City of Burnside
Long Term Financial Plan 2022/23 - 2031/32

The *Local Government Act 1999* requires that your Council develops and adopts a long-term financial plan for a period of at least 10 years. This document presents the City of Burnside Long Term Financial Plan 2022/23 - 2031/32.

1. Executive Summary

The City of Burnside's Long Term Financial Plan (LTFP) is critical to Council's financial planning process. It underpins our long term financial sustainability while meeting the needs and expectations of our communities and delivering Council's Strategic Directions highlighted in our strategic community plan *Burnside 2030.*

The LTFP is pivotal in setting the high-level financial parameters that guide the development and refinement of Council's budgeted plans, strategies and actions. The plan generates information that assists decisions about the mix, timing and affordability of future outlays on operating activities, renewal and replacement of existing assets and funding of additional assets. It is also instrumental in ensuring the City of Burnside delivers enhanced services now and in the future by providing optimal value-for- money community outcomes.

This LTFP has been prepared on the basis of a number of objectives and assumptions that are outlined in this document. Strategies, priorities, issues and risks are all dynamic influences in relation to any planning and as such, the Plan is reviewed and adjusted annually, alongside the Annual Business Plan and Budget. The financial projections contained within the Plan provide an indication of the Council's direction and financial capacity rather than predicting the future financial performance and position of the Council. The Plan should be viewed as a guide to future actions or opportunities which encourages the Council to think about the future impact of decisions made today on the Council's long-term financial sustainability.

The model assumes that overall, service levels will remain materially unchanged throughout the period. However, there is recognition of some exceptions to this, outlined below:

- Provision has been made for outlays for new/upgraded assets across this ten-year period that will add to service levels ($39.7m).
- varied or additional services may also be added over time in response to changes in community needs and preferences. It is assumed that any variations in the demand for services will not impact the financial bottom line unless otherwise stated.
- Council will continue to pursue any grant funding opportunities as they arise as this is an important source of revenue. This may also lead to increased service levels.

With these principles and objectives in mind, this Long Term Financial Plan is based on, and achieves, the following outcomes:

- On average, a rates increase of 3.5 per cent for 2022/23 (excluding Vacant Land and growth on subdivisions) which is lower than the March 2022 Local Government Price Index (LGPI) of 4.5 per cent and a 4.2 per cent Cost of Business.
- An Operating Surplus of $1.1m in 2022/23 and surpluses for all remaining years.
- A reduction of $430k in the employee cost budget in 2021/22 which will carry through to 2022/23 and future years.

- Total borrowings as at 30 June 2022 forecast at $29m (Current Forecast position for 2021/22 is $24.2m) and at the end of the 10-year period at $24.2m (based on the set level of Capital spend assumed in the Plan).
- All financial indicators within acceptable target levels throughout the 10-year period.
- Renewal and Replacement of existing assets equalling $16.9m in 2022/23 and totalling $109.5m across the 10-year period.
- New and upgraded assets equalling $7.6m in 2022/23 and totalling $39.7m across the 10-year period.
- Capital contribution of $5.3m towards the Brownhill Keswick Creek Project across the 10-year period.

2. Strategic Context

Burnside 2030, the strategic community plan
A prosperous City with a healthy, safe, connected, and active community, living in green leafy neighbourhoods where lifestyle is admired, heritage is valued, and people and nature live in harmony.

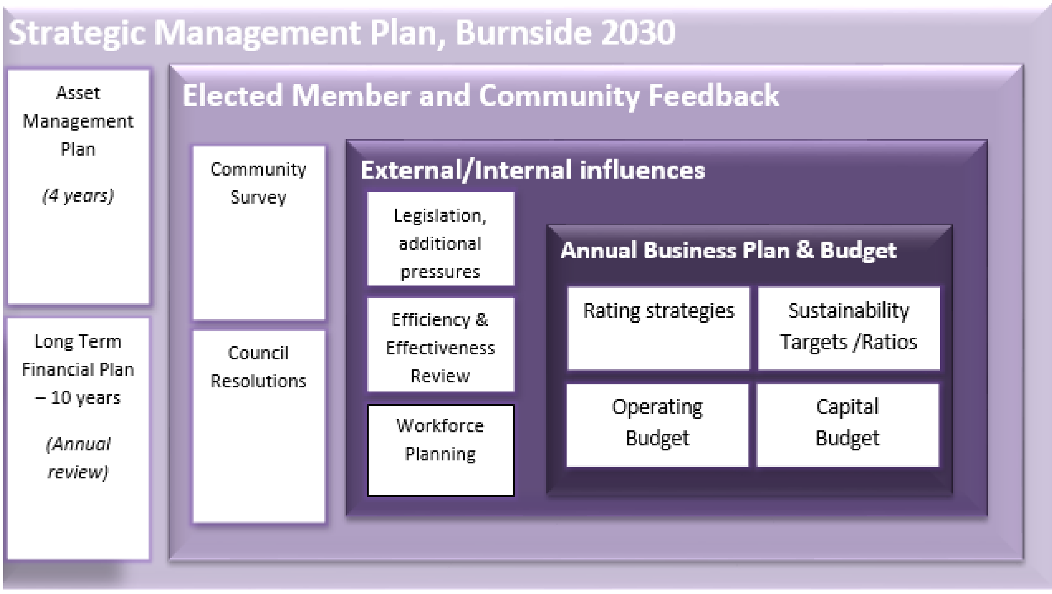
Burnside 2030 articulates Council's future aspirations, big picture goals and priorities that guide decision making over a 10-year period. It represents a vision for the City of Burnside that will be delivered through actions that our community will benefit from every day. The Plan does not include everything we do, but rather focuses on the main priorities indentified by our community.

The Local Government Act 1999, requires Councils to prepare a Long-term Financial Plan covering a period of at least ten years. The LTFP is a strategic component of the Council’s Strategic Management Framework and supports the delivery of *Burnside 2030*, the strategic community plan. The Strategic Framework illustrated below outlines our organisational planning framework and highlights the importance of community feedback in this process.

The LTFP is integral to Council’s suite of Strategic Management Plans providing the critical link between the:

- *Burnside 2030*, the strategic delivery plan;
- Asset Management Plans; and,
- Annual Business Plan and Budget.

It translates the objectives and strategies outlined in *Burnside 2030* and Asset Management Plans (AMP) into financial outcomes for analysis and community consultation. Optimising the integration between these strategic intentions ensures Council develops and implements a robust and transparent system of financial management aimed to uphold and maintain Council’s long term financial sustainability.



2.1 Future projects and direction

The City is challenged by growing community demands and expectations and recognises the importance of growth, prosperity, sustainability and lifestyle. It is committed to effective governance and providing infrastructure and services that satisfy all user groups.

Council is currently taking a renewed and contemporary approach to strategic planning to provide a clear line of sight between our long term strategies and our day-to-day operations. This will ensure our suite of strategic plans is integrated, concise, and gives clear direction for the future of our community and city.

Council's overarching strategic community plan, *Burnside 2030* sets out Council's "big picture" vision, goals and priorities for the next ten years. Developed in consultation with our community, *Burnside 2030* provides direction for our most important projects and programs and helps us respond to emerging opportunities and challenges. Focussing on three key goals identified by our community – Environment, Place and Community – *Burnside 2030* guides Council's decisions and provides the direction for all our other strategic plans.

Currently under development, Council's new City Master Plan, Connecting People to Places is one of Council's most important strategy projects and will be a significant driver of the future of our city. Connecting People to Places will present a 10 to 20 year vision to manage impending and inevitable growth in our community in a way that protects and enhances the character and heritage that Burnside is so well known for. The City Master Plan will also provide for enhanced transport and wellbeing outcomes, improved connectivity for walking and cycling, and opportunities for our elderly and young to remain living in Burnside. Overall, the City Master Plan will be a legacy strategy that provides a blueprint for funding priorities for our urban form and our transport system over the next 20 years.

The priorities presented in Council's strategic plans directly inform our Asset Management Plans, and Annual Business Plan and Budget, and their funding is set out in our Long Term Financial Plan.

To clearly show the links between Council's strategic plans and Annual Business Plan and Budget, a four year Delivery Plan has also been developed. Derived from Council's suite of plans, the Four Year Delivery Plan will concisely summarise Council's key initiatives for the next four years. It will guide our decision making by focussing investment on Council's priorities, rather than ad-hoc requests, as well as helping identify any gaps, underperformance or superfluous investment.

3. CEO Statement on Financial Sustainability

Financial sustainability is achieved when service and infrastructure levels and standards are delivered according to a long-term plan without the need to significantly increase rates or significantly reduce services.

Responsible long-term financial sustainability ensures that:

- public resources are distributed fairly between current and future ratepayers (inter-generational equity);
- funding is made available for the maintenance, replacement and upgrade of assets to deliver levels of service to the community;
- there is consistent delivery of essential community services and efficient development of infrastructure; and
- current and future Council rates are given a fair degree of stability and predictability.

Council employs a strategic approach to its financial planning that is influenced by the current and predicted economic environment, its financial position and the impacts on the organisation both internally and externally.

Our corporate planning framework aligns our operations with our corporate and strategic plans to achieve sustainable improvements for the City and its people. This framework includes long, medium and short-term plans that set the direction for everything we do. This Long Term Financial Plan flows directly from priorities identified in our strategic community plan, *Burnside 2030.* Our departmental programs and budgets complete our planning framework and ensure the timely and appropriate allocation of resources to meet our long-term goals in a staged and responsible fashion.

As with any long-term plan, the accuracy is subject to many inherent influences which are both internal and external and include economic, political and climatic changes along with community drivers such as *Burnside 2030*, the Annual Community Survey and other key strategies. To minimise the inherent risks of long term financial planning, the Council reviews and updates its Plan regularly and ensures that the most recent economic data and forecasts are being used as the basis for developing the Plan.

This Long Term Financial Plan shows that Council is in a strong financial position over the 10 year period with all performance ratios being well within target. Over the 10 years, this Plan builds in $109.5m in asset renewal and replacement and $39.7m in new and upgraded assets. The Asset Renewal Funding Ratio ranges between 97.7 per cent and 106.3 per cent which shows that assets are being renewed effectively.

In measuring long term sustainability, Council makes use of a number of financial ratios and ensures that the targets set by the Local Government Association are adhered to. Of particular relevance is the Net Financial Liabilities Ratio which includes Council's level of debt. Using debt, when done equitably and responsibly, helps alleviate any issues of intergenerational equity. This Plan is built on a maximum Net Financial Liability Ratio of 70.6 per cent in year 3 which falls to 44.1 per cent by year 10.

In terms of performance, this Plan shows a positive Surplus across the 10 year period which contributes to the financial sustainability of Council.

In addition to financial sustainability, Council is focused on service sustainability and ensuring that maintaining current level of services can be met without unplanned increases in rates.

4. Key Influences and Risks

This Long Term Financial Plan generates information that is used to guide decisions about Council operations into the future. However as with any long-term plan, the accuracy of this LTFP is subject to many inherent influences. These variables and risks can be divided into three main groups:

4.1 External Influences – items outside of Council's control

- Unforeseen economic changes or circumstances such as:
  - continued financial and economic impacts of the COVID-19 pandemic;
  - interest rates fluctuations;
  - localised economic growth – residential development and new business;
  - Consumer Price Index (All Adelaide);
  - Local Government Price Index (LGPI); and,
  - changes in specific programs such as Federal Assistance Grants.
- Unforeseen political changes or circumstances such as:
  - changes to the restrictions of the COVID19 pandemic;
  - changes to Levies and their conditions (e.g. Environment Protection Authority (SA) Waste Levy);
  - cost of natural resources such as fuel and water;
  - a change in the level of legislative compliance; and,
  - cost-shifting (i.e. Increased Emergency Services Levy).
- Variable Climatic Conditions such as:
  - Climate Change;
  - storm or Force Majeure Events (i.e. Storm Event of Feb 2014 and 2016); and,
  - flooding, bushfire and drought.

4.2 Internal Influences – items that Council can control

- agreed service level review outcomes;
- infrastructure asset management;
- depreciation (valuations can be considered an external influence);
- rate increases and other financial influences;
- performance management;
- efficiencies in service delivery and administrative support; and,
- salaries and wages.

4.3 Community Drivers

- community needs and expectations;
- Annual Community Survey;
- *Burnside 2030,* the strategic community plan; and,
- other key strategies.

To minimise the inherent risks of long term financial planning, the Council reviews and updates its Long Term Financial Plan regularly and ensures that the most recent economic data and forecasts are being used as the basis for developing the Council's Long Term Financial Plan.

5. Basis of Preparation

The LTFP consolidates the funding requirements from Council's Asset Management Plans and other strategic documents and provides a holistic view which helps ensure Council operates sustainably over the 10 year period. It enables Council to effectively and equitably manage service levels, asset funding and revenue-raising decisions, balanced with achieving its financial strategy and key performance indicators.

In developing the LTFP, key financial principles are established that underpins Council's forecast financial performance and position over a 10-year time frame. The LTFP incorporates a number of statutory and discretionary reports and assumptions as part of a statutory requirement (within the *Local Government Act 1999*). Due to the variable nature of the assumptions focusing on changes in the economy, an annual review of the LTFP provides the Council with the opportunity to review the financial principles to easily adapt to these external influences, changes in proposed service levels or projects. This involves concerted input from Council and the Audit and Risk Committee.

The financial projections contained within the LTFP, indicate Council's direction and financial capacity into the future and are intended to be viewed as a guide to future actions or opportunities. This in turn encourages Council to analyse the future effects and impacts of current decisions made by Council.

For this LTFP, the 2022/23 Budgeted Statement of Comprehensive Income forms the basis for year 1 of the Plan. Years 2 to 10 present nine inclusive years of financial projections underpinned by the base data.

5.1 Finance Strategy

The City of Burnside continues to employ a strategic approach to our financial planning that is influenced by the current and predicted economic environment, our financial position and the impacts on the organisation both internally and externally. Employing this strategic approach is designed to ensure:

- Support of the achievement of *Burnside 2030.*
- Our long term financial sustainability.
- Intergenerational equity.
- The needs and expectations of the Burnside community are met.
- Delivery of appropriate, targeted, effective and efficient services.
- Responsible changes in rating.

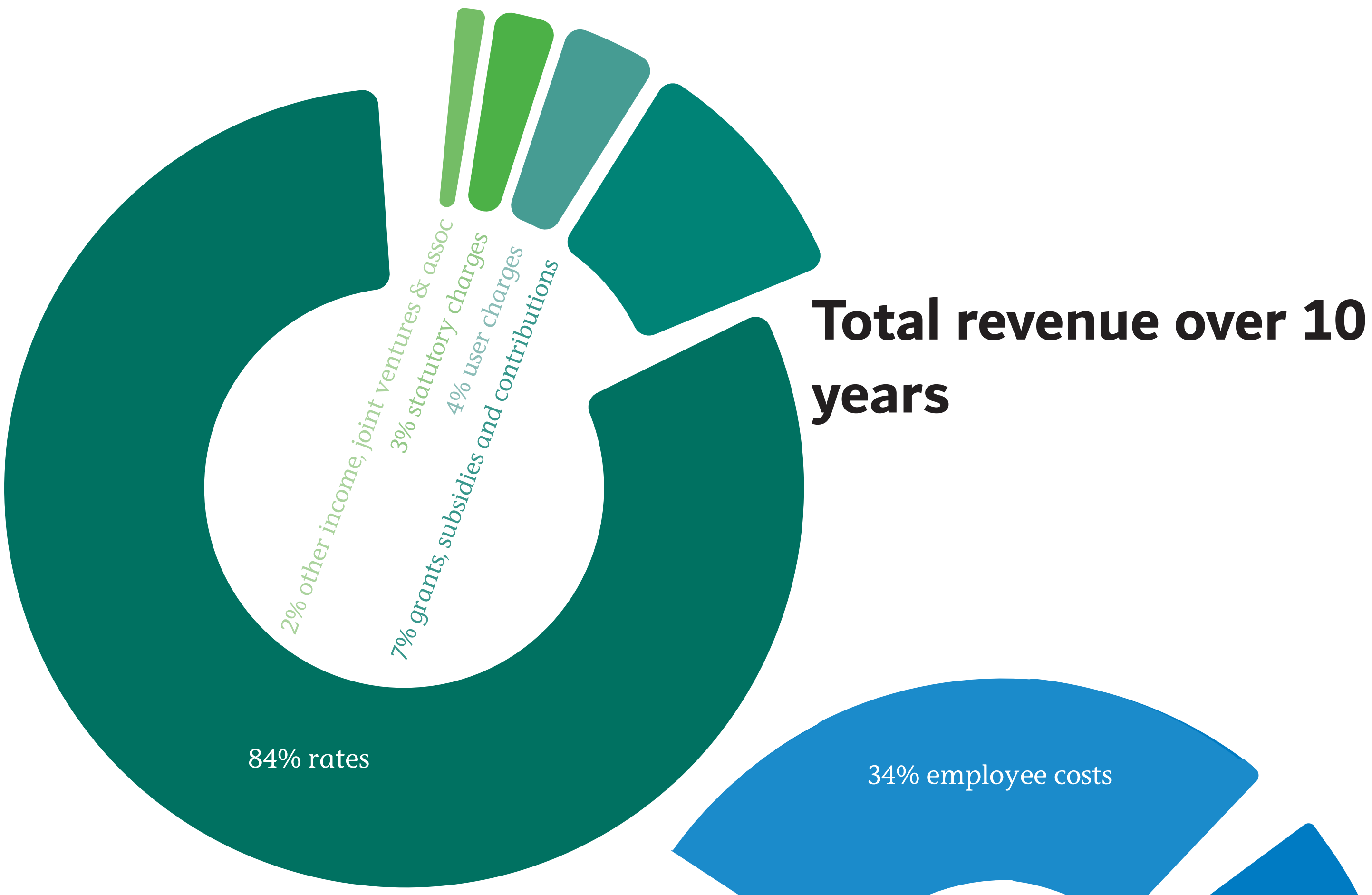
This leads to Council achieving:

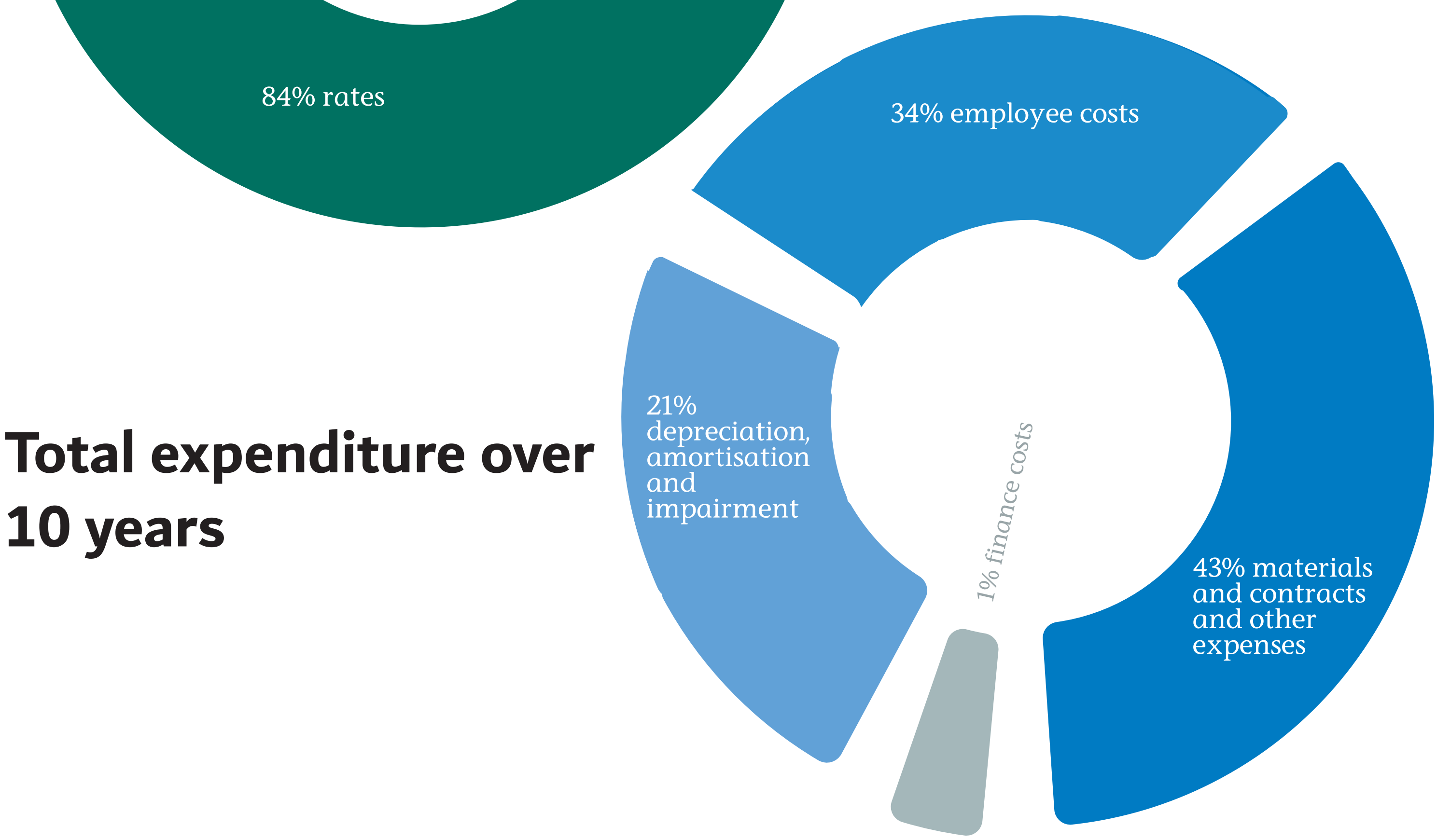
- continued funding to ensure Council's infrastructure is replaced and maintained when required (includes roads, footpaths, Council owned properties and open spaces).
- commitment to major projects which span more than one year.
- council continues to fund the full life-cycle costs of any new or enhanced services or construction of new assets through savings, rate increases or grant funding.
- maintaining existing services at agreed service levels.

5.2 Funding Plan

Council expects to derive approximately 83 per cent of its revenue from rates in 2022/23 as shown below. Council policy is to utilise rates and other operating income to fund operating projects and services while utilising debt to fund new capital projects.

The only exception is when grants are received which are required to be treated as an operating income, however, the expenditure is capital in nature. Council's projected revenue over the 10 year period is $622m with an expected spend on capital being $149.2m. The detailed breakdown of the income and expenditure sources are outlined in section 6.





5.3 Key Economic Assumptions

It is important that Council's Long Term Financial Plan reflects the most recent economic data and forecasts available. A review is conducted each year to ensure that the underlying parameters and assumptions are reasonable given the current economic conditions and expectations. The key economic indicators and drivers used in this Plan are summarised in Table 1 below and have been suggested and endorsed by Council's Audit and Risk Committee.

Table 1: Key Drivers and Assumptions

Financial Year	Budget Year	Cost Index (used for Materials cost)	Wages	Rates (Exc Growth)	Growth
2021-22	Current Year	Zero based bottom-up approach	Bottom up (not fully funded) 1.25% EB increase	0.00%	0.77%
2022-23	Year 1	Bottom-up approach Cost of business 4.2%	Bottom up (not fully funded) 4.7% Based on March CPI based plus 0.5% super increase	3.50%	1.10%
2023-24	Year 2	4.00%	3.00%	3.80%	1.50%
2024-25	Year 3	2.90%	3.00%	3.50%	1.00%
2025-26	Year 4	2.90%	3.00%	3.00%	1.00%
2026-27	Year 5	2.90%	3.00%	3.00%	0.50%
2027-28	Year 6	3.20%	3.50%	3.20%	0.50%
2028-29	Year 7	3.20%	3.50%	3.20%	0.50%
2029-30	Year 8	3.20%	3.50%	3.20%	0.50%
2030-31	Year 9	3.40%	3.50%	3.40%	0.50%
2031-32	Year 10	3.40%	3.50%	3.40%	0.50%

5.3.1 Cost Index

The Consumer Price Index (CPI) is regarded as Australia's key measure of inflation for household consumables. It is designed to provide a general measure of price inflation for the Australian household sector as a whole. While the CPI drives non-rates income, expenditure on materials is based on the Local Government Price Index (LGPI). The CPI is regarded as a key measure of household expenditure inflation and is designed to provide a general measure of price inflation for household purchases, the LGPI is considered more suitable for measuring the inflation of Local Government sector services.

The materials expenditure for 2022/23 has been worked through a bottom-up methodology which adjusts for savings and cost pressures in each area resulting in a 'Cost of Business'. It should also be noted that while the LGPI for December 2021 was 3.5 per cent and for March 2022 was 4.5 per cent, some costs have increased by more than those indexes. In addition, the LGPI and CPI are both historical indices
whereas the rates increase is for the year ahead. As such, the Cost of Business calculates the 'projected' cost index.

It is expected that for 2022/23, a number of additional cost pressures will be faced by Council and there are also certain expenses that have not been increased by the LGPI index. As such, the true increased cost of business for Council in the next financial year 2022/23 has been calculated as 4.2 per cent.

5.3.2 Salaries and Wages

The 2022/23 forecast for salaries and wages has been undertaken following a bottom-up approach for 169.48 Full Time Equivalents and in line with the endorsed Enterprise Bargaining Agreements for Administration and Field staff. A budgeted cost reduction of $430k has also been included within the budget which factors in a level of vacancy during the year.

The salaries and wages staff costs for year 1 have been increased by 4.7 per cent in 2022/23. This increase is predicated on the two current Enterprise Bargaining Agreements due to expire in June 2023 which are based on a 1.25 /1.5 per cent or March 2022 CPI increase, whichever is greater.

Year 1 also includes a 0.5 per cent increment in the superannuation guarantee category and the LTFP continues this increase till 2025/26 until the superannuation guarantee reaches 12 per cent.

The salaries and wages increase for years 2-10 are dependent on renewed Enterprise Bargaining Agreements but have currently been based on a range of between 3 - 3.5 per cent including the superannuation increases

5.3.3 Rates

Council has delivered $2.3m in savings for ratepayers through its zero rates policy for the past two years. However, in light of the rising costs being experienced by Council , the cumulative pressure on finances from the two preceding years of zero per cent rates and for Council to maintain the quality of its services to the community, whilst balancing its budget, a rate increase of 3.5 per cent in line with the LGPI Index is being proposed for 2022/23. Rates for years 2 to 10 of this LTFP have been modelled closely to the cost index.

Growth in 2022/23 has been included at 1.1 per cent which is based on the actual growth of 189 new properties across the City (through subdivisions). Natural growth for years 2-4 have been based on between 1 - 1.5 per cent and account for the Cedar Woods and Burnside Village Development.

5.3.4 Increased Differential on Vacant Land

For 2022/23, property valuations have increased by 30 per cent which has also caused a decrease in rates for vacant landowners. To keep the rates closer to prior year levels and to continue encouraging development and preservation of the high standard of street appeal in the City of Burnside, Council has introduced a higher rating on vacant land (increase from 200 per cent to 250 per cent).

Council has not redistributed this additional revenue across the community and instead use it to increase Council's surplus which can be used to provide additional services for the community or to reduce debt. The increase to 250 per cent differential rate, the average rate for vacant land is expected to reduce by $53. Residential average rates on the other hand are expected to increase by $128 for the year.

5.3.5 Valuations

The Valuer-General is South Australia's independent authority on property valuations and is responsible for the delivery of valuations for all properties in the state.

The Office of the Valuer-General undertook a project to comprehensively review South Australia's property values. The 'Revaluation Project' undertaken in 2021/22 involved an in-depth property data collection and analysis to improve the accuracy of valuations, ensuring contributions by the community are fair and equitable, in accordance with the *Valuation of Land Act 1971*. The Revaluation Project assessed individual properties rather than using a 'blanket change' in values for all properties.

The Revaluation Initiative saw property values increase by 2.58 per cent across the City. However, for 2022/23, the Valuer-General has taken into consideration the current market trends and exponential

growth within the property market. As a result, the increase in valuation of properties across the City of Burnside is currently 30 per cent. It should be noted that the increase in valuations does not mean Council collects more revenue. The revenue collected will be 3.5 per cent higher than the prior year and what changes is the distribution of how rates are collected. As such, for a ratepayer who experiences a higher than average (30 per cent) valuation increase, the rates increase will be higher than 3.5 per cent when compared to the prior year. Council is also conscious that an increase in property valuation could also lead to an increase in other bills such as Water, Emergency Services Levy, Land Tax, and is keen to reduce the impact as far as possible. As such, for 2022/23, Council will once again cap rates at 12.5 per cent and provide an automatic cap such that no ratepayer would need to pay more than 12.5 per cent more in rates than that paid in the prior year.

5.3.6 Capital Works

The City of Burnside is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities for our community.

Council purchases new capital expenditure items through the use of Council borrowings. This iteration of the LTFP has been prepared based on the most up to date capital expenditure forecasts at this time and includes:

- Renewal and Replacement of existing assets equalling $16.9m in 2022/23 and totalling $109.5m across the 10-year period;
- New and upgraded assets equalling $7.6m in 2022/23 and totalling $39.7m across the 10-year period; and
- Capital contribution of $5.3m towards the Brownhill Keswick Creek Project across the 10-year period.

The LTFP does not currently include any capital grant funding for major projects beyond the 2022/23 year.

5.3.7 Debt levels

A major component of services Council provides are asset intensive which often requires a large investment, initially for the acquisition of assets and ongoing as a result of maintenance and renewal of those assets. Without the use of debt, it is very difficult for Council to finance the acquisition of new assets, while at the same time finance planned and requisite asset renewals. In the absence of adequate debt, Council would have to charge current ratepayers a high charge relative to the benefit derived. This would also lead to issues with intergenerational equity since Council would charge current ratepayers' high rates while future ratepayers would continue to derive the benefit of the assets. Using debt, when done equitably and responsibly, will help alleviate these issues of intergenerational equity.

This current LTFP builds in $109.5m in asset renewal and replacement and $39.7m in new and upgraded assets over the 10-year period and capital contribution of $5.3m towards the Brownhill Keswick Creek Project.

Debt has been built into this LTFP based on a treasury management position of drawing down on loans when required and repaying loans when excess cash is available. The debt projections show a consistent increase of debt levels over the 10 years to a peak of $33.6m by year 4 and falling to $24.1m in year 10.

Borrowings have been assumed at 2.4 per cent – 5 per cent interest rate over a 15-year period (current rate is 1.3 to 2.1 per cent variable). This is a conservative and reasonable time frame for Council to aim at repayment of its debt.

In 2020, the Local Government Finance Authority (LGFA) announced stimulus packages which provided Council with a 0.75 per cent interest rate discount for a three-year period on two $4.8m facilities due to expire in 2023 and 2024. This helps Council cover off on any interest rate risk for next year. The finance costs incorporated into the LTFP for future years takes into account rising interest costs.

In regard to ratios, Council maintains a Net Financial Liability Ratio between 44.1 - 70.6 per cent across this 10-year period. This Ratio measures how significant the net amount owed to others is compared to Council's Operating Income. Council’s forecast ratio across the 10 years is significantly lower than the LGA recommended target of less than 100 per cent of Operating Revenue. This demonstrates the affordability of the capital investments currently budgeted for over the next 10 years.

It should be noted that the capital projections included in the LTFP is a conservative view and based on new capital spend of an average of $3.4m in years 5 to 10. This is because at this stage there are no major new capital works scheduled besides $600k for new drainage, $200k for traffic calming and $100k for new open space infrastructure. An amount of $2.5m has been allocated in years 2 to 10 to account for Council decisions in the future which may require capital funding. The unallocated capital outlay in outer years is based on ‘net’ expenditure and does not include any grant funding. Should any grant income be received in future years, the total expenditure on new capital projects will also be increased accordingly.

Including an unallocated fund is recommended to ensure that the LTFP does not provide an inflated, unrealistic position. It should also be noted that these inclusions are not locked in and are only estimates which will be reviewed and updated each year as part of the annual budget process.

This LTFP will be updated periodically to ensure that the most up to date capital projections are being captured and accounted for over the 10 year period.

5.3.8 Council subsidiaries

The LTFP only includes Net Gain/Loss from Council subsidiaries for Year 1 of the 10 year plan.

In addition, this plan only includes $5.3m towards Brownhill Keswick Creek (BHKC) over the next 10 years and a $122k equity injection into ERA Water in 2022/23. There is a possibility that further equity injections (up to $1m) maybe required for ERA Water in future years.

Any changes to estimates will impact Council's financial modelling and this LTFP will be up-dated periodically to ensure that the most up to date projections are captured and accounted for over the 10 year period.2

6. Key Outcomes

This Long Term Financial Plan is based on, and achieves the following outcomes:

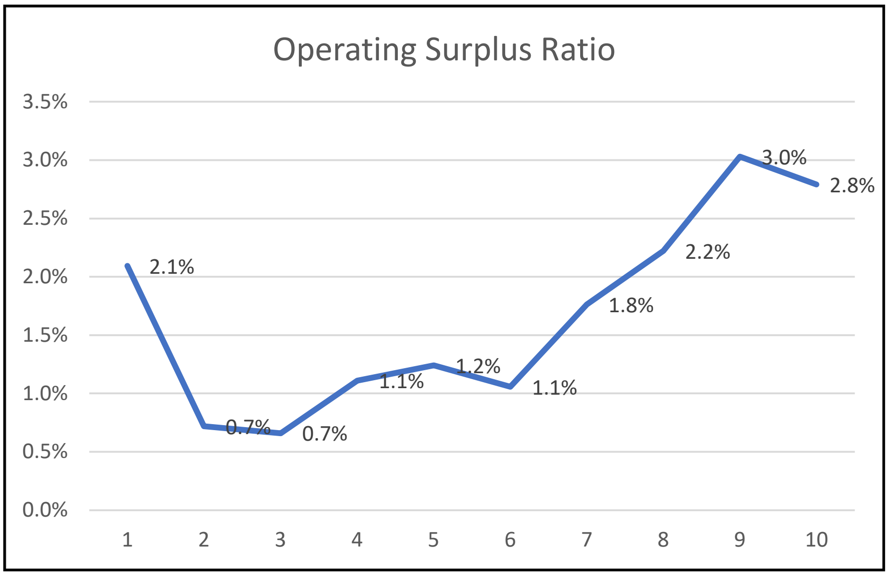
- On average, a rates increase of 3.5 per cent for 2022/23 (excluding (excluding Vacant Land and growth on subdivisions) which is lower than the March 2022 Local Government Price Index (LGPI) of 4.5 per cent and a 4.2 per cent Cost of Business.
- An Operating Surplus of $1.1m (including subsidiaries) in 2022/23 and surpluses for all remaining years.
- A reduction of $430k in the employee cost budget in 2021/22 which will carry through to 2022/23 and future years.
- Total borrowings as at 30 June 2022 forecast at $29.0m (Current Forecast position for 2021/22 is $24.2m) and at the end of the 10-year period at $24.1m (based on the set level of Capital spend assumed in the Plan).
- All financial indicators within acceptable target levels throughout the 10-year period.
- Renewal and Replacement of existing assets equalling $16.9m in 2022/23 and totalling $109.5m across the 10-year period.
- New and upgraded assets equalling $7.6m in 2022/23 and totalling $39.7m across the 10-year period.
- Capital contribution of $5.3m towards the Brownhill Keswick Creek Project across the 10-year period.

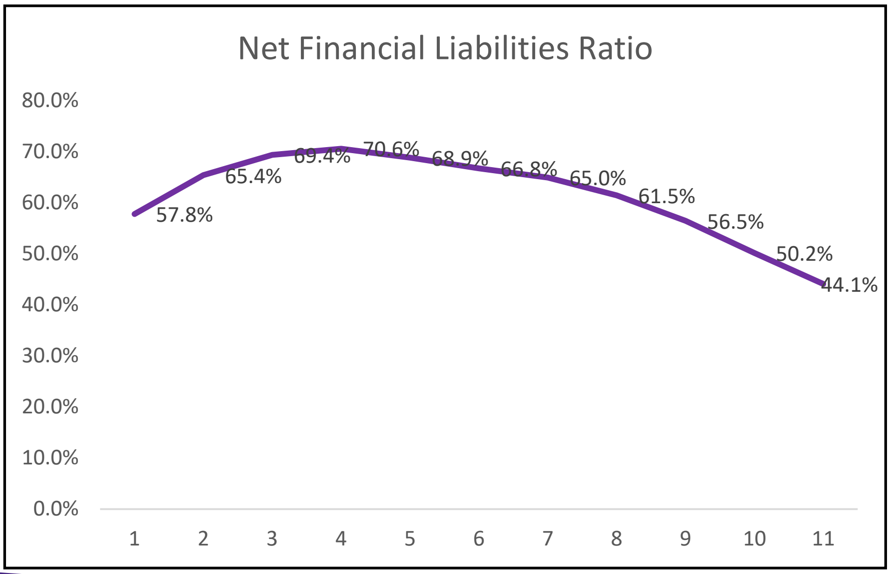
6.1 Financial Indicators

Council has adopted a suite of Key Financial Indicators that are primarily based on those included in the Model Financial Statements and recommended by the Australian Local Government Association as appropriate for measuring financial sustainability. The following tables provide a summary of Council's financial indicators and provide the industry-accepted approach to analysing and comparing Council's performance from year to year.

Table 2: Key Financial Indicators

Ratio	2022/23 LTFP	LGA Target
Operating Surplus Ratio	Between 0.7% - 3%	Average of 0% - 10%
Net Financial Liabilities Ratio	Between 44.1% - 70.6%	Between 0 % - 100%
Asset Renewal Funding Ratio (Rolling average)	Between 101.2% - 108%	Greater than 90% but less than 110%
Debt Repayment Term	15 years	No Recommendation





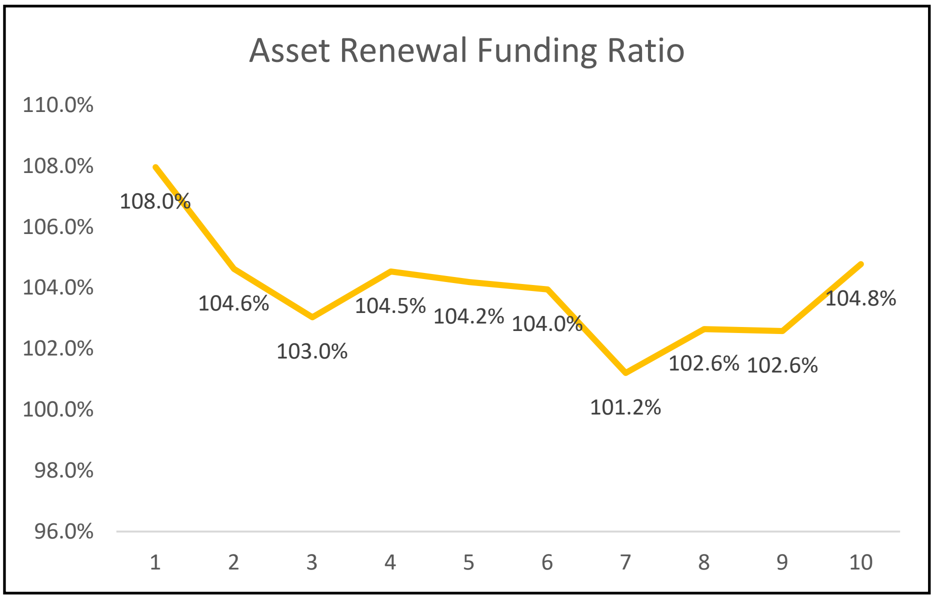


Table 3: Key Financial Indicator Commentary

Financial Indicator	Key Financial Indicator Commentary
Operating Surplus Ratio	The LTFP currently indicates that an Operating Surplus will be achieved and maintained throughout the 10 years and will be within the LGA recommended range of 0-10 per cent.
Net Financial Liabilities Ratio	Council's ratio across this 10-year plan is comfortably below the LGA recommended maximum target of 100 per cent.
Asset Renewal Funding Ratio	Council's ratio for the 10-year plan is within the target range of 90-110 per cent as recommended by the LGA. This shows that Council is renewing its assets within the recommended timeframes.

7. Key Financial Statements

STATEMENT OF COMPREHENSIVE INCOME	Current Year 2021/22 $	Year 1 2022/23 $	Year 2 2023/24 $	Year 3 2024/25 $
Income				
Rates	$ 41,810,450	$ 43,911,325	$ 45,543,987	$ 47,581,52
Statutory Charges	$ 1,393,687	$ 1,431,977	$ 1,467,777	$ 1,504,47
User Charges	$ 1,911,329	$ 2,150,695	$ 2,204,463	$ 2,259,57
Grants, Subsidies and Contributions	$ 5,997,165	$ 4,021,257	$ 4,673,414	$ 4,209,07
Investment Income	$ 21,000	$ 38,500	$ 38,500	$ 38,50
Reimbursements	$ 438,848	$ 510,763	$ 523,532	$ 536,62
Other Income	$ 535,847	$ 536,952	$ 550,376	$ 564,13
Net gain - equity accounted Council businesses	$ 983,249	$ 896,018	$ -	$ -
Total Income	**$ 53,091,575**	**$ 53,497,487**	**$ 55,002,047**	**$ 56,693,90**
Expenses				
Employee Costs	$ 17,267,268	$ 18,062,790	$ 18,749,381	$ 19,284,80
Materials, Contracts & Other Expenses	$ 22,021,005	$ 23,075,624	$ 24,063,902	$ 24,493,15
Depreciation, Amortisation & Impairment	$ 10,479,599	$ 10,508,017	$ 11,061,315	$ 11,679,45
Finance Costs	$ 349,987	$ 450,500	$ 731,798	$ 862,31
Net loss - Equity Accounted Council Businesses	$ 272,531	$ 280,250	$ -	$ -
Total Expenses	**$ 50,390,390**	**$ 52,377,181**	**$ 54,606,394**	**$ 56,319,73**
Operating Surplus / (Deficit)	**$ 2,701,186**	**$ 1,120,306**	**$ 395,653**	**$ 374,17**
Asset Disposal & Fair Value Adjustments	-$ 150,000	-$ 150,000	-$ 250,000	-$ 150,00
Amounts Received Specifically for New or Upgraded Assets	$ 4,735,186	$ 9,018,131	$ 289,381	$ 289,38
Physical Resources Received Free of Charge	$ 72,512	$ -	$ -	$ -
Net Surplus / (Deficit)	**$ 7,358,884**	**$ 9,988,437**	**$ 435,034**	**$ 513,55**
Other Comprehensive Income				
Changes in Revaluation Surplus - I,PP&E	$ -	$ 13,417,629	$ 3,246,694	$ -
Total Other Comprehensive Income	**$ -**	**$ 13,417,629**	**$ 3,246,694**	**$ -**
Total Comprehensive Income	**$ 7,358,884**	**$ 23,406,066**	**$ 3,681,728**	**$ 513,55**

	Year 4 2025/26 $	Year 5 2026/27 $	Year 6 2027/28 $	Year 7 2028/29 $	Year 8 2029/30 $	Year 9 2030/31 $	Year 10 2031/32 $
29	$ 49,478,550	$ 51,210,200	$ 53,001,981	$ 54,965,082	$ 57,000,312	$ 59,221,169	$ 61,527,985
71	$ 1,542,083	$ 1,580,635	$ 1,620,151	$ 1,665,515	$ 1,712,150	$ 1,760,090	$ 1,809,372
74	$ 2,316,064	$ 2,373,965	$ 2,433,314	$ 2,501,447	$ 2,571,488	$ 2,643,489	$ 2,717,507
74	$ 4,314,301	$ 4,422,158	$ 4,532,712	$ 4,659,628	$ 4,790,098	$ 4,924,221	$ 5,062,099
00	$ 38,500	$ 38,500	$ 38,500	$ 38,500	$ 38,500	$ 38,500	$ 38,500
20	$ 550,035	$ 563,786	$ 577,881	$ 594,062	$ 610,695	$ 627,795	$ 645,373
35	$ 578,238	$ 592,694	$ 607,512	$ 624,522	$ 642,009	$ 659,985	$ 678,464
	$ -	$ -	$ -	$ -	$ -	$ -	$ -
03	**$ 58,817,771**	**$ 60,781,940**	**$ 62,812,051**	**$ 65,048,756**	**$ 67,365,252**	**$ 69,875,248**	**$ 72,479,301**
05	$ 19,836,098	$ 20,395,825	$ 21,068,528	$ 21,764,782	$ 22,485,410	$ 23,231,267	$ 24,428,967
57	$ 25,192,355	$ 25,910,902	$ 26,728,386	$ 27,572,107	$ 28,442,868	$ 29,400,739	$ 30,391,252
55	$ 12,165,402	$ 12,688,513	$ 13,291,386	$ 13,508,190	$ 13,891,966	$ 14,160,454	$ 14,786,330
15	$ 970,472	$ 1,032,165	$ 1,059,648	$ 1,057,543	$ 1,047,912	$ 966,500	$ 849,942
	$ -	$ -	$ -	$ -	$ -	$ -	$ -
32	**$ 58,164,327**	**$ 60,027,405**	**$ 62,147,948**	**$ 63,902,622**	**$ 65,868,157**	**$ 67,758,960**	**$ 70,456,491**
71	**$ 653,445**	**$ 754,535**	**$ 664,103**	**$ 1,146,134**	**$ 1,497,095**	**$ 2,116,288**	**$ 2,022,810**
00	-$ 150,000	-$ 150,000	-$ 150,000	-$ 150,000	-$ 150,000	-$ 150,000	-$ 150,000
31	$ 289,381	$ 289,381	$ 289,381	$ 289,381	$ 289,381	$ 289,381	$ 289,381
	$ -	$ -	$ -	$ -	$ -	$ -	$ -
52	**$ 792,826**	**$ 893,916**	**$ 803,484**	**$ 1,285,515**	**$ 1,636,476**	**$ 2,255,669**	**$ 2,162,191**
	$ -	$ 18,395,777	$ 14,829,827	$ 3,115,395	$ -	$ -	$ -
	$ -	**$ 18,395,777**	**$ 14,829,827**	**$ 3,115,395**	**$ -**	**$ -**	**$ -**
52	**$ 792,826**	**$ 19,289,693**	**$ 15,633,312**	**$ 4,400,911**	**$ 1,636,476**	**$ 2,255,669**	**$ 2,162,191**

7.2 Statement of Financial Position

STATEMENT OF FINANCIAL POSITION	Current Year 2021/22 $	Year 1 2022/23 $	Year 2 2023/24 $	Year 3 2024/25 $
ASSETS				
Current Assets				
Cash & Cash Equivalents	$ -	$ -	$ -	$ -
Trade & Other Receivables	$ 1,707,000	$ 1,947,531	$ 1,540,890	$ 1,555,9
Inventories	$ -	$ -	$ -	$ -
Total Current Assets	**$ 1,707,000**	**$ 1,947,531**	**$ 1,540,890**	**$ 1,555,9**
Non-Current Assets				
Financial Assets	$ 148,189	$ 166,995	$ 171,196	$ 176,4
Equity Accounted Investments in Council Businesses	$ 6,059,181	$ 6,641,144	$ 6,967,661	$ 7,389,9
Infrastructure, Property, Plant & Equipment	$ 688,033,605	$ 720,431,290	$ 726,951,947	$ 728,922,4
Other Non-Current Assets (WIP)	$ 5,283,575	$ -	$ -	$ -
Total Non-Current Assets	**$ 699,524,550**	**$ 727,239,429**	**$ 734,090,804**	**$ 736,488,8**
TOTAL ASSETS	**$ 701,231,550**	**$ 729,186,960**	**$ 735,631,694**	**$ 738,044,7**
LIABILITIES				
Current Liabilities				
Trade & Other Payables	$ 5,791,134	$ 5,529,053	$ 5,731,616	$ 5,845,4
Borrowings	$ 1,171,068	$ 1,506,307	$ 1,431,449	$ 1,709,8
Provisions	$ 2,297,954	$ 2,328,606	$ 2,359,257	$ 2,389,9
Total Current Liabilities	**$ 9,260,157**	**$ 9,363,965**	**$ 9,522,322**	**$ 9,945,2**
Non-Current Liabilities				
Trade & Other Payables	$ 16,368	$ 10,994	$ 11,398	$ 11,7
Borrowings	$ 23,015,395	$ 27,480,955	$ 30,081,853	$ 31,554,8
Provisions	$ 251,046	$ 254,394	$ 257,743	$ 261,0
Liability - Equity Accounted in Council Businesses	$ 1,477,000	$ 1,459,000	$ 1,459,000	$ 1,459,0
Total Non-Current Liabilities	**$ 24,759,809**	**$ 29,205,343**	**$ 31,809,995**	**$ 33,286,6**
TOTAL LIABILITIES	**$ 34,019,966**	**$ 38,569,308**	**$ 41,332,316**	**$ 43,231,8**
Net Assets	$ 667,211,585	$ 690,617,651	$ 694,299,378	$ 694,812,9
EQUITY				
Accumulated Surplus	$ 243,804,844	$ 253,713,281	$ 254,068,314	$ 254,501,8
Asset Revaluation Reserves	$ 422,403,741	$ 435,821,370	$ 439,068,064	$ 439,068,0
Other Reserves	$ 1,003,000	$ 1,083,000	$ 1,163,000	$ 1,243,0
Total Equity	$ 667,211,585	$ 690,617,651	$ 694,299,378	$ 694,812,9

	Year 4 2025/26 $	Year 5 2026/27 $	Year 6 2027/28 $	Year 7 2028/29 $	Year 8 2029/30 $	Year 9 2030/31 $	Year 10 2031/32 $
-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
945	$ 1,604,244	$ 1,651,112	$ 1,700,293	$ 1,754,491	$ 1,810,460	$ 1,870,325	$ 1,932,231
-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
945	**$ 1,604,244**	**$ 1,651,112**	**$ 1,700,293**	**$ 1,754,491**	**$ 1,810,460**	**$ 1,870,325**	**$ 1,932,231**
439	$ 181,321	$ 185,777	$ 190,388	$ 195,439	$ 200,676	$ 206,391	$ 212,327
935	$ 7,721,348	$ 8,052,761	$ 8,384,174	$ 8,715,587	$ 9,047,000	$ 9,378,413	$ 9,709,826
456	$ 729,839,717	$ 748,875,357	$ 764,400,903	$ 767,648,704	$ 767,039,585	$ 765,974,978	$ 764,683,494
-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
330	**$ 737,742,386**	**$ 757,113,895**	**$ 772,975,465**	**$ 776,559,730**	**$ 776,287,261**	**$ 775,559,782**	**$ 774,605,647**
775	**$ 739,346,630**	**$ 758,765,007**	**$ 774,675,758**	**$ 778,314,221**	**$ 778,097,721**	**$ 777,430,107**	**$ 776,537,878**
492	$ 6,001,795	$ 6,162,124	$ 6,342,087	$ 6,531,721	$ 6,727,349	$ 6,938,180	$ 7,169,597
319	$ 1,973,874	$ 2,197,635	$ 2,389,630	$ 2,604,442	$ 2,776,962	$ 2,789,556	$ 2,346,626
908	$ 2,420,560	$ 2,451,211	$ 2,481,863	$ 2,512,514	$ 2,512,514	$ 2,512,514	$ 2,512,514
219	**$ 10,396,229**	**$ 10,810,970**	**$ 11,213,580**	**$ 11,648,678**	**$ 12,016,825**	**$ 12,240,249**	**$ 12,028,737**
724	$ 12,060	$ 12,401	$ 12,811	$ 13,235	$ 13,674	$ 14,129	$ 14,849
310	$ 31,609,145	$ 31,319,400	$ 31,190,471	$ 29,989,154	$ 27,767,592	$ 24,620,430	$ 21,776,803
092	$ 264,440	$ 267,789	$ 271,137	$ 274,486	$ 274,486	$ 274,486	$ 274,486
000	$ 1,459,000	$ 1,459,000	$ 1,459,000	$ 1,459,000	$ 1,459,000	$ 1,459,000	$ 1,459,000
526	**$ 33,344,645**	**$ 33,058,590**	**$ 32,933,419**	**$ 31,735,875**	**$ 29,514,752**	**$ 26,368,045**	**$ 23,525,138**
345	**$ 43,740,874**	**$ 43,869,559**	**$ 44,146,999**	**$ 43,384,553**	**$ 41,531,577**	**$ 38,608,294**	**$ 35,553,875**
930	$ 695,605,756	$ 714,895,447	$ 730,528,759	$ 734,929,668	$ 736,566,144	$ 738,821,814	$ 740,984,003
366	$ 255,214,691	$ 256,028,607	$ 256,752,090	$ 257,957,606	$ 259,514,081	$ 261,689,750	$ 263,771,940
064	$ 439,068,064	$ 457,463,841	$ 472,293,668	$ 475,409,063	$ 475,409,063	$ 475,409,063	$ 475,409,063
000	$ 1,323,000	$ 1,403,000	$ 1,483,000	$ 1,563,000	$ 1,643,000	$ 1,723,000	$ 1,803,000
930	$ 695,605,755	$ 714,895,448	$ 730,528,759	$ 734,929,669	$ 736,566,144	$ 738,821,813	$ 740,984,004

7.3 Statement of Cash Flows

CASH FLOW STATEMENT	Current Year 2021/22 $	Year 1 2022/23 $	Year 2 2023/24 $	Year 3 2024/25 $	Year 4 2025/26 $
Cash Flows from Operating Activities					
Receipts:					
Rates Receipts	41,816,505	44,053,384	45,519,377	47,550,816	49,449,9
Statutory Charges	1,606,427	1,391,691	1,464,506	1,501,119	1,538,6
User Charges	2,107,622	2,078,376	2,199,551	2,254,540	2,310,9
Grants, Subsidies and Contributions	5,762,961	3,893,960	5,122,013	4,234,865	4,308,4
Investment Receipts	20,981	38,061	38,500	38,500	38,5
Reimbursements	553,252	494,749	522,755	535,823	549,2
Other	1,702,818	(210,593)	579,090	593,568	608,4
Payments:					
Payments to Employees	(17,937,171)	(17,900,534)	(18,692,948)	(19,232,703)	(19,783,4
Payments for Materials, Contracts & Other Expenses	(22,087,027)	(22,868,831)	(23,924,673)	(24,432,684)	(25,093,8
Finance Payments	(349,987)	(450,500)	(731,798)	(862,315)	(970,4
Net Cash provided (or used in) Operating Activities	**13,196,380**	**10,519,763**	**12,096,375**	**12,181,530**	**12,956,3**
Cash Flows from Investing Activities					
Receipts:					
Amounts Received Specifically for New and Upgraded Assets	4,735,186	9,018,131	289,381	289,381	289,3
Sale of Replaced Assets	150,000	150,000	150,000	150,000	150,0
Payments:					
Expenditure on Renewal/Replacement of Assets	(18,152,457)	(16,855,086)	(10,405,279)	(10,134,964)	(9,927,6
Expenditure on New/Upgraded Assets	(7,589,011)	(7,649,412)	(4,330,000)	(3,815,000)	(3,455,0
Capital Contributed to Equity Accounted Council Businesses	(255,199)	15,805	(326,517)	(422,274)	(331,4
Net Cash provided (or used in) Investing Activities	**(21,111,481)**	**(15,320,562)**	**(14,622,415)**	**(13,932,857)**	**(13,274,6**
Cash Flows from Financing Activities					
Receipts:					
Proceeds from Borrowings	8,897,720	6,500,000	4,500,000	4,500,000	4,000,0
Receipt of Funds from Finance Leases	-	-	-	-	
Payments:					
Net Repayments of CAD	-	(354,978)	(356,728)	(1,206,300)	(1,873,1
Repayments of Borrowings	(896,623)	(1,286,219)	(1,617,232)	(1,542,373)	(1,808,4
Repayment of Finance Lease Liabilities	(85,996)	(58,005)	-	-	
Net Cash Flow provided (used in) Financing Activities	**7,915,101**	**4,800,799**	**2,526,040**	**1,751,327**	**318,3**
Net Increase/(Decrease) in Cash & Cash Equivalents	0	(0)	0	(0)	
plus: Cash & Cash Equivalents - beginning of year	(0)	0	(0)	0	
Cash & Cash Equivalents - end of the year	**-**	**-**	**-**	**-**	

…5	Year 5 2026/27 $	Year 6 2027/28 $	Year 7 2028/29 $	Year 8 2029/30 $	Year 9 2030/31 $	Year 10 2031/32 $
…56	51,184,099	52,974,973	54,935,492	56,969,635	59,187,693	**61,493,214**
…47	1,577,113	1,616,541	1,661,371	1,707,889	1,755,710	**1,804,870**
…03	2,368,676	2,427,893	2,495,223	2,565,089	2,636,912	**2,710,746**
…56	4,416,168	4,526,572	4,652,579	4,782,851	4,916,771	**5,054,441**
…00	38,500	38,500	38,500	38,500	38,500	**38,500**
…19	562,950	577,023	593,077	609,683	626,754	**644,303**
…07	623,617	639,207	660,909	679,414	698,438	**717,994**
…60)	(20,342,891)	(21,011,773)	(21,707,231)	(22,461,034)	(23,206,037)	**(24,388,982)**
…51)	(25,809,673)	(26,613,219)	(27,453,243)	(28,320,195)	(29,265,794)	**(30,251,708)**
…72)	(1,032,165)	(1,059,648)	(1,057,543)	(1,047,912)	(966,500)	**(849,942)**
…06	**13,586,393**	**14,116,070**	**14,819,134**	**15,523,921**	**16,422,447**	**16,973,436**
…81	289,381	289,381	289,381	289,381	289,381	289,381
…00	150,000	150,000	150,000	150,000	150,000	150,000
…64)	(10,228,377)	(10,887,105)	(10,485,597)	(10,182,847)	(9,995,847)	(10,394,847)
…00)	(3,400,000)	(3,400,000)	(3,455,000)	(3,400,000)	(3,400,000)	(3,400,000)
…13)	(331,413)	(331,413)	(331,413)	(331,413)	(331,413)	(331,413)
…96)	**(13,520,409)**	**(14,179,137)**	**(13,832,629)**	**(13,474,879)**	**(13,287,879)**	**(13,686,879)**
…00	3,000,000	2,314,931	2,500,000	1,500,000	-	-
-	-	-	-	-	-	-
…91)	(1,018,161)	-	(1,035,250)	(907,625)	(357,606)	(497,001)
…19)	(2,047,824)	(2,251,865)	(2,451,255)	(2,641,417)	(2,776,962)	(2,789,556)
-	-	-	-	-	-	-
…90	**(65,984)**	**63,067**	**(986,505)**	**(2,049,042)**	**(3,134,568)**	**(3,286,557)**
(0)	(0)	0	-	(0)	-	(0)
0	0	(0)	-	0	-	0
-	-	-	-	-	-	-

7.4 Statement of Changes in Equity

EQUITY STATEMENT	Current Year 2021/22 $	Year 1 2022/23 $	Year 2 2023/24 $	Year 3 2024/25 $
Opening Balance	659,852,701	667,211,585	690,617,651	694,299,37
Net Surplus / (Deficit) for Year	7,358,884	9,988,437	435,034	513,55
Other Comprehensive Income				
- Gain (Loss) on Revaluation of I,PP&E	-	13,417,629	3,246,694	
Other Comprehensive Income	-	13,417,629	3,246,694	
Total Comprehensive Income	7,358,884	23,406,066	3,681,728	513,55
Transfers between Equity	-	-	-	
Equity - Balance at end of the reporting period	667,211,585	690,617,651	694,299,379	694,812,93

	Year 4 2025/26 $	Year 5 2026/27 $	Year 6 2027/28 $	Year 7 2028/29 $	Year 8 2029/30 $	Year 9 2030/31 $	Year 10 2031/32 $
79	694,812,931	695,605,757	714,895,449	730,528,761	734,929,671	736,566,147	738,821,817
52	792,826	893,916	803,484	1,285,515	1,636,476	2,255,669	2,162,191
-	-	18,395,777	14,829,827	3,115,395	-	-	-
-	-	18,395,777	14,829,827	3,115,395	-	-	-
52	792,826	19,289,693	15,633,312	4,400,911	1,636,476	2,255,669	2,162,191
-	-	-	-	-	-	-	-
31	695,605,757	714,895,449	730,528,761	734,929,671	736,566,147	738,821,817	740,984,007

7.5 Uniform Presentation of Finances

UNIFORM PRESENTATION OF FINANCES	Current Year 2021/22 $	Year 1 2022/23 $	Year 2 2023/24 $	Yea 2024 $
Operating Activities				
Income	53,091,575	53,497,487	55,002,047	56,69
less Expenses	(50,390,390)	(52,377,181)	(54,606,394)	(56,31
Operating Surplus / (Deficit)	**2,701,186**	**1,120,306**	**395,653**	**37**
Capital Activities				
less (Net Outlays) on Existing Assets				
Capital Expenditure on Renewal and Replacement of Existing Assets	(18,152,457)	(16,855,086)	(10,405,279)	(10,13
add back Depreciation, Amortisation and Impairment	10,479,599	10,508,017	11,061,315	11,67
add back Proceeds from Sale of Replaced Assets	150,000	150,000	150,000	15
(Net Outlays) on Existing Assets	**(7,522,858)**	**(6,197,069)**	**806,036**	**1,69**
less (Net Outlays) on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(7,589,011)	(7,649,412)	(4,330,000)	(3,81
add back Amounts Received Specifically for New and Upgraded Assets	4,735,186	9,018,131	289,381	28
add back Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-	-	
(Net Outlays) on New and Upgraded Assets	**(2,853,825)**	**1,368,719**	**(4,040,619)**	**(3,52**
Net Lending / (Borrowing) for Financial Year	**(7,675,497)**	**(3,708,044)**	**(2,838,930)**	**(1,45**

ar 3 4/25 $	Year 4 2025/26 $	Year 5 2026/27 $	Year 6 2027/28 $	Year 7 2028/29 $	Year 8 2029/30 $	Year 9 2030/31 $	Year 10 2031/32 $
93,903	58,817,771	60,781,940	62,812,051	65,048,756	67,365,252	69,875,248	**72,479,301**
19,732)	(58,164,327)	(60,027,405)	(62,147,948)	(63,902,622)	(65,868,157)	(67,758,960)	**(70,456,491)**
74,171	**653,445**	**754,535**	**664,103**	**1,146,134**	**1,497,095**	**2,116,288**	**2,022,810**
34,964)	(9,927,664)	(10,228,377)	(10,887,105)	(10,485,597)	(10,182,847)	(9,995,847)	(10,394,847)
79,455	12,165,402	12,688,513	13,291,386	13,508,190	13,891,966	14,160,454	14,786,330
50,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
94,491	**2,387,739**	**2,610,136**	**2,554,281**	**3,172,593**	**3,859,119**	**4,314,607**	**4,541,483**
15,000)	(3,455,000)	(3,400,000)	(3,400,000)	(3,455,000)	(3,400,000)	(3,400,000)	(3,400,000)
39,381	289,381	289,381	289,381	289,381	289,381	289,381	289,381
-	-	-	-	-	-	-	-
25,619)	**(3,165,619)**	**(3,110,619)**	**(3,110,619)**	**(3,165,619)**	**(3,110,619)**	**(3,110,619)**	**(3,110,619)**
56,957)	**(124,436)**	**254,052**	**107,765**	**1,153,108**	**2,245,595**	**3,320,276**	**3,453,673**

7.6 Key Financial Indicators

FINANCIAL PERFORMANCE INDICATORS	LGA Recommended Target	Current Year 2021/22	Year 1 2022/23	Year 2 2023/24
Operating Surplus Ratio	0-10%	5.1%	2.0%	0.7%
Net Financial Liabilities Ratio	Between 0-100%	57.8%	65.5%	69.5%
Asset Renewal Funding Ratio	Greater than 90% but less than 110%	98.9%	99.7%	97.7%

**The Asset Renewal Funding Ratio for 2021/22 and 2022/23 has been calculated excluding the Magill Village Rede component.*

Year 3 2024/25	Year 4 2025/26	Year 5 2026/27	Year 6 2027/28	Year 7 2028/29	Year 8 2029/30	Year 9 2030/31	Year 10 2031/32
0.7%	1.1%	1.2%	1.1%	1.8%	2.2%	3.0%	2.8%
70.8%	69.0%	66.9%	65.1%	61.6%	56.6%	50.3%	44.2%
98.9%	101.9%	105.8%	106.3%	103.8%	103.4%	103.4%	105.4%

velopment and Kensington Garden Projects as these projects are one-off with a significant asset renewal