

DRAFT



Draft Long-Term Financial Plan

2026-35

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MAYOR'S MESSAGE



Will be added after
a period of community consultation.

A handwritten signature in black ink that reads 'C Boan'.

Claire Boan
Mayor, City of PAE



KAURNA ACKNOWLEDGMENT

We would like to acknowledge and pay respect to the Traditional Owners of the land on which we stand, the Kurna People of the Adelaide Plains. It is upon their ancestral lands that the Port Adelaide Enfield Council meets. It is also The Place of the Kardi, the Emu, whose story travels from the coast inland. We pay respect to Elders past and present. We respect their spiritual beliefs and connections to land which are of continuing importance to the living Kurna people of today. We further acknowledge the contributions and important role that Aboriginal people continue to play within our shared community.

Artist credit: NHARLA, Colleen Raven, 2024.
Ngapartji Ngapartji roughly translates to 'I give, you give'.

CITY VISION

A welcoming, liveable City: *made by people.*

In mid-2024, the City of Port Adelaide Enfield (PAE) adopted the City Vision, which focuses firmly on the community and speaks to the future of the city and what we do.

The City Vision sets our long-term strategic direction. It identifies the key goals and objectives that we aim to deliver over 10 years. The City Vision informs other more detailed strategies and plans, including the Four Year Business Plan (4YBP) which shows how we intend to deliver the City Vision in the medium term.

Our Asset Management Plans (AMPs) and our Long-Term Financial Plan (LTFP) outline how we will resource our strategies and plans. In addition, we develop an Annual Business Plan each financial year. This sets out the priorities, activities and budget for that year to demonstrate how your rates contribute to the services and programs that we deliver to benefit the whole community.

GUIDING PRINCIPLES	Equity and belonging • Building a better future for all Participation • Listening to the community and involving them in our decision making Sustainability • Managing our environment responsibly and sustainably Integrity • Making informed decisions honestly, transparently and accountably Transformative • Showing courage, foresight and innovation			
GOALS	 Thriving Community <i>A city where people have the opportunity to connect and flourish</i>	 Prosperous Economy <i>A city with a thriving economy that enriches its local community</i>	 Clean And Green City <i>A city that values its natural environment</i>	 Places For People <i>An accessible city where people love to be</i>
OBJECTIVES	We promote community capacity, connection and participation in civic life We encourage cultural expression and recognise people's history, stories and connection to place We support and encourage people to live healthy and active lives	We participate in the economy with the community in mind We support local businesses, big and small, to grow, innovate and succeed We invest in our local economy to benefit current and future generations	We reduce the city's adverse environmental impact and participate in a circular economy We shape the city to tackle the challenges of a changing climate We protect and enhance the city's natural environment	We walk together on Kaurna country We shape the city to be attractive and liveable and care for our cultural and built heritage We bring places to life through community events, culture, design and the arts
ENABLERS	Organisational Capability - Our diverse workforce is resourced to deliver meaningful outcomes - Our systems, processes and tools are contemporary and reflect leading practice - Our assets and finances are managed with good stewardship			

STRATEGIC MANAGEMENT FRAMEWORK

City Vision

Thriving Community • Places for People • Clean and Green City • Prosperous Economy

Other Council Strategies and Plans

Four Year Business Plan

Asset Management Plans



Long-Term Financial Plan

Annual Business Plan

Operational Plans

Monitoring and Reporting

CEO FINANCIAL SUSTAINABILITY STATEMENT



At PAE, we are dedicated to managing our financial resources responsibly while also servicing the needs of our community. By building and maintaining a resilient financial foundation, we can continue to provide essential services locally and adapt to emerging challenges.

In addition to a diverse range of community programs and services, PAE currently manages an asset base worth \$2 billion, comprising mostly infrastructure, land and buildings. Our AMPs aim to predict infrastructure consumption and renewal needs and to consider infrastructure requirements to meet future community service expectations. The AMPs set out the forecast capital, maintenance and operating requirements of the council for the next 10 years, while the LTFP reflects associated expenditure requirements to ensure that we can accommodate projected investment in infrastructure without affecting our financial sustainability.

The LTFP 2026–35 is compliant with legislative requirements. It also reflects our key strategic priorities, as outlined in the City Vision. Intergenerational equity is the most critical factor for us to consider when determining our financing options. This represents the principle that each generation of ratepayers should pay for the services they consume. It also means that future generations should not have to pay for the neglect of earlier generations to maintain and renew their assets appropriately. Likewise, future ratepayers should not benefit at the expense of the current generation of ratepayers.

Borrowings (and how we subsequently service our borrowings) are a very effective tool to deliver intergenerational equity across long-lived community assets and infrastructure. We are currently in a robust financial position, with the capacity to upgrade and renew our assets, as outlined in this plan.

We use a number of Key Financial Indicators to monitor and manage financial sustainability. Over the next 10 years we will remain on track against the Council approved target range for these Key Financial Indicators. We will have the capacity to accumulate higher average debt levels in the latter part of the 10-year plan if we need to. We will also be able to fund additional priorities of strategic importance as they emerge.

Mark Withers
CEO, City of PAE

A handwritten signature in black ink, appearing to read 'Mark Withers', positioned below the CEO's name and title.

LONG-TERM FINANCIAL PLAN SUMMARY

Under the Local Government Act 1999, PAE must develop and adopt an LTFP that covers a period of 10 years. This, in conjunction with the City Vision and AMPs, is integral to our Strategic Management Framework.

The LTFP provides an indication of the financial sustainability of PAE's projected activities. We have updated and improved our projections for operational and capital cash flows over the next 10 years in line with the substantial AMP review and 2025–34 LTFP refresh during the latter part of 2024.

These projections include:

- Updated Asset Management Plans
 - Roads
 - Footpaths
 - Stormwater Buildings
 - Pump Stations
 - Open Space
 - Buildings
- Place Investments
- Inclusive Sport Facility Upgrades

PAE plans to spend a total of \$648 million replacing and renewing assets as well as providing new and upgraded assets over the next 10 years. This expenditure is embedded in the relevant AMPs and incorporates high-level construction estimates for the Semaphore Foreshore Master Plan as well as Inclusive Sport Facility investments in, among others, E P Nazer, John Hart and Port Adelaide Reserves.

KEY ASSUMPTIONS

LTFP Component	Base Assumption
General Rates	Adelaide CPI* forecast
Upgrade of Intergenerational Community Infrastructure	+1.5% above metropolitan average
Rateable Property Growth	+1% per annum
Employee Costs	EBA** then WPI^
Other Income and Expenses	Adelaide CPI forecast
Grants (Roads to Recovery)	Adelaide CPI forecast
Grants (Co-Funding)	\$4.1 million per annum (adjusted for inflation)
Borrowings	5.2% – 4.8% variable interest rate

* CPI = Consumer Price Index

** EBA = Enterprise Bargaining Agreement

^ WPI – Wage Price Index

Inflation

The CPI used in the LTFP is based on data projected by Deloitte Forecast Economics, December 2024 release. This forecasts a rate of 3% inflation for 2025–26, through to 2.6% by Year 10 of the LTFP.

Interest Cost

Interest costs are based on projected debt levels. Existing interest rates are applied to current debt and it is assumed that all debt will be managed via variable loan facilities. Forecast interest rates across the 10 years are derived from Deloitte Forecast Economics, December 2024 release.

Wage Increases

For salaries, Year 1 of this plan is based on wage increases negotiated under Enterprise Agreement's. Years 2 – 10 are based on the WPI from the Deloitte Forecast Economics December 2024 release of between 3.2% and 3.4% per annum.

Rate Revenue

The council's Rating Policy is applied consistently across the LTFP. The council has set annual rate revenue increases at the level required to deliver an operating surplus that falls within the target range set by the council for the Operating Surplus Ratio Operating Surplus Ratio. This rating approach delivers

on our objective of remaining financially sustainable over the medium to longer term while covering cost pressures and increase in service delivery. To ensure an operating surplus over the life of the plan the rate increase for Years 2 – 10 of the plan averages 4%.

PAE's average residential rates are significantly lower than the rates of neighbouring councils and the metropolitan Adelaide average. To fund the renewal and upgrade of intergenerational community infrastructure and facilities as required to a similar standard, this historical imbalance needs to be addressed. The draft LTFP assumes an additional 1.5% rate increase above the metropolitan average to start bridging this gap (included in the average rate of 4.0% above).

The LTFP assumes that the council will continue to experience growth in new rateable properties, on the basis that this will increase council's costs to service those new ratepayers. It is assumed that there will be on average 1% growth per annum across the full 10 years.

Infrastructure Costs

The LTFP includes assumptions for the ongoing investment in new infrastructure and for the renewal of assets across the full 10-year horizon. There is a reasonable expectation for State and Federal co-funding towards upgrades to community sporting, cultural and infrastructure assets. We base this expectation on recent history and experience.

KEY ASSUMPTIONS

Operating cost efficiency

The base 2025–26 budget incorporates the 1% operating cost efficiency target as applied to the relevant employee, materials, contractors and other costs. This efficiency improvement is maintained over the next nine financial years through normal CPI and WPI increases, ensuring that the base 1% efficiency adjustment remains in place. This means the 1% target is not reapplied again for each subsequent year as it is already factored into base 2025–26 budget.

Summary of Key Indices

Indicator	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
Adelaide CPI	3.0%	2.7%	2.5%	2.5%	2.4%	2.4%	2.5%	2.6%	2.6%	2.6%
Wage Price Index	3.2%	3.4%	3.3%	3.4%	3.4%	3.3%	3.4%	3.4%	3.3%	3.3%
10-Year Government Yield	3.6%	3.2%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Variable Interest Rate	5.2%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%

SIGNIFICANT RISKS AND OPPORTUNITIES

We update the LTFP annually to recognise any relevant risks, opportunities and mitigation strategies. In developing the new LTFP, we have identified the following risks:

- Lower than projected new development growth
- Climate change impacts (e.g. extra flood mitigation infrastructure)
- Reduced State Government grants and/or slowed co-funding commitments
- Unplanned infrastructure failure mitigated by routine condition assessments
- Renewal SA land transfers and associated unplanned costs
- Government funding cuts/cost shifting
- Long-term cost escalation above CPI forecasts, along with supply chain constraints
- Increases in the cost of living and prolonged higher interest rates
- A need for additional investment to meet the long-term financial needs of the Central Adelaide Waste Management Authority (CAWRA), a joint venture with the City of Charles Sturt

We have also identified the following potential opportunities:

- Higher than projected increase in rateable properties
- Additional government co-funding
- Alternative rating and commercial revenue streams
- Disposal of surplus property and assets
- Optimising service delivery and reviews
- Low debt/responsible use of borrowings

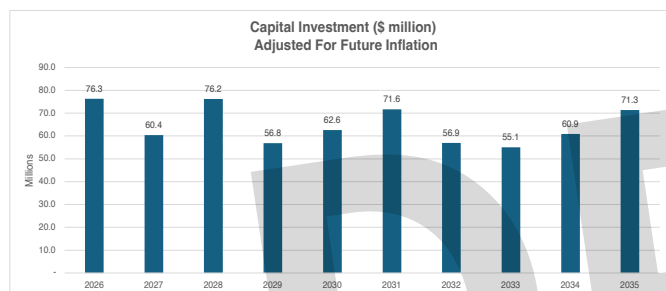
UNIFORM PRESENTATION OF FINANCES

	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000
Operating Surplus/(Deficit) before Capital Amounts										
Operating Revenues										
Rates	150,645	158,434	166,371	174,615	183,026	191,914	201,440	211,605	222,304	233,534
Statutory Charges	4,923	5,056	5,185	5,314	5,439	5,569	5,708	5,856	6,007	6,163
User Charges	4,112	4,224	4,331	4,440	4,545	4,654	4,770	4,894	5,021	5,151
Grants, Subsidies and Contributions	11,749	12,967	12,375	12,683	12,981	13,292	13,624	13,975	14,337	14,708
Investment Income	140	140	140	140	140	140	140	140	140	140
Reimbursements	2,446	2,512	2,576	2,640	2,702	2,767	2,836	2,909	2,984	3,061
Net Gain - Equity Accounted Council Business	-	-	-	-	57	163	327	251	433	626
Total Operating Revenues	174,015	183,333	190,978	199,832	208,890	218,499	228,845	239,630	251,226	263,383
Less: Operating Expenses										
Employee Costs	(63,293)	(65,354)	(67,482)	(69,759)	(72,105)	(74,521)	(77,025)	(79,609)	(82,272)	(85,024)
Materials, Contracts and Other Expenses	(60,204)	(62,945)	(64,161)	(65,860)	(67,512)	(69,232)	(71,070)	(73,016)	(75,022)	(77,080)
Depreciation	(41,556)	(45,070)	(47,617)	(50,638)	(53,370)	(56,138)	(59,286)	(62,181)	(65,132)	(68,305)
Finance Cost	(4,954)	(5,184)	(5,363)	(5,580)	(5,224)	(4,938)	(4,338)	(2,952)	(1,234)	(135)
Net Loss - Equity Accounted Council Business	(1,045)	(237)	(679)	(98)	-	-	-	-	-	-
Total Operating Expenses	(171,052)	(178,790)	(185,302)	(191,935)	(198,211)	(204,829)	(211,719)	(217,758)	(223,660)	(230,544)
Operating Surplus/(Deficit)	2,963	4,543	5,676	7,897	10,679	13,670	17,126	21,872	27,566	32,839
Net Outlays on Existing Assets										
Capital Expenditure on Renewal/Replacement of Existing Assets	(48,834)	(33,697)	(34,191)	(30,132)	(32,424)	(35,176)	(33,614)	(35,588)	(32,889)	(39,302)
Add back Depreciation, Amortisation and Impairment	41,556	45,070	47,617	50,638	53,370	56,138	59,286	62,181	65,132	68,305
Add back Proceeds from Sale of Replaced Assets	1,143	-	-	-	-	-	-	-	-	-
	(6,135)	11,373	13,426	20,506	20,946	20,962	25,672	26,593	32,243	29,003
Net Outlays on New and Upgraded Assets										
Capital Expenditure on New/Upgraded Assets	(27,438)	(26,634)	(41,997)	(26,613)	(30,183)	(36,466)	(23,332)	(19,475)	(27,970)	(32,033)
Add back Amounts Received Specifically for New/Upgraded Assets	3,080	4,247	4,354	4,462	4,567	4,676	4,794	4,918	5,045	5,176
Add back Proceeds from Sale of Surplus Assets	3,391	5,000	5,000	-	-	-	-	-	-	-
	(20,967)	(17,387)	(32,643)	(22,151)	(25,616)	(31,790)	(18,538)	(14,557)	(22,925)	(26,857)
Annual Net Impact to Financing Activities (surplus/(deficit))	(24,139)	(1,471)	(13,541)	6,252	6,009	2,842	24,260	33,908	36,884	34,985

The operating surplus/(deficit) increases from \$3 million in 2025-26 to \$32.8 million in 2034-35. This is primarily due to general rate increases as well as prudent cost management. In this way, we will ensure that we can generate sufficient surplus cash to fund both renewal/replacement expenditure and planned new/upgraded assets. This will also enable us to steadily repay debt from 2028-29 onwards.

SUMMARY OF KEY CAPITAL INVESTMENTS

The LTFP incorporates capital investments totalling \$648 million over the next 10 years (adjusted for future inflation). We will fund this through a combination of annual operating surplus and external borrowings.

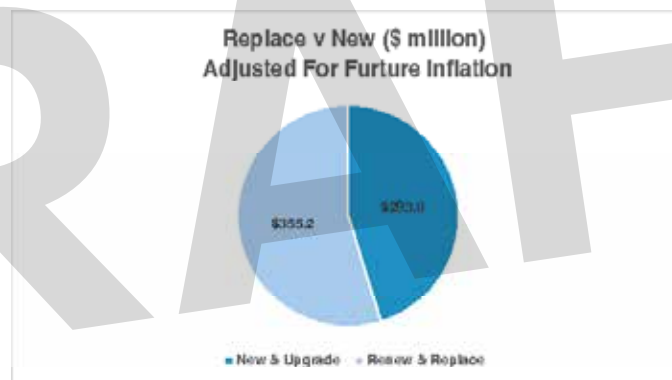


In today's money (i.e. without making an indexation adjustment for future inflation), the capital investment portfolio amounts to \$565.8 million. This includes:

- Asset Management Plans (\$508.6 million), including Place Investments and Inclusive Sports Facilities (\$108.1 million)
- Plant, machinery and equipment (\$43.2 million)
- Social Infrastructure (\$4 million)
- Carry-over projects from 2024-25 (\$10 million)

The remainder of the planned capital investment figure of \$648 million represents indexation of the above expenditure over the 10-year profile of the LTFP.

The capital investment maintains a healthy balance between renewing/replacing the existing asset base and investing in our future new and upgraded asset needs.



MAJOR PLACE INVESTMENTS AND INCLUSIVE SPORTS FACILITIES



E P Nazer and John Hart Reserves (Total budget: \$25.6 million)

The LTFP includes the remaining budget of \$25.3 million for the Inclusive Sport Facilities that we are planning at E P Nazer and John Hart Reserves, with investments to deal with immediate priorities in the existing change rooms and playing surfaces facility upgrades already commencing in 2024–25. We plan to construct the E P Nazer buildings and facilities in 2029–30 and 2030–31 and we are planning the second phase of the project at John Hart Reserve for the latter part of the LTFP.

Port Adelaide Reserve (Total budget: \$9.5 million)

We plan to complete a detailed design of Inclusive Sport Facilities at Port Adelaide Reserve facilities in 2026–27. Construction will then occur during the 2027–28 and 2028–29 financial years.

Thomas Turner Reserve (Total budget: \$9.2 million)

The LTFP includes the remaining budget of \$9 million to develop improved community facilities at Thomas Turner Reserve. The plan includes developing passive open

Semaphore Foreshore Master Plan (Total budget: \$22.4 million)

The LTFP includes the remaining budget of \$21.9 million for the Semaphore Foreshore Master Plan and replacement of the railway, with detailed design work having begun in 2024–25. We plan to start construction in mid-2026 and complete work in 2027–28.

space reserve in the 2025–26 financial year. We will then construct new sporting facilities in the 2029–30 and 2030–31 financial years.

Klemzig Reserve (Total budget: \$6.8 million) and Ray Guscott Reserve (Total budget: \$5.1 million)

We expect to construct these facilities between the 2027–28 and 2031–32 financial years, and to complete the Ray Guscott Reserve in the 2030–31 financial year.

Other Projects

The LTFP also includes any investments required to complete the following projects, which were included in our 2024–25 Annual Business Plan or are already being constructed:

- Joyce Snadden and Port Canal Reserves (\$1.5 million)
- Largs Reserve Clubroom (\$5.1 million)
- Duncan Fraser Reserve Change Rooms (\$3.5 million)

KEY FINANCIAL INDICATORS

To focus attention on factors that are key to securing long-term financial sustainability, we monitor and report on the following specific indicators:

- Operating Surplus
- Operating Surplus Ratio
- Net Financial Liabilities Ratio
- Asset Renewal Funding Ratio
- Interest Cover

For each indicator, we have developed appropriate target ranges to enable meaningful performance measurement, which will ensure PAE's sustainability over the long term. These indicators are consistent with industry standards or PAE's adopted Treasury Management Policy.

Operating Surplus

In the interests of intergenerational equity, it is important that current ratepayers meet the cost of the services they consume combined with the cost of maintaining assets.

We measure this by looking at the surplus/deficit (before capital revenues). Our long-term financial sustainability is dependent upon ensuring that on average, over time, our operating expenses are less than our operating revenues, so that we can repay our debt.

Operating Surplus Ratio

The Operating Surplus Ratio (Operating Surplus divided by Total Operating Revenue) is the primary indicator of financial sustainability. A positive ratio means that the current generation of ratepayers is meeting the costs of services that they are consuming. The larger the ratio, the more revenue we have available to fund infrastructure expenditure as well as repay debt. PAE remains on track against the target range of 0% to 15% for this indicator over the life of the plan.

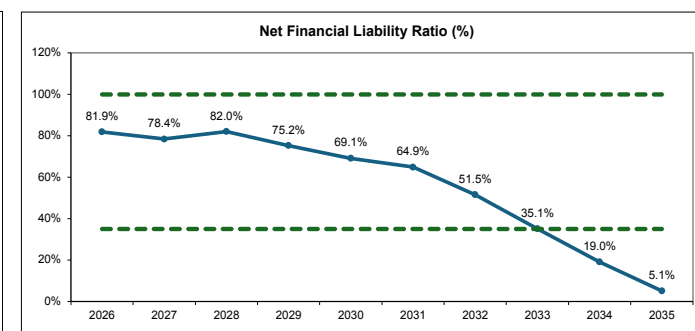
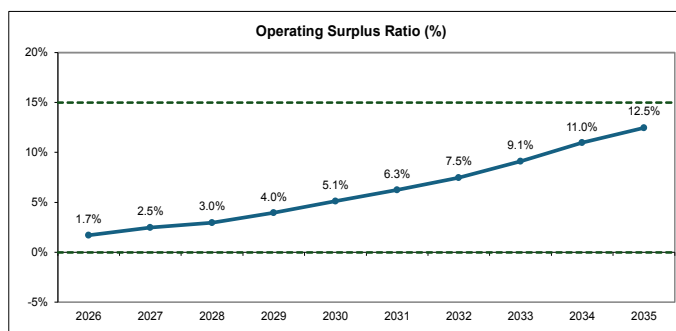
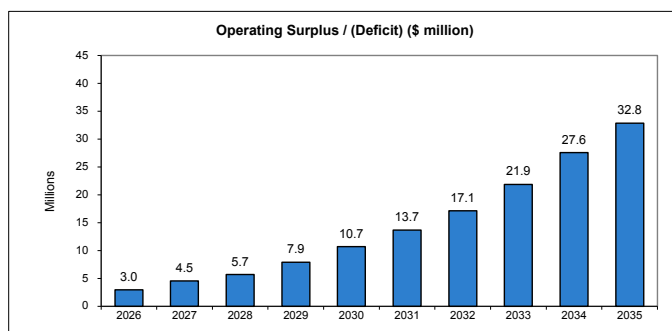
The planned Operating Surplus generated from 2030 and beyond is specifically earmarked to: (i) pay back the debt raised during the first four to five years of the LTFP and (ii) create adequate capacity to fund emerging and strategic community infrastructure investments in future years.

Net Financial Liabilities Ratio

The Net Financial Liabilities Ratio (Net Financial Liabilities divided by Total Operating Revenue) indicates the extent to which a council can meet its net financial liabilities from a single year's operating revenue.

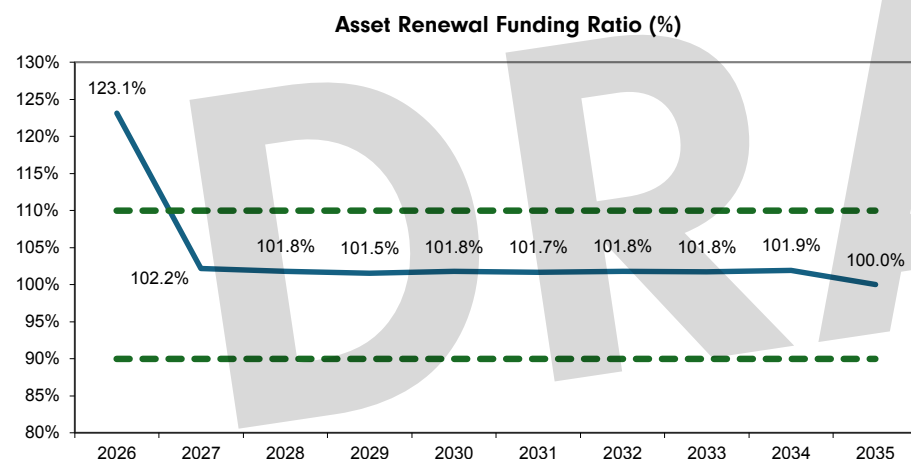
Where the ratio falls over time, this indicates that a council's capacity to meet its financial obligations from operating revenues is strengthening. Over the next four to five years, PAE expects to have a higher level of borrowings than it has traditionally carried. This is necessary so that we can finance a generational renewal of community infrastructure aligned with PAE's strategic priorities while maintaining intergenerational equity for ratepayers.

We expect borrowings to reduce across the second half of the 10-year period, as revenue growth and lower average capital expenditure allow us to repay our borrowings. Net Financial Liabilities will remain well within the prudent ceiling level of 100%, with capacity to fund additional emerging priorities of strategic importance in the latter part of the LTFP period.



Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio (Asset Renewal Expenditure divided by Asset Management Plan Renewal Expenditure) indicates the extent to which we are renewing infrastructure assets in line with the AMPs, thereby maintaining our service levels to the desired standard. A ratio of 100% means that PAE is budgeting to renew assets as initially planned.

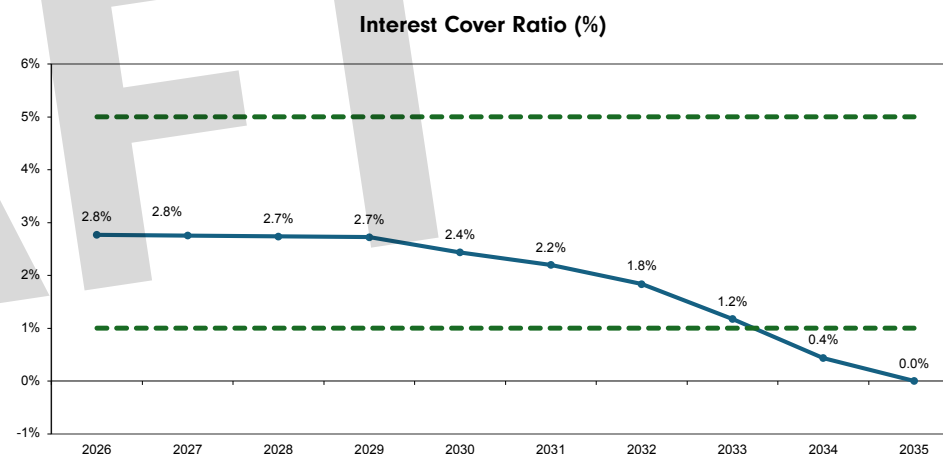


The AMPs detail the optimal timing for the renewal and replacement of assets based on up-to-date assessments. The AMP Addendum provides an update since the previous adoption of the Asset Management Plans during November 2024.

PAE has expressed a strong commitment to asset renewal and sustainability for current and future generations. The concurrent review of our AMPs as part of the LTFP process ensures that there is very strong alignment with the LTFP renewal funding, at between 90% to 110% over the life of the plan.

Interest Cover

Interest Cover (Annual Interest Payments/Annual Operating Income) ensures that a council only borrows to a level that results in interest costs that are reasonably manageable in relation to the level of its operating income.



As with the Operating Ratios and Net Financial Liability Ratio, the LTFP intentionally plans for capacity in the last four to five years of the plan. This will accommodate any community priorities that emerge or evolve requiring us to make investments in infrastructure that are of strategic importance.

SENSITIVITY ANALYSIS

While we base the LTFP on the best information currently available, the assumptions we use in modelling our 10-year financial plans remain predictive in nature. This means that they are subject to change over the short, medium and long term. The following table illustrates the potential impact of changes to factors or assumptions that are most likely to affect our long-term financial sustainability. This assumes that we do not take any other mitigation action or implement any additional interventions.

LTFP Component	Sensitivity (Mutually Exclusive)	Operating Surplus Impact (10-Year Cumulative)	Change in Debt Balance 30 June 2035
Rate Increases	CPI only (retaining 1% property growth)	↓ \$188.5 million	↑ \$188.5 million
Above Budget Operating Cost Increases	+1% increase per annum	↓ \$94.6 million	↑ \$94.1 million
Interest Rate Risk	+1% increase	↓ \$10.9 million	↑ \$10.9 million
Capital Investment Increases	5% above annual budget	↓ \$13.3 million	↑ \$42.4 million

PAE will continue to monitor the volatility and impact of changes to base assumptions. Accordingly, we will adjust our annual business plans, along with any future iterations of the LTFP, during the annual review process.

STATEMENT OF COMPREHENSIVE INCOME

	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000
Income										
Rates	150,645	158,434	166,371	174,615	183,026	191,914	201,440	211,605	222,304	233,534
Statutory Charges	4,923	5,056	5,185	5,314	5,439	5,569	5,708	5,856	6,007	6,163
User Charges	4,112	4,224	4,331	4,440	4,545	4,654	4,770	4,894	5,021	5,151
Grants, Subsidies and Contributions	11,749	12,967	12,375	12,683	12,981	13,292	13,624	13,975	14,337	14,708
Investment Income	140	140	140	140	140	140	140	140	140	140
Reimbursements	2,446	2,512	2,576	2,640	2,702	2,767	2,836	2,909	2,984	3,061
Net Gain - Equity Accounted Council Business	-	-	-	-	57	163	327	251	433	626
	174,015	183,333	190,978	199,832	208,890	218,499	228,845	239,630	251,226	263,383
Expenses										
Employee Costs	63,293	65,354	67,482	69,759	72,105	74,521	77,025	79,609	82,272	85,024
Materials, Contracts and Other Expenses	60,204	62,945	64,161	65,860	67,512	69,232	71,070	73,016	75,022	77,080
Depreciation	41,556	45,070	47,617	50,638	53,370	56,138	59,286	62,181	65,132	68,305
Finance Cost	4,954	5,184	5,363	5,580	5,224	4,938	4,338	2,952	1,234	135
Net Loss - Equity Accounted Council Business	1,045	237	679	98	-	-	-	-	-	-
	171,052	178,790	185,302	191,935	198,211	204,829	211,719	217,758	223,660	230,544
Operating Surplus/(Deficit)	2,963	4,543	5,676	7,897	10,679	13,670	17,126	21,872	27,566	32,839
Asset Disposal and Fair Value Adjustments	-	-	-	-	-	-	-	-	-	-
Grants Specifically for New or Upgraded Assets	4,120	4,232	4,339	4,447	4,552	4,661	4,777	4,901	5,027	5,157
Physical Resources Received Free of Charge	-	9,500	9,742	9,985	10,219	10,464	10,725	11,002	11,287	11,578
Net Surplus/(Deficit)	7,083	18,275	19,757	22,329	25,450	28,795	32,628	37,775	43,880	49,574
Other Comprehensive Income	54,483	51,416	50,144	51,152	49,856	52,343	56,654	60,203	62,089	63,784
Total Comprehensive Income	61,566	69,691	69,901	73,481	75,306	81,138	89,282	97,978	105,969	113,358

STATEMENT OF FINANCIAL POSITION

	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Trade and Other Receivables	3,756	3,960	4,033	4,170	4,307	4,450	4,604	4,767	4,937	5,113
Inventories	331	346	353	362	371	381	391	402	413	424
Other Current Assets	-	-	-	-	-	-	-	-	-	11,608
	5,887	6,106	6,186	6,332	6,478	6,631	6,795	6,969	7,150	18,945
Non-Current Assets										
Financial Assets	25	26	28	29	30	32	33	35	37	39
Equity Accounted Investments in Council Businesses	1,780	1,543	864	767	823	986	1,313	1,563	1,996	2,622
Infrastructure, Property, Plant and Equipment	1,942,256	2,013,433	2,096,889	2,164,133	2,233,445	2,311,756	2,376,794	2,440,881	2,509,984	2,588,376
Other Non-Current Assets	21,901	21,901	21,901	21,901	21,901	21,901	21,901	21,901	21,901	21,901
Total Non-Current Assets	1,965,962	2,036,903	2,119,682	2,186,830	2,256,199	2,334,675	2,400,041	2,464,380	2,533,918	2,612,938
TOTAL ASSETS	1,971,849	2,043,009	2,125,868	2,193,162	2,262,677	2,341,306	2,406,836	2,471,349	2,541,068	2,631,883
LIABILITIES										
Current Liabilities										
Trade and Other Payables	12,955	13,547	13,787	14,157	14,516	14,890	15,288	15,709	16,143	16,589
Short-Term Provisions	12,236	12,458	12,685	12,915	13,149	13,388	13,623	13,857	14,092	14,327
	25,191	26,005	26,472	27,072	27,665	28,278	28,911	29,566	30,235	30,916
Non-Current Liabilities										
Long-Term Borrowings	122,065	122,706	135,182	128,381	121,981	118,844	94,444	60,309	23,374	135
Long-Term Provisions	792	806	821	835	851	866	881	896	912	927
	122,857	123,512	136,003	129,216	122,832	119,710	95,325	61,205	24,286	1,062
TOTAL LIABILITIES	148,048	149,517	162,475	156,288	150,497	147,988	124,236	90,771	54,521	31,978
NET ASSETS	1,823,801	1,893,492	1,963,393	2,036,874	2,112,180	2,193,318	2,282,600	2,380,578	2,486,547	2,599,905
Equity										
Accumulated Surplus	919,043	937,318	957,075	979,404	1,004,854	1,033,649	1,066,277	1,104,052	1,147,932	1,197,506
Asset Revaluation Reserve	890,309	941,725	991,869	1,043,021	1,092,877	1,145,220	1,201,874	1,262,077	1,324,166	1,387,950
Other Reserves	14,449	14,449	14,449	14,449	14,449	14,449	14,449	14,449	14,449	14,449
TOTAL EQUITY	1,823,801	1,893,492	1,963,393	2,036,874	2,112,180	2,193,318	2,282,600	2,380,578	2,486,547	2,599,905

STATEMENT OF CASH FLOWS

	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000
Cash Flows from Operating Activities										
Receipts										
Operating Receipts	173,726	183,087	190,764	199,599	208,599	218,096	228,272	239,126	250,535	262,492
Investment Income	140	140	140	140	140	140	140	140	140	140
Payments										
Operating Payments to Suppliers and Employees	(122,779)	(127,601)	(131,182)	(135,074)	(139,075)	(143,194)	(147,522)	(152,034)	(156,692)	(161,491)
Finance Payments	(4,954)	(5,184)	(5,363)	(5,581)	(5,224)	(4,939)	(4,338)	(2,952)	(1,234)	(135)
	46,133	50,442	54,359	59,084	64,440	70,103	76,552	84,280	92,749	101,006
Cash Flows from Investing Activities										
Receipts										
Grants Utilised for the Acquisition or Replacement of Assets	3,080	4,247	4,354	4,462	4,567	4,676	4,794	4,918	5,045	5,176
Sale of Replaced Assets	1,143	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	3,091	5,000	5,000	-	-	-	-	-	-	-
Sale of Non Current Assets Held for Sale	300	-	-	-	-	-	-	-	-	-
Payments										
Expenditure on Renewal/Replacement of Assets	(48,834)	(33,697)	(34,191)	(30,132)	(32,424)	(35,176)	(33,614)	(35,588)	(32,889)	(39,302)
Expenditure on New/Upgraded Assets	(27,438)	(26,634)	(41,997)	(26,613)	(30,183)	(36,466)	(23,332)	(19,475)	(27,970)	(32,033)
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
	(68,658)	(51,084)	(66,834)	(52,283)	(58,040)	(66,966)	(52,152)	(50,145)	(55,814)	(66,159)
Cash Flows from Financing Activities										
Receipts										
Proceeds from Borrowings	22,525	642	12,475	-	-	-	-	-	-	-
Payments										
Repayments of Borrowings	-	-	-	(6,801)	(6,400)	(3,137)	(24,400)	(34,135)	(36,935)	(23,239)
	22,525	642	12,475	(6,801)	(6,400)	(3,137)	(24,400)	(34,135)	(36,935)	(23,239)
Net Increase (Decrease) in Cash Held	-	-	-	-	-	-	-	-	-	11,608
Cash and Cash Equivalents at Beginning of Period	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Cash and Cash Equivalents at End of the Period	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	13,408

STATEMENT OF CHANGES IN EQUITY

	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000
Accumulated Surplus										
Opening Balance	911,960	919,043	937,318	957,075	979,404	1,004,854	1,033,649	1,066,277	1,104,052	1,147,932
Net Surplus/(Deficit) for the Year	7,083	18,275	19,757	22,329	25,450	28,795	32,628	37,775	43,880	49,574
Transfer between Reserves	-	-	-	-	-	-	-	-	-	-
Balance at End of Period	919,043	937,318	957,075	979,404	1,004,854	1,033,649	1,066,277	1,104,052	1,147,932	1,197,506
Asset Revaluation Reserve										
Opening Balance	835,826	890,309	941,725	991,869	1,043,021	1,092,877	1,145,220	1,201,874	1,262,077	1,324,166
Other Comprehensive Income	54,483	51,416	50,144	51,152	49,856	52,343	56,654	60,203	62,089	63,784
Transfer Between Reserves	-	-	-	-	-	-	-	-	-	-
Balance at End of Period	890,309	941,725	991,869	1,043,021	1,092,877	1,145,220	1,201,874	1,262,077	1,324,166	1,387,950
Other Reserves										
Opening Balance	14,449	14,449	14,449	14,449	14,449	14,449	14,449	14,449	14,449	14,449
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Transfer Between Reserves	-	-	-	-	-	-	-	-	-	-
Balance at End of Period	14,449	14,449	14,449	14,449	14,449	14,449	14,449	14,449	14,449	14,449
Total Equity										
Opening Balance	1,762,235	1,823,801	1,893,492	1,963,393	2,036,874	2,112,180	2,193,318	2,282,600	2,380,578	2,486,547
Net Surplus/(Deficit) for the Year	7,083	18,275	19,757	22,329	25,450	28,795	32,628	37,775	43,880	49,574
Other Comprehensive Income	54,483	51,416	50,144	51,152	49,856	52,343	56,654	60,203	62,089	63,784
Transfer Between Reserves	-	-	-	-	-	-	-	-	-	-
Balance at End of Period	1,823,801	1,893,492	1,963,393	2,036,874	2,112,180	2,193,318	2,282,600	2,380,578	2,486,547	2,599,905

APPENDIX

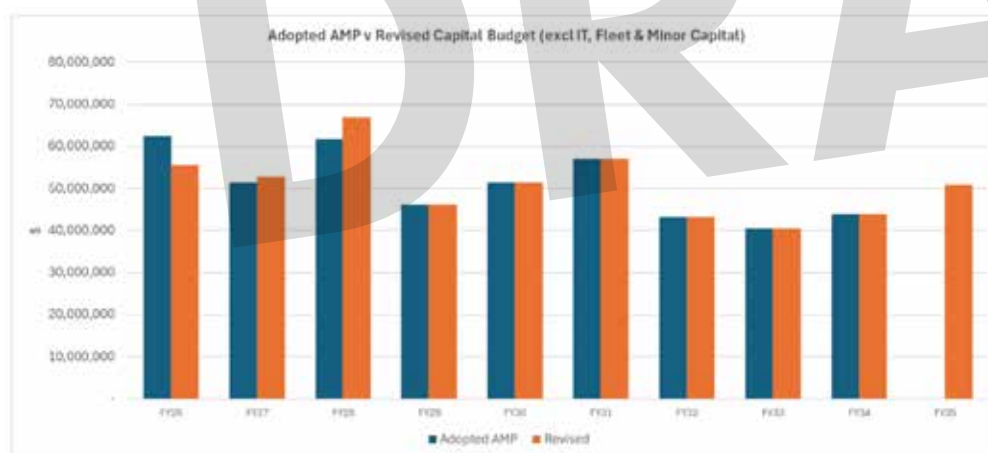
CHANGES TO ASSET MANAGEMENT PLANS

2025–26 Revision of Capital Works Budgets

The council adopted Asset Management Plans (AMPs) for all major asset classes in November 2024. These AMPs outline the funding requirements needed to maintain and invest in our asset base now and into the future.

The funding requirements identified in the AMPs represent a point in time and are our best estimate based on the information at hand. As projects evolve and more information is obtained, these budgets are expected to require revision.

The following revision of the capital works budget represents the council's known funding requirements as of June 2025.

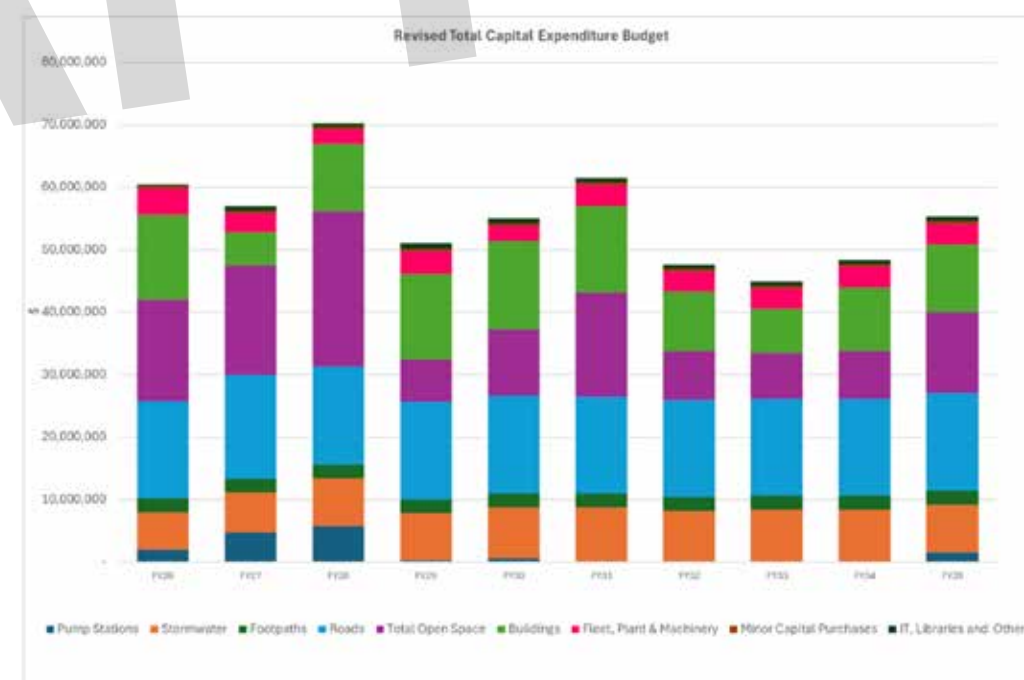


Note that this graph excludes indexation.

The variance between budget estimates is due to changes in project timing and scope. Material changes have occurred in the following projects:

- Wellington St Pump Station Upgrade
- NAE Concrete Channel Upgrade
- Inclusion of budget provisions for Water Sensitive Urban Design Streetscape Projects, Flood Relief and Open Channel Reserves.
- Wauwa St Streetscape Upgrade

The following graph shows the council's revised total capital spend forecast with the inclusion of the minor asset classes.



Note that this graph excludes indexation.