and assumptions and Funding Plan

In addition to the guiding principles, Council has considered other factors in the updated LTFP. These include:

- The impact of current economic conditions such as CPI, utility costs and a tightening within labour market
- Price increase across the construction sector in the range of 25%, impacting the current and future capital works program
- Changing community expectations and trends
- Other legislative changes.

As the impact of these factors is unknown at this stage, the LTFP will be updated as information becomes available.

Key revenue assumptions

General Council rate income is forecast to increase by 4.5% (FYE 2026) in the first year. Growth is forecast to be 0.6% per annum for FYE 2026.

The rate rise is in line with the forecasted CPI increase plus 1%. The extra 1% is required to increase rates revenue to ensure the operating surplus remains in line with the Council's Financial Sustainability policy targeted range after the affect of the increasing construction costs and increased depreciation are factored in.

It is proposed that any additional rate revenue from growth or rates increases be directed towards the increases in expenditure due to current levels of inflation, increases in utilities and contracts.

The impact from the Golden Grove Code Amendment had not been factored into the future years as there is still uncertainty as to timing and amounts.

As the building construction is completed for the facilities in the Strategic Building Program, there has been is assumed no change to operating income and expenditure as the clubs are responsible for the outgoings, with the only impact on Council being depreciation, which has been factored in.

Key expenditure assumptions

The enterprise agreements were due for renewal in the 2023-2024 year. Negotiations with Unions and Employee representatives were constructive with the indoor agreement with a 4.3% EB increase in Year 1 agreed, in line with the March 2024 CPI figure. Year 2 and 3 were agreed at 3% with a cap at 4% if CPI was greater. The outdoor staff agreement was still under negotiation when this LTFP was drafted so assumptions have been made in line with the indoor agreement.

Number of Full Time Equivalent Employees



Through the introduction of technology to promote efficiency, the growth in employee costs will be limited to genuine labour market increases. Initiatives will be progressed that focus on promoting efficiency in delivering value to community.

Labour market

The wage price index (WPI) remains robust but shows signs of slowing with an increase of 4.1% for the 12 months to June 2024.

Inflation

While there has been an easing of inflation, the Annual Consumer Price Index (CPI) continues to remain high in Australia. Over the 12 months to June 2024 Adelaide CPI rose 4.5%. This increase is predominately due to the supply market putting pressure on the cost of goods, for example the cost of fuel.

Interest Rates

The RBA rates by are at 4.35% in September, 0.25% higher than September 2023 which is currently the

highest it has been since May 2013. In the accompanying statement the RBA outlined that Inflation in Australia has passed its peak and the monthly CPI indicator for July showed a further decline. But inflation is still too high and will remain so for some time yet. While goods price inflation has eased, the prices of many services are rising briskly.

Other expenses are forecast to increase in line with the Consumer Price Index (CPI) and changed service delivery models. Unforeseen increases may be absorbed through our continuation of tight restraint on operating expenditure.

Financing expenses will increase on the previous years in FYE 2026 based on the current borrowing expectations and interest rates. They are then predicated to reduce in future years. This will need to be monitored throughout the year depending on the interest rate increases. Currently an average interest rate over the medium term has been used for finance expense projections.

Depreciation is forecast to increase from \$19.2m to \$25.3m over the 10-year life of the plan. This is significantly higher than the 2023 depreciation of \$16.2m and is reflective of increased construction costs experienced on assets and reflected in the valuation which occurred in FYEs 2023 and 2024.

Key Capital Works Program Expenditure

Renewal Expenditure

Council's Infrastructure Asset Management Plans inform the planned expenditure on the renewal of assets.

The combined spend identified in the asset management plans for the 10-year period is \$215m. The LTFP provides for expenditure of \$212m in over the 10 years. This gap of \$3.7m is minor in the scheme of the \$2.17b of assets Council manages.

	AMP Funding	LTFP Funding	Variance
2025	51,109	18,500	(32,609)
2026	10,534	19,010	8,476
2027	12,532	19,505	6,974
2028	23,494	19,990	(3,504)
2029	23,472	21,022	(2,450)
2030	20,151	21,568	1,417
2031	14,384	22,127	7,743
2032	15,714	22,700	6,986
2033	20,167	23,288	3,121
2034	23,787	23,890	103
Total	215,344	211,601	(3,742)

To reduce the impact on borrowings, the increase in renewal to line up with depreciation has been phased in over the three years to align with the forecasted extra 1% rate increase over CPI. By 2029 the renewal expenditure is forecast to align with the depreciation.

New Assets

Planned expenditure on new assets has been increased in line with the funding required. This results in the total new asset allocation being \$7.38m in FYE 26.

The table below outlines the new and renewal expenditure required over the next three years and is aligned to the asset management plans with the funding smoothed out.

The significant back log of asset renewal funding identified in 2025 is predominately Council's road assets. The renewal program for these assets will be smoothed out over the ten-year period after analysis has been completed from the road condition assessment which was undertaken recently. Being a long-life asset the risk to Council is minimized but will be assessed along with the conditions.

2026-28 LTFP Capital Works Program - Forward Estimates

Category Code	Category Description	FY2026 New Budget	FY2026 Renewal Budget	FY2026 Net Budget	FY2027 New Budget	FY2027 Renewal Budget	FY2027 Net Budget	FY2028 New Budget	FY2028 Renewal Budget	FY2028 Net Budget
PP001	Road Reconstruction / Renovation	-	3,400	3,400	-	3,600	3,600	-	3,800	3,800
PP003	Roads to Recovery	-	1,200	1,200	-	1,200	1,200	-	1,200	1,200
PP004	Re-Sheeting Unsealed Roads	-	40	40	-	40	40	-	40	40
PP005	New Footpath and DDA Upgrades	1,230	-	1,230	1,230	-	1,230	1,230	-	1,230
PP007	Unsealed Footpaths	-	400	400	-	400	400	-	400	400
PP010	Lighting	500	-	500	500	-	500	500	-	500
PP011	Water and Drainage	-	1,350	1,350	-	1,450	1,450	-	1,550	1,550
PP014	Traffic Management and Signage	100	420	520	100	420	520	100	420	520
PP016	Open Space - Sporting, Park and Playground Upgrades	-	1,350	1,350	-	1,450	1,450	-	1,550	1,550
PP018	City Beautification Works	1,800	3,200	5,000	1,985	3,300	5,285	2,136	3,300	5,436
PP019	Capital Buildings Renewal	-	1,365	1,365	-	1,465	1,465	-	1,550	1,550
PP020	Capital Buildings New/Upgrades	1,600	1,000	2,600	1,600	1,000	2,600	1,600	1,000	2,600
PP021	Strategic Building Projects	2,000	3,000	5,000	2,000	2,980	4,980	2,000	2,980	4,980
PP022	Environmental Projects	150	-	150	150	-	150	150	-	150
PP025	Information Technology	-	2,085	2,085	-	2,000	2,000	-	2,000	2,000
PP026	Other	-	1,000	1,000	-	1,000	1,000	-	1,000	1,000
Total Capital Works Program 2026-28		7,380	19,810	27,190	7,565	20,305	27,870	7,716	20,790	28,506

Summary of Updated Draft Long Term Financial Plan for FYE 2026 to 2035

Date modified: 30 December 2024

Year Ended 30 June:	2024	2025		2026		2027		2028		2029		2030		2031		2032		2033		2034		2035	
	Audit	Revised		Plan		Plan		Plan		Plan		Plan		Plan		Plan		Plan		Plan		Plan	
	\$('000)	\$('000)		\$('000)		\$('000)		\$('000)		\$('000)		\$('000)		\$('000)		\$('000)		\$('000)		\$('000)		\$('000)	
INCOME																							
Rates	92,024	97,165	5.6%	102,120	5.1%	106,818	4.6%	111,732	4.6%	114,525	2.5%	117,388	2.5%	120,323	2.5%	123,331	2.5%	126,414	2.5%	129,574	2.5%	132,813	2.5%
Statutory Charges	2,818	2,782	-1.3%	2,874	3.3%	2,960	3.0%	3,049	3.0%	3,104	1.8%	3,172	2.2%	3,242	2.2%	3,313	2.2%	3,386	2.2%	3,454	2.0%	3,530	2.2%
User Charges	4,470	3,927	-12.1%	4,033	2.7%	4,142	2.7%	4,254	2.7%	4,369	2.7%	4,487	2.7%	4,608	2.7%	4,732	2.7%	4,860	2.7%	4,991	2.7%	5,126	2.7%
Grants, subsidies, contributions - Capital	256	1,200	368.8%	200	-83.3%	200	0.0%	202	1.1%	204	1.1%	207	1.1%	209	1.1%	211	1.1%	214	1.1%	216	1.1%	218	1.1%
Grants, subsidies, contributions - Operating	4,051	8,075	99.3%	7,178	-11.1%	7,257	1.1%	7,336	1.1%	7,213	-1.7%	7,292	1.1%	7,372	1.1%	7,453	1.1%	7,535	1.1%	7,618	1.1%	7,702	1.1%
Investment Income	1,056	170	-83.9%	20	-88.2%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%
Reimbursements/other revenue	2,680	2,453	-8.5%	2,519	2.7%	2,587	2.7%	2,657	2.7%	2,729	2.7%	2,803	2.7%	2,878	2.7%	2,956	2.7%	3,036	2.7%	3,118	2.7%	3,202	2.7%
Total Revenues	107,355	115,772	7.8%	118,944	2.7%	123,984	4.2%	129,250	4.2%	132,163	2.3%	135,368	2.4%	138,652	2.4%	142,017	2.4%	145,465	2.4%	148,991	2.4%	152,611	2.4%
EXPENSES																							
Employee costs	37,047	42,399	14.4%	44,519	5.0%	46,522	4.5%	47,918	3.0%	49,116	2.5%	50,343	2.5%	51,602	2.5%	52,892	2.5%	54,214	2.5%	55,570	2.5%	56,959	2.5%
Materials, contracts & other expenses	49,586	45,894	-7.4%	47,730	4.0%	49,085	2.8%	50,312	2.5%	51,570	2.5%	52,859	2.5%	54,180	2.5%	55,535	2.5%	56,923	2.5%	58,346	2.5%	59,805	2.5%
Depreciation	19,258	19,770	2.7%	20,264	2.5%	20,771	-100.0%	21,290	2.5%	21,822	2.5%	22,368	2.5%	22,927	2.5%	23,500	2.5%	24,088	2.5%	24,690	2.5%	25,307	2.5%
Finance Costs	250	950	-28.2%	900	-5.3%	950	5.6%	790	-16.8%	500	-36.7%	500	0.0%	500	0.0%	500	0.0%	500	0.0%	500	0.0%	500	0.0%
Loss - Joint Ventures	0	-		0		-		0		-		0		0		0		0		0		0	
Total Expenses	106,141	109,013	2.7%	113,413	4.0%	117,328	3.5%	120,310	2.5%	123,008	2.2%	126,070	2.5%	129,209	2.5%	132,427	2.5%	135,725	2.5%	139,106	2.5%	142,571	2.5%
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	1,214	6,759		5,531		6,656		8,941		9,155		9,297		9,443		9,589		9,739		9,885		10,039	
Net gain/(loss) on disposal or revaluations	310	4,640		0		-		0		-		0		0		0		0		0		0	
Amounts specifically for new assets or upgraded assets	4,714	13,411		0		-		0		-		0		0		0		0		0		0	
Physical resources free of charge	0	-		0		-		0		-		0		0		0		0		0		0	
NET SURPLUS/(DEFICIT)	6,238	24,810		5,531		6,656		8,941		9,155		9,297		9,443		9,589		9,739		9,885		10,039	
	2024	2025		2026		2027		2028		2029		2030		2031		2032		2033		2034		2035	
Opening Borrowings																							
Renewal Works	11,281	23,372		19,010		19,505		19,990		21,022		21,568		22,127		22,700		23,288		23,890		24,507	
New Works	15,804	41,478		7,380		7,565		7,716		7,870		8,028		8,188		8,393		8,603		8,818		9,038	
Total Capital works (Net)	27,085	64,850		26,390		27,070		27,706		28,892		29,595		30,315		31,093		31,890		32,708		33,545	
Less Depreciation	19,258	19,770		20,264		20,771		21,290		21,822		22,368		22,927		23,500		24,088		24,690		25,307	
Yearly Borrowings without Operating Surplus and Asset sales increase/(reduction)	7,827	45,080		6,126		6,299		6,416		7,070		7,228		7,388		7,593		7,803		8,018		8,238	
Net Asset Sales - Debt Reduction	-																						
Net Asset Sales - Capital Works (included in CMP program)	800	5,050		-		-		-		-													
Borrowings after proceeds from asset sales	7,027	40,030		6,126		6,299		6,416		7,070		7,228		7,388		7,593		7,803		8,018		8,238	
Operating Surplus	1,214	6,759		5,531		6,656		8,941		9,155		9,297		9,443		9,589		9,739		9,885		10,039	
Fiscal Balance (Surplus Cash/Reduction in borrowings)/ Increase in borrowings	5,813	33,271		595		(357)		(2,525)		(2,085)		(2,070)		(2,055)		(1,997)		(1,937)		(1,867)		(1,801)	
Capital works funding gap	5,813	33,271		595		(357)		(2,525)		(2,085)		(2,070)		(2,055)		(1,997)		(1,937)		(1,867)		(1,801)	
Assets sales plus operating surplus	2,014	11,809		5,531		6,656		8,941		9,155		9,297		9,443		9,589		9,739		9,885		10,039	
Closing Borrowings	-	23,271		23,866		23,509		20,985		18,899		16,830		14,775		12,778		10,842		8,974		7,173	
Net Financial Liabilities (including Land Sales)	14,131	35,656		36,251		35,894		33,370		31,284		29,215		27,160		25,163		23,227		21,359		19,558	
Net Financial Liabilities Ratio (Including Land Sales and inventory)	13.16%	30.80%		30.48%		28.95%		25.82%		23.67%		21.58%		19.59%		17.72%		15.97%		14.34%		12.82%	
Net Financial Liabilities (Excluding land Sales including inventory)	15,607	35,656		36,251		35,894		33,370		31,284		29,215		27,160		25,163		23,227		21,359		19,558	
Net Financial Liabilities Ratio (Excluding land Sales)	15%	31%		30%		29%		26%		24%		22%		20%		18%		16%		14%		13%	
Asset Renewal Funding Ratio	98%	172%		96%		96%		96%		98%		98%		98%		98%		98%		98%		98%	
Operating Surplus Ratio	1%	6%		5%		5%		7%		7%		7%		7%		7%		7%		7%		7%	
Fiscal Balance Ratio	-5%	-31%		-1%		0%		2%		2%		2%		2%		2%		1%		1%		1%	

City of Tea Tree Gully
ESTIMATED INCOME STATEMENT
Date modified: 30 December 2024

Year Ended 30 June:	2024 Actual Audit \$(‘000)	2025 Revised Budget \$(‘000)		2026 Plan Year 1 \$(‘000)		2027 Plan Year 2 \$(‘000)		2028 Plan Year 3 \$(‘000)		2029 Plan Year 4 \$(‘000)		2030 Plan Year 5 \$(‘000)		2031 Plan Year 6 \$(‘000)		2032 Plan Year 7 \$(‘000)		2033 Plan Year 8 \$(‘000)		2034 Plan Year 9 \$(‘000)		2035 Plan Year 10 \$(‘000)	
INCOME																							
Rates	92,024	97,165	5.6%	102,120	5.1%	106,818	4.6%	111,732	4.6%	114,525	2.5%	117,388	2.5%	120,323	2.5%	123,331	2.5%	126,414	2.5%	129,574	2.5%	132,813	2.5%
Statutory Charges	2,818	2,782	-1.3%	2,874	3.3%	2,960	3.0%	3,049	3.0%	3,104	3.0%	3,172	2.2%	3,242	2.2%	3,313	2.2%	3,386	2.2%	3,454	2.0%	3,530	2.2%
User Charges	4,470	3,927	-12.1%	4,033	2.7%	4,142	2.7%	4,254	2.7%	4,369	2.7%	4,487	2.7%	4,608	2.7%	4,732	2.7%	4,860	2.7%	4,991	2.7%	5,126	2.7%
Grants, Subsidies and Contributions - Capital	256	1,200	368.8%	200	-83.3%	200	0.0%	202	1.1%	204	1.1%	207	1.1%	209	1.1%	211	1.1%	214	1.1%	216	1.1%	218	1.1%
Grants, Subsidies and Contributions - Operating	4,051	8,075	99.3%	7,178	-11.1%	7,257	1.1%	7,336	1.1%	7,213	1.1%	7,292	1.1%	7,372	1.1%	7,453	1.1%	7,535	1.1%	7,618	1.1%	7,702	1.1%
Investment Income	1,056	170	-83.9%	20	-88.2%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%
Reimbursements/Other Revenue	2,680	2,453	-8.5%	2,519	2.7%	2,587	2.7%	2,657	2.7%	2,729	2.7%	2,803	2.7%	2,878	2.7%	2,956	2.7%	3,036	2.7%	3,118	2.7%	3,202	2.7%
Total Revenues	107,355	115,772	7.8%	118,944	7.8%	123,984	2.7%	129,250	4.2%	132,163	4.2%	135,368	2.3%	138,652	2.4%	142,017	2.4%	145,465	2.4%	148,991	2.4%	152,611	2.4%
EXPENSES																							
Employee Costs	37,047	42,399	14.4%	44,519	5.0%	46,522	4.5%	47,918	3.0%	49,116	2.5%	50,343	2.5%	51,602	2.5%	52,892	2.5%	54,214	2.5%	55,570	2.5%	56,959	2.5%
Materials, Contracts & Other Expenses	49,586	45,894	-7.4%	47,730	4.0%	49,085	2.8%	50,312	2.5%	51,570	2.5%	52,859	2.5%	54,180	2.5%	55,535	2.5%	56,923	2.5%	58,346	2.5%	59,805	2.5%
Depreciation, Amortisation & Impairment	19,258	19,770	2.7%	20,264	2.5%	20,771	2.5%	21,290	2.5%	21,822	2.5%	22,368	2.5%	22,927	2.5%	23,500	2.5%	24,088	2.5%	24,690	2.5%	25,307	2.5%
Finance Costs	250	950	280.0%	900	-5.3%	950	5.6%	790	-16.8%	500	-36.7%	500	0.0%	500	0.0%	500	0.0%	500	0.0%	500	0.0%	500	0.0%
Total Expenses	106,141	109,013	2.7%	113,413	2.7%	117,328	4.0%	120,310	3.5%	123,008	2.5%	126,070	2.2%	129,209	2.5%	132,427	2.5%	135,725	2.5%	139,106	2.5%	142,571	2.5%
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	1,214	6,759		5,531		6,656		8,941		9,155		9,297		9,443		9,589		9,739		9,885		10,039	
Net Gain/(Loss) on Disposal or Revaluation of Assets	310	4,640		0		0		0		0		0		0		0		0		0		0	
Amounts specifically for New or Upgraded Assets	4,714	13,411		0		0		0		0		0		0		0		0		0		0	
Physical Resources Receive Free of Charge	0	0		0		0		0		0		0		0		0		0		0		0	
NET SURPLUS/(DEFICIT)	6,238	24,810	0	5,531		6,656		8,941		9,155		9,297		9,443		9,589		9,739		9,885		10,039	

City of Tea Tree Gully
Date modified: 30 December 2024
ESTIMATED CASH FLOW STATEMENT

Year Ended 30 June:	2024 Actual Audit \$('000)	2025 Revised Budget \$('000)	2026 Plan Year 1 \$('000)	2027 Plan Year 2 \$('000)	2028 Plan Year 3 \$('000)	2029 Plan Year 4 \$('000)	2030 Plan Year 5 \$('000)	2031 Plan Year 6 \$('000)	2032 Plan Year 7 \$('000)	2033 Plan Year 8 \$('000)	2034 Plan Year 9 \$('000)	2035 Plan Year 10 \$('000)
CASH FLOWS FROM OPERATING ACTIVITIES												
<u>Receipts</u>												
Operating and Investment Receipts	106,088	115,627	118,795	123,830	129,092	132,000	135,200	138,479	141,839	145,281	148,802	152,416
<u>Payments</u>												
Operating Payments to Suppliers and Employees	86,200	89,438	91,836	95,182	97,792	100,235	102,738	105,304	107,935	110,630	113,393	116,226
Finance Costs	250	950	900	950	790	500	500	500	500	500	500	500
Net Cash provided by (or used in) Operating Activities	19,638	25,239	26,058	27,698	30,510	31,266	31,962	32,675	33,404	34,151	34,909	35,690
CASH FLOWS FROM INVESTING ACTIVITIES												
<u>Receipts</u>												
Grants utilised for capital purposes	256											
Amounts Specifically for New/Upgraded Assets	4,732	10,935	0	0	0	0	0	0	0	0	0	0
Sale of Renewed/Replaced Assets	482	1,200	800	800	800	800	800	800	800	800	800	800
Sale of Surplus Assets	800	5,050	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>												
Expenditure on Renewal/Replacement of Assets	(16,495)	(35,507)	(19,810)	(20,305)	(20,790)	(21,822)	(22,368)	(22,927)	(23,500)	(24,088)	(24,690)	(25,307)
Expenditure on New/Upgraded Assets	(15,804)	(41,478)	(7,380)	(7,565)	(7,716)	(7,870)	(8,028)	(8,188)	(8,393)	(8,603)	(8,818)	(9,038)
Net Cash Provided by (or used in) Investing Activities	(26,029)	(59,800)	(26,390)	(27,070)	(27,706)	(28,892)	(29,595)	(30,315)	(31,093)	(31,890)	(32,708)	(33,545)
CASH FLOWS FROM FINANCING ACTIVITIES												
<u>Receipts</u>												
Proceeds from Borrowings	0	23,271	595	0	0	0	0	0	0	0	0	0
Proceeds from Deposits												
<u>Payments</u>												
Repayments of Borrowings		0	0	(357)	(2,525)	(2,085)	(2,070)	(2,055)	(1,997)	(1,937)	(1,867)	(1,801)
Repayment of Bonds & Deposits	(67)	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Financing Activities	(67)	23,271	595	(357)	(2,525)	(2,085)	(2,070)	(2,055)	(1,997)	(1,937)	(1,867)	(1,801)
Net Increase/(Decrease) in cash held	(6,458)	(11,290)	263	271	279	288	297	305	315	324	334	344
Opening cash, cash equivalents or (bank overdraft)	18,337	11,879	589	853	1,124	1,403	1,691	1,988	2,293	2,608	2,932	3,266
Closing cash, cash equivalents or (bank overdraft)	11,879	589	853	1,124	1,403	1,691	1,988	2,293	2,608	2,932	3,266	3,609

City of Tea Tree Gully
Date modified: 30 December 2024
ESTIMATED BALANCE SHEET

Year Ended 30 June:	2024 Actual Audit \$('000)	2025 Revised Budget \$('000)	2026 Plan Year 1 \$('000)	2027 Plan Year 2 \$('000)	2028 Plan Year 3 \$('000)	2029 Plan Year 4 \$('000)	2030 Plan Year 5 \$('000)	2031 Plan Year 6 \$('000)	2032 Plan Year 7 \$('000)	2033 Plan Year 8 \$('000)	2034 Plan Year 9 \$('000)	2035 Plan Year 10 \$('000)
ASSETS												
Current Assets												
Cash & Equivalent Assets	11,879	589	853	1,124	1,403	1,691	1,988	2,293	2,608	2,932	3,266	3,609
Trade & Other Receivables	4,826	4,971	5,120	5,274	5,432	5,595	5,762	5,935	6,113	6,297	6,486	6,680
Investments & Other Financial Assets	0	0	0	0	0	0	0	0	0	0	0	0
Inventories	86	86	86	86	86	86	86	86	86	86	86	86
Sub-total	16,791	5,646	6,059	6,483	6,921	7,372	7,836	8,315	8,807	9,315	9,837	10,376
Non-current assets held for sale	1,476	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	18,267	5,646	6,059	6,483	6,921	7,372	7,836	8,315	8,807	9,315	9,837	10,376
Non-Current Assets												
Infrastructure, Property, Plant & Equipment	1,896,652	1,937,853	1,968,979	1,975,278	1,981,694	1,988,764	1,995,991	2,003,379	2,010,972	2,018,775	2,026,792	2,035,031
Financial Assets	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-Current Assets (Work in Progress)	25,676	30,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810
Total Non-Current Assets	1,922,328	1,968,663	1,974,789	1,981,088	1,987,504	1,994,574	2,001,801	2,009,189	2,016,782	2,024,585	2,032,602	2,040,841
Total Assets	1,940,595	1,974,309	1,980,847	1,987,572	1,994,425	2,001,946	2,009,638	2,017,504	2,025,589	2,033,899	2,042,440	2,051,216
LIABILITIES												
Current Liabilities												
Trade & Other Payables	14,897	13,752	14,165	14,589	15,027	15,478	15,942	16,421	16,913	17,421	17,943	18,482
Revenue Received in Advance	13,222											
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513	3,513
Sub-total	31,632	17,265	17,678	18,102	18,540	18,991	19,455	19,934	20,426	20,934	21,456	21,995
Liabilities Relating to Non-Current Assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	31,632	17,265	17,678	18,102	18,540	18,991	19,455	19,934	20,426	20,934	21,456	21,995
Non-Current Liabilities												
Borrowings	0	23,271	23,866	23,509	20,985	18,899	16,830	14,775	12,778	10,842	8,974	7,173
Provisions	680	680	680	680	680	680	680	680	680	680	680	680
Total Non-Current Liabilities	680	23,951	24,546	24,189	21,665	19,579	17,510	15,455	13,458	11,522	9,654	7,853
Total Liabilities	32,312	41,216	42,224	42,292	40,205	38,570	36,965	35,388	33,885	32,455	31,111	29,848
NET ASSETS	1,908,283	1,933,093	1,938,624	1,945,280	1,954,220	1,963,375	1,972,673	1,982,116	1,991,705	2,001,444	2,011,329	2,021,369
EQUITY												
Accumulated Surplus	432,627	457,437	462,968	469,624	478,564	487,719	497,017	506,460	516,049	525,788	535,673	545,713
Asset Revaluation Reserve	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369
Other Reserves	287	287	287	287	287	287	287	287	287	287	287	287
TOTAL EQUITY	1,908,283	1,933,093	1,938,624	1,945,280	1,954,220	1,963,375	1,972,673	1,982,116	1,991,705	2,001,444	2,011,329	2,021,369

ESTIMATED STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June:	2024 Actual Audit \$('000)	2025 Revised Budget \$('000)	2026 Plan Year 1 \$('000)	2027 Plan Year 2 \$('000)	2028 Plan Year 3 \$('000)	2029 Plan Year 4 \$('000)	2030 Plan Year 5 \$('000)	2031 Plan Year 6 \$('000)	2032 Plan Year 7 \$('000)	2033 Plan Year 8 \$('000)	2034 Plan Year 9 \$('000)	2035 Plan Year 10 \$('000)
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	426,389	432,627	457,437	462,968	469,624	478,564	487,719	497,017	506,460	516,049	525,788	535,673
Net Result for Year	6,238	24,810	5,531	6,656	8,941	9,155	9,297	9,443	9,589	9,739	9,885	10,039
Transfers from Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	432,627	457,437	462,968	469,624	478,564	487,719	497,017	506,460	516,049	525,788	535,673	545,713
ASSET REVALUATION RESERVE												
Balance at end of period	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369	1,475,369
OTHER RESERVES												
Balance at end of previous reporting period	287	287	287	287	287	287	287	287	287	287	287	287
Transfers from Accumulated Surplus	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to Accumulated Surplus	0	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	287	287	287	287	287	287	287	287	287	287	287	287
TOTAL EQUITY AT END OF REPORTING PERIOD	1,908,283	1,933,093	1,938,624	1,945,280	1,954,220	1,963,375	1,972,673	1,982,116	1,991,705	2,001,444	2,011,329	2,021,369

City of Tea Tree Gully
UNIFORM PRESENTATION OF FINANCES
Date modified: 30 December 2024

Year Ended 30 June:	2024 Actual Audit \$('000)	2025 Revised Budget \$('000)	2026 Plan Year 1 \$('000)	2027 Plan Year 2 \$('000)	2028 Plan Year 3 \$('000)	2029 Plan Year 4 \$('000)	2030 Plan Year 5 \$('000)	2031 Plan Year 6 \$('000)	2032 Plan Year 7 \$('000)	2033 Plan Year 8 \$('000)	2034 Plan Year 9 \$('000)	2035 Plan Year 10 \$('000)
INCOME												
Rates	92,024	97,165	102,120	106,818	111,732	114,525	117,388	120,323	123,331	126,414	129,574	132,813
Statutory Charges	2,818	2,782	2,874	2,960	3,049	3,104	3,172	3,242	3,313	3,386	3,454	3,530
User Charges	4,470	3,927	4,033	4,142	4,254	4,369	4,487	4,608	4,732	4,860	4,991	5,126
Grants, Subsidies and Contributions - Capital	256	1,200	200	200	202	204	207	209	211	214	216	218
Grants, Subsidies and Contributions - Operating	4,051	8,075	7,178	7,257	7,336	7,213	7,292	7,372	7,453	7,535	7,618	7,702
Investment Income	1,056	170	20	20	20	20	20	20	20	20	20	20
Reimbursements/Other Revenue	2,680	2,453	2,519	2,587	2,657	2,729	2,803	2,878	2,956	3,036	3,118	3,202
Total Revenues	107,355	115,772	118,944	123,984	129,250	132,163	135,368	138,652	142,017	145,465	148,991	152,611
EXPENSES												
Employee Costs	37,047	42,399	44,519	46,522	47,918	49,116	50,343	51,602	52,892	54,214	55,570	56,959
Materials, Contracts & Other Expenses	49,586	45,894	47,730	49,085	50,312	51,570	52,859	54,180	55,535	56,923	58,346	59,805
Depreciation, Amortisation & Impairment	19,258	19,770	20,264	20,771	21,290	21,822	22,368	22,927	23,500	24,088	24,690	25,307
Finance Costs	250	950	900	950	790	500	500	500	500	500	500	500
Total Expenses	106,141	109,013	113,413	117,328	120,310	123,008	126,070	129,209	132,427	135,725	139,106	142,571
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	1,214	6,759	5,531	6,656	8,941	9,155	9,297	9,443	9,589	9,739	9,885	10,039
Less Net Outlays on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	16,495	35,507	19,810	20,305	20,790	21,822	22,368	22,927	23,500	24,088	24,690	25,307
less Depreciation, Amortisation and Impairment	(19,258)	(19,770)	(20,264)	(20,771)	(21,290)	(21,822)	(22,368)	(22,927)	(23,500)	(24,088)	(24,690)	(25,307)
less Proceeds from Sale of Replaced Assets	(482)	(1,200)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)	(800)
Net Outlays on Existing Assets	(3,245)	14,537	(1,254)	(1,265)	(1,300)	(800)	(800)	(800)	(800)	(800)	(800)	(800)
less Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets	15,804	41,478	7,380	7,565	7,716	7,870	8,028	8,188	8,393	8,603	8,818	9,038
less Amounts Received Specifically for New and Upgraded Assets	(5,532)	(15,985)	0	0	0	0	0	0	0	0	0	0
Net Outlays on New and Upgraded Assets	10,272	25,493	7,380	7,565	7,716	7,870	8,028	8,188	8,393	8,603	8,818	9,038
Net Lending / (Borrowing) For Financial Year	(5,813)	(33,271)	(595)	357	2,525	2,085	2,070	2,055	1,997	1,937	1,867	1,801

Year Ended 30 June:	2024 Actual Audit \$('000)	2025 Revised Budget \$('000)	2026 Plan Year 1 \$('000)	2027 Plan Year 2 \$('000)	2028 Plan Year 3 \$('000)	2029 Plan Year 4 \$('000)	2030 Plan Year 5 \$('000)	2031 Plan Year 6 \$('000)	2032 Plan Year 7 \$('000)	2033 Plan Year 8 \$('000)	2034 Plan Year 9 \$('000)	2035 Plan 0 \$('000)
Net Financial Liabilities including non current assets held for sale	14,131	35,656	36,251	35,894	33,370	31,284	29,215	27,160	25,163	23,227	21,359	19,558
Net Financial Liabilities excluding non current assets held for sale	15,607	35,656	36,251	35,894	33,370	31,284	29,215	27,160	25,163	23,227	21,359	19,558
Net Financial Liabilities Ratio including non current assets held for sale	13%	31%	30%	29%	26%	24%	22%	20%	18%	16%	14%	13%
Net Financial Liabilities Ratio excluding non current assets held for sale	15%	31%	30%	29%	26%	24%	22%	20%	18%	16%	14%	13%
Asset Renewal Funding Ratio	98%	176%	96%	96%	96%	98%	98%	100%	103%	105%	108%	111%
Operating Surplus Ratio	1%	6%	5%	5%	7%	7%	7%	7%	7%	7%	7%	7%
Fiscal Balance Ratio	-5%	-31%	-1%	0%	2%	2%	2%	2%	2%	1%	1%	1%

	LTFP 23/24	LTFP 24/25	LTFP 25/26	LTFP 26/27	LTFP 27/28	LTFP 28/29	LTFP 29/30	LTFP 30/31	LTFP 31/32	LTFP 32/33	LTFP 33/34	LTFP 33/34
Renewal Works	19,258	19,770	20,264	20,771	21,290	21,822	22,368	22,927	23,500	24,088	24,690	25,307