

City of Marion Long Term Financial Plan 2020-2030



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge we are part of Kaurna land and recognise the Kaurna people as the traditional and continuing custodians of the land.

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PURPOSE OF THE LONG TERM FINANCIAL PLAN

The Long Term Financial Plan (LTFP) is an integral part of Council’s suite of strategic management plans that links Council’s Business Plans and Asset Management Plans and translates the outcomes and strategies of Council’s Business Plans into financial terms. Council’s LTFP provides the basis for the preparation of Council’s Annual Business Plan. The LTFP also reflects the known impacts of projects included in Council’s 4 Year Business Plan 2019-2023.



STRATEGIC MANAGEMENT FRAMEWORK



The LTFP helps ensure that long term financial sustainability can be maintained while meeting the needs and expectations of our communities and delivering Council's objectives as specified in the 30 Year Community Vision – 'Towards 2040', and related strategies.

Reviewing the LTFP on an annual basis concurrently with Council's Annual Budget helps ensure confidence in the long-term financial sustainability of the organisation.

Part of this process includes conducting an environmental scan. Environmental scanning is an ongoing process, keeping us future focussed, aware of the bigger picture and mindful of emerging risks and opportunities. An extensive review of opportunities and challenges from current and emerging internal and external trends and influences is conducted annually with key issues being identified in Council's Annual Business Plan. This supports the consideration of strategic priorities and responses considering emerging priority pressures and opportunities. The criticality of each issue and opportunity was assessed. Responses targeting what council has in place or will do differently have been developed for all critical issues and opportunities.

Because of the nature of the estimates and assumptions made and the uncertainty of changes within the economy, the LTFP requires regular review and updating. This process involves input from management, Council and the Finance and Audit Committee.

The review and updating of Council's Asset Management Plans is currently in progress and these will assist in providing more accurate information for the renewal and ongoing maintenance of Council's existing assets.

CEO STATEMENT ON FINANCIAL SUSTAINABILITY

This LTFP demonstrates that Council is in a strong financial position to not only enable a zero average rate increase in 2020-2021 but continue with rate increases lower than CPI throughout the LTFP and maintaining a relatively low level of debt over the term of the LTFP.

Key financial indicators used to assess Council's long-term financial sustainability include the operating surplus/ (deficit) ratio, asset renewal funding ratio and the net financial liabilities ratio. These ratios are in line with Council's established benchmarks to ensure the sustainability of Council's long-term financial performance and position.

Continually improving the integration between City of Marion's suite of Strategic Plans which include Council's Business Plans, Asset Management Plans, LTFP and Annual Business Planning processes ensures Council develops and implements a robust and transparent system of financial management aligned to the longer term aspirations for the city as expressed in the 30 Year Community Vision - 'Towards 2040'.

The LTFP is the mechanism by which the funding requirements for these Strategic Plans are implemented to ensure we continue to operate in a financially sustainable way by ensuring we are progressively establishing, maintaining and assessing our long-term financial sustainability.

The Council ensures we have the financial capacity to continue to provide service levels which meet the needs of our community in a financially sustainable way by:

- Striving to continually improve our efficiency in the provision of existing and future services by proactively seeking out savings without affecting service delivery levels.
- Maintaining an operating surplus over the life of the LTFP whilst spending on renewal and upgrade of community assets.
- Continuously improving our Asset Management Plans to ensure we are appropriately maintaining around \$1.2b of assets by renewing vital infrastructure and facilities.
- Taking out new borrowings where appropriate in accordance with our Treasury Management Policy and maintaining our debt and interest costs within Council's established benchmarks and ensuring our capacity to service and repay this debt into the future.
- Operating within the key financial indicators and benchmarks over the life of the LTFP to ensure we maintain a sound financial position.

Consideration however must also be given to numerous risks with the potential to influence the outcomes and affect Council's long-term financial position. The following key risks may fall into this category:

- Following a zero-rate increase in 2020-2021, Councils' rates assumes an average rate increase of less than CPI for the remainder of the plan. Council will continue to monitor the appropriateness of forecast rate increases in the LTFP. This must be balanced with the real cost of service provision, capital maintenance and service demand from the community.
- Capping employee costs at 2.3% throughout the plan may not be sustainable should service levels increase and associated increases in staffing levels be required.
- Competing priorities and community expectations; there are currently several unfunded aspirational strategic projects identified for further investigation across the City as well as several unfunded and unprioritised initiatives. It is crucial that these initiatives are prudently assessed with appropriate due diligence and in a disciplined manner to ensure Councils long term financial sustainability is preserved.
- Increasing levels of community housing transfers across the City of Marion resulting in increasing levels of rate rebates.
- Changes to Local Government funding programs and potential risk in relation to cost shifting from the Federal and State Government to Local Government.
- In the area of asset renewal and infrastructure management there are challenges that will need to be addressed. Council's LTFP currently indicates there is sufficient funding to meet the renewal requirements of its Asset Management Plans, however timing of funds and works for different asset classes will be refined and further inform the LTFP. There are some classes of assets that are not currently wholly incorporated into Council's AMP's and this information is actively being sought to assess and incorporate into the LTFP. Council is actively working on meeting this challenge and ensuring that assets are in serviceable condition and meet the community expectations.

Long term financial planning is an iterative process and the assumptions applied are reviewed annually using updated information. This ensures Council continually reviews its financial performance and remains firmly focussed on maintaining long term financial sustainability.

BASIS OF PREPARATION

Council's LTFP provides the basis for the preparation of its Annual Business Plan. The LTFP also reflects the known impacts of projects included in Council's 4 Year Business Plan 2019-2023.

PLAN FRAMEWORK

The LTFP has been prepared under the following framework:

- Supports the achievement of the City of Marion's Strategic Directions.
- Addresses issues arising and opportunities identified from internal audit reviews, service reviews and business excellence assessments.
- Maintains, on average, a break-even or positive funding (cash) position over the Long-Term Financial Plan.
- Continues to improve the maintenance of assets in accordance with Council's Asset Management Plans, with a priority on maintenance before renewal, and renewal before new when it is cost effective to do so.
- Reviews existing services and assets to ensure they meet prioritised community needs.
- Council only approve new Major Projects where it has the identified funding capacity to do so.
- Maintains Council's position for an average residential rate which remains among the lower rating metropolitan councils.

ASSUMPTIONS

In constructing the LTFP, several assumptions and variables were applied:

- Where changes to service delivery have been prioritised and approved by Council subject to financial capacity, these have been incorporated into the Annual Business Plan/Long Term Financial Plan. Where no other endorsement exists, service delivery levels are maintained at current levels.
- The 2020/2021 budget (first year of the LTFP) has been based upon historical actuals.
- For the years from 2021/2022 onwards a 2.5% increase per annum is applied to operating income and expenditure amounts in line with the Reserve Bank's targeted CPI with the following exceptions:
 - Rates – the assumptions for the ABP and LTFP includes a zero % rates increase plus growth, forecast at 1.0% in 2020/21 with lower than CPI increases forecast throughout the remainder of the LTFP.
 - Employee Costs - a 2.3% increase per annum is applied to Employee costs with consideration given to the revised timetable relating to the change in the Superannuation Guarantee. The Superannuation Guarantee increases recommence on 1 July 2021 with five annual increases of 0.5% each, in line with the Federal Government's target for 12% Superannuation from 2025/26, being incorporated into the LTFP.
The salary staff (inside/ASU) agreement covers the three years to June 2022 and includes a 2% increase with a CPI safety net. The wages staff (outdoor/AWU) agreement runs until June 2021 and includes a 2.5% increase or CPI (whichever is higher).
- Interest expenses are directly related to Council existing and forecast borrowings and cash flows.
- Interest revenue is directly related to Council investments and cash flows and is carefully monitored in line with interest rate movements.
- An adjustments schedule is used to account for any future variations in operating activities (e.g. an adjustment is made for election expenses to reflect that they only occur once every four years).
- Capital Grants, subsidies and monetary contributions reflect tied monies received in relation to the purchase/ construction of new assets and are budgeted in accordance with information known at the time of preparing the ABP/LTFP.

KEY OUTCOMES/CONCLUSIONS

OVERVIEW

The major outcomes and projects contained within the LTFP include:

- **Mitchell Park Sports & Community Redevelopment**

A multi-function community centre that accommodates regional recreation and a multi-purpose sports hub will be delivered in 2020/2021 and 2021/2022 to support greater use by residents and the community through a range of activities and services. The redevelopment will include indoor and outdoor multipurpose sports courts, clubrooms, a neighbourhood centre and dog club. This project has secured grant funding of \$5m from the Federal Government with up to \$10.740m committed by the City of Marion.

- **Edwardstown Employment Precinct**

Council is transforming Edwardstown into a modern business district to attract new industry and create jobs. Work includes making the streets greener, cooler, and more attractive with a \$170,000 project funded equally between Council and State Government.

- **Oaklands Precinct Project**

Centred on the grade separation of the Oaklands railway crossing Council committed to a \$5m multi-year precinct development. Council received a \$867,500 grant from the Federal Government towards the work, funded under its Smart Cities and Suburbs Program. Approaching the final stages of this 4 year project that include reserve and playground upgrades, street infrastructure upgrades, art installations to support improved walking and cycling, connectivity, safety and community liveability, the final 'Smart Precinct' component commenced in May 2020 and will be complete in 2021.

- **Redevelop tennis and netball courts and open space at Tarnham Road Reserve**

Council will replace four ageing tennis courts with four new courts that can be used for both tennis and netball. A shelter, toilet, and play equipment will also be installed. Work will cost \$1.64m and is expected to begin in early 2021.

- **BMX Facility in partnership with the State Government and the City of Onkaparinga**

Council will commence the construction of the Sam Willoughby BMX facility to be built to UCI standards, in partnership with the State Government and the neighbouring City of Onkaparinga.

Council has forecast a total project cost of \$5.8m, with \$1.75m from Council funds, \$0.75m from City of Onkaparinga and the remaining \$3.3m coming from State Government grant funding).

- **Greening our Streets**

Guided by our Streetscape Policy, we will improve the attractiveness, amenity, character and functionality of streetscapes in the City of Marion to improve the environment and add value to people's experience in the City.

- **Marion Outdoor Pool**

Council will continue with the \$3.57m 3-year staged upgrade of the Marion Outdoor Pool. This upgrade will improve the facility to contemporary standards to ensure it remains as an attractive outdoor swimming and family recreation site for people of varying interests. The upgrades seek to foster social connectedness, active and healthy lifestyles, developing neighbourhoods, attractive and safe, and empowering communities to work in partnership with Council for various programs and initiatives. The final stage of this three-year upgrade include a splash pad, water play and picnic areas, shade, and paths. It is scheduled to be complete by the start of the 2020 summer season.

- **Southern Soccer Facility**

The Southern Soccer Facility will cost \$7m and include three turf pitches, floodlighting, fencing, clubrooms, and car parking for more than 200 vehicles. Council will provide \$4.5m of funding and the State Government \$2.5m to support growing membership and participation of soccer.

THE COMMUNITY'S CAPACITY TO PAY

CPI, and ultimately average wage movements, is a guide of the ability of most residents to pay. Those residents whose financial position does not necessarily move with CPI (e.g. pensioners) may not have the ability or capacity to afford the full payment of rates. This is in part dealt with by Council's existing rating policy which provides multiple forms of financial assistance to these people:

- Postponement of Rates – Hardship
- Postponement of Rates – Seniors
- Payment on Terms
- Rate Capping
- Large variety of payment options

OTHER POTENTIAL REVENUE SOURCES/ OPPORTUNITIES

- Grant funding is Council’s second largest operating revenue source representing 7% of operating income over the term of the LTFP. Council’s ability and opportunity to attract State and Federal Government funding for major projects and service improvements is critical to the long-term financial sustainability of the organisation.
- Shared services – entering shared service arrangements with other councils and the LGA in order to achieve economies of scale. Partnering with not-for-profit entities to provide services and facilities for the community is another option.
- Potential sale of surplus land and buildings – Whilst the LTFP is prepared on the basis that there is no reliance on gains from the disposal of assets to fund essential services, consideration should be given to this potential revenue source when considering the funding options for major strategic redevelopment projects.
- Exploring community governance and community capacity building opportunities – that is empowering the community to explore, fund and manage projects with minimal council assistance.

ASSET MANAGEMENT

The City of Marion’s Asset Management Vision is:

‘To maintain the City of Marion’s assets to agreed levels of service which maximise community value throughout an asset’s life’.

Council’s Asset Management Plans detail information about our assets and define the services to be provided, how the services are provided, and what funds are required to provide the services. All City of Marion assets are audited annually and frequently inspected on a rolling inspection regime.

Large proportions of Council’s assets have been in existence for many years. Council has also received several ‘gifted’ assets from developers, which attract ongoing operational and maintenance costs over their life. At the same time, demographic change is challenging the capacity of existing assets to meet the increasing demands of the environment in which they are located. The community’s expectations too are increasing, which affects the ability of existing purpose-built assets to meet the changing needs of future residents. As community assets have a lengthy useful life, it is a complex task to monitor the cost and timing of their renewal.

Asset management is a critical tool in ensuring appropriate provision is made for the long-term management of community assets, and their impacts on all areas of service planning and delivery.

WE OWN AND MANAGE OVER \$1 BILLION OF ASSETS



BUILDINGS AND STRUCTURES



TRANSPORT



STORMWATER



WATER RESOURCES



OPEN SPACE



COASTAL WALKWAY



FLEET, PLANT AND EQUIPMENT



INFORMATION AND COMMUNICATION TECHNOLOGIES

Our assets enable the provision of services to the community and businesses for current and future generations. Assets play a vital role in the local economy and on residents’ quality of life.

FINANCIAL INDICATORS

KEY FINANCIAL INDICATORS

OPERATING SURPLUS RATIO

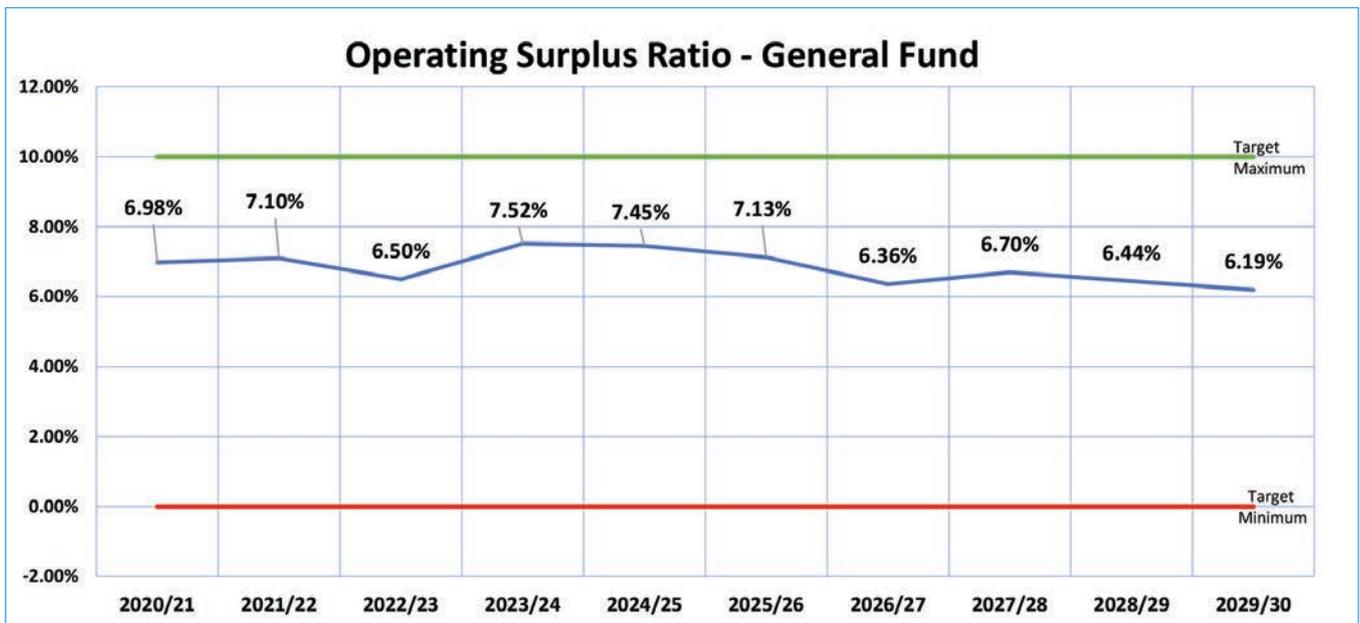
The Operating Surplus ratio expresses the level of operating surplus before capital expenditure as a percentage of rates. It gives an indication of Council’s ability to service its operations from expected rate income and maintain financial sustainability in the long term

TARGET

An operating surplus ratio averaging between 0% and 10% over any consecutive five-year period.

LTFP COMMENTARY

The Operating Surplus Ratio is within the adopted target range of 0–10%. The forecast surplus is required to provide the funding necessary to meet the costs of delivering services and projects to the community including the renewal and upgrade of existing community assets over time to maintain community service standards and expectations, along with the ability to fund future major projects.



NET FINANCIAL LIABILITY RATIO

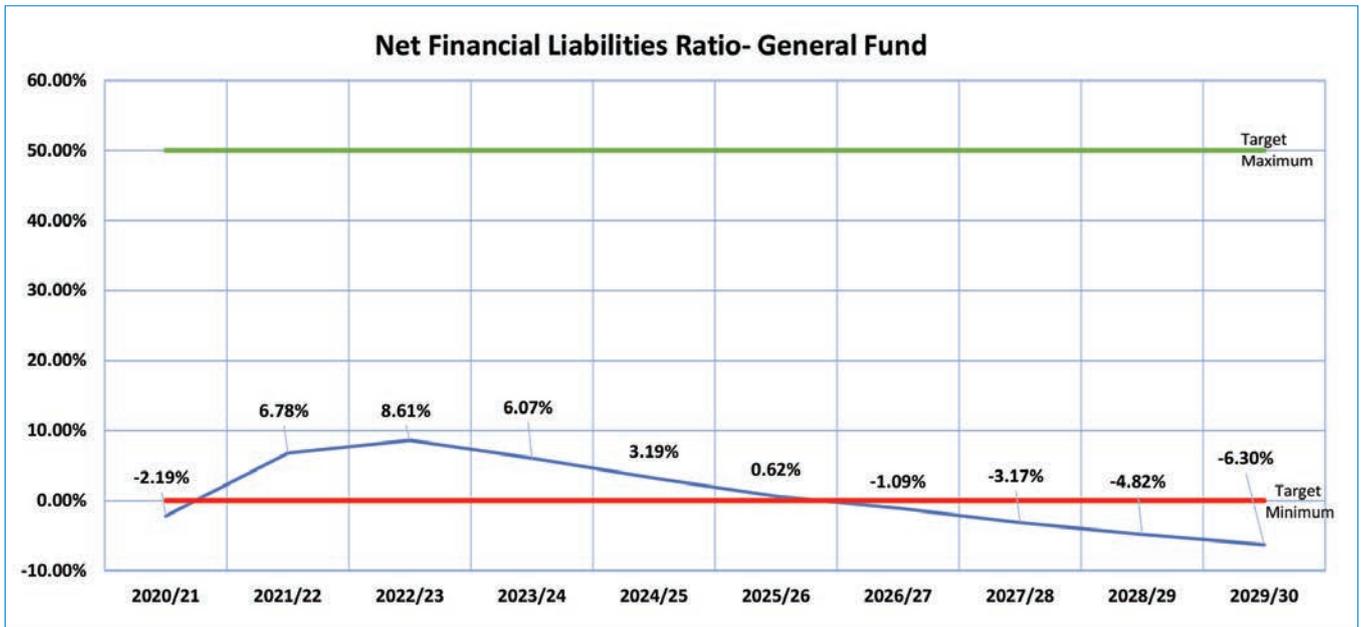
Net Financial Liabilities Ratio expresses Net Financial Liabilities – This comprises total liabilities less financial assets (where financial assets for this purpose includes cash, investments, loans to community groups, receivables and prepayments) expressed as a percentage of total operating revenue. This indicates Council’s capacity to meet its financial obligations from operating revenue.

TARGET

The desirable target range for this indicator is between 0% and 50%

LTFP COMMENTARY

The net financial liability ratio is forecast at -2.19% in 2020/2021, increasing with the borrowings projected for 2021/2022 and 2022/2023 to 8.61% and then decreasing across the LTFP as loan repayments are made. A negative ratio means Council is in a financially favourable position with more financial assets than liabilities (more cash than debt).



ASSET RENEWAL FUNDING RATIO

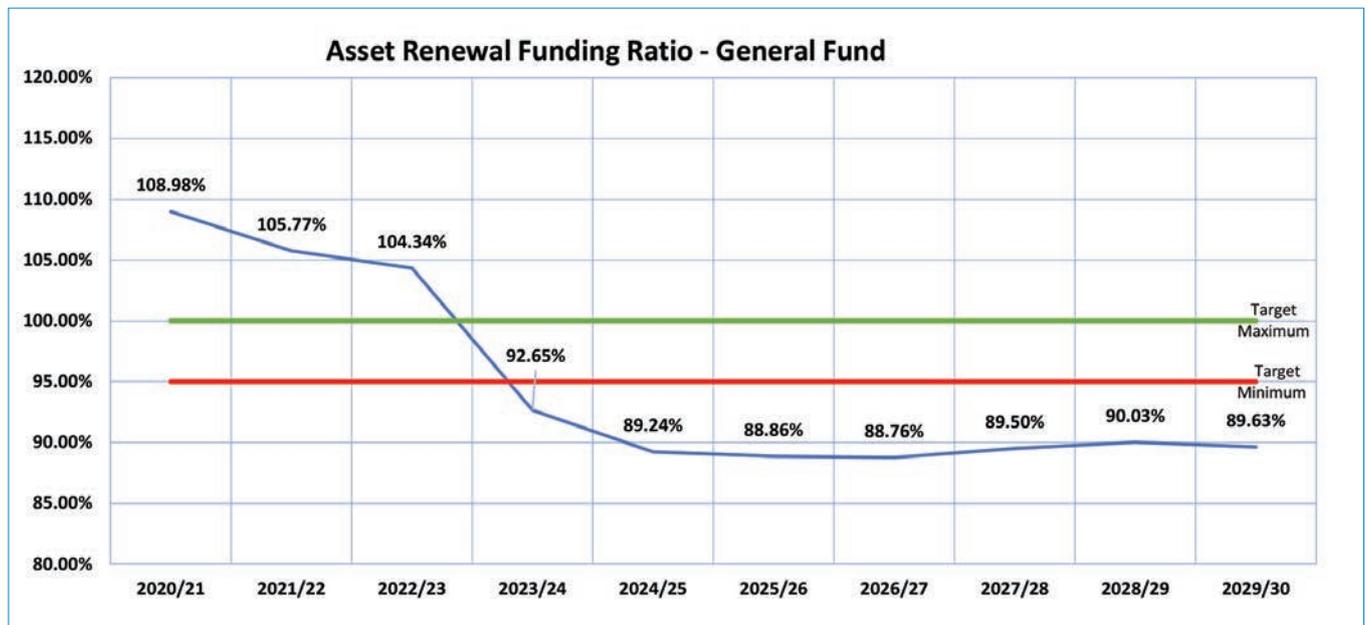
The Asset Renewal Funding ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to the Infrastructure and Asset Management Plan required expenditure. This indicates whether Council is renewing or replacing existing non-financial assets in accordance with its future Asset Management renewal requirements.

TARGET

It is suggested that a long-term asset sustainability index between 95-100% is acceptable as per Council’s Asset Management Policy

LTFP COMMENTARY

With planned expenditure on asset renewal Council’s Asset Sustainability ratio is projected to sit above the target until 2023-24. This indicates that Council’s asset base may require additional renewal expenditure after 2023-2024. With continuing work on Asset Management Plans and strategies relating to specific asset classes well advanced a good foundation has been set to continue improving this in future.



OTHER FINANCIAL INDICATORS

While the Key Financial Indicators are those that are required by the Regulations, a number of other ratios can be used to measure financial performance. The two other indicators that Council has elected to use are as follows:

DEBT SERVICING RATIO

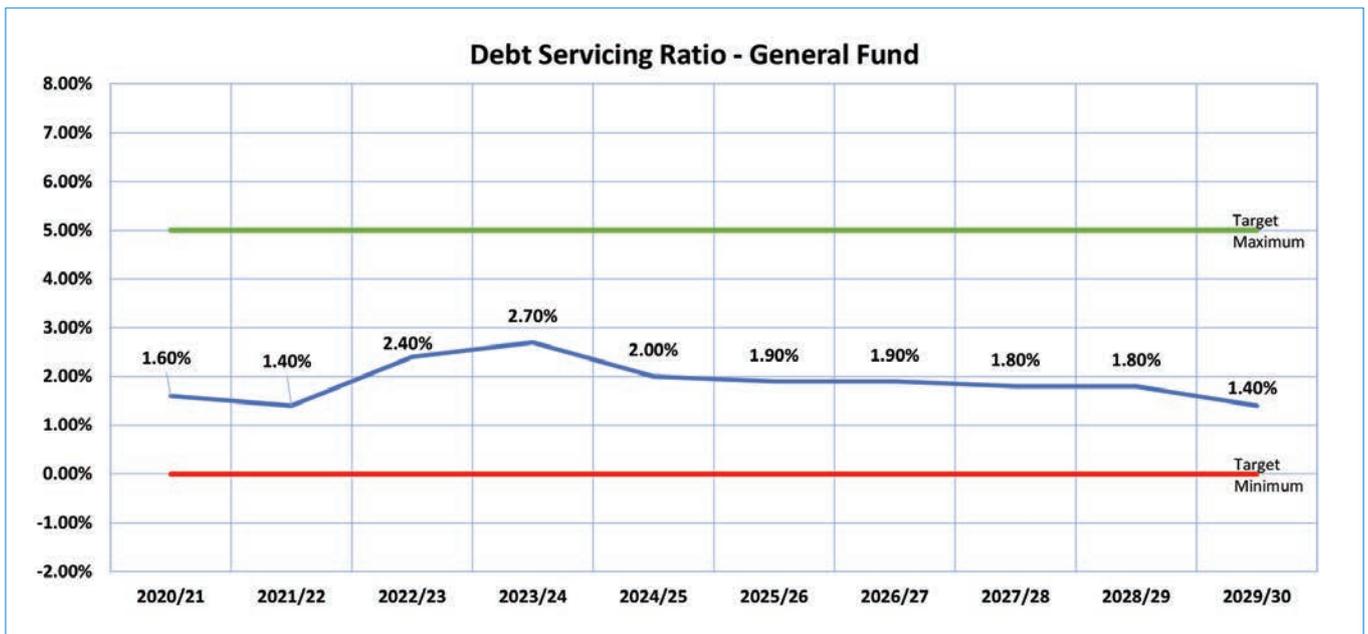
The Debt Servicing ratio expresses forecast debt servicing costs (principal and interest) compared to rates revenue. This indicates the ability of Council to service fixed borrowings from forecast rate income.

TARGET

This indicator has a desired target range between 0% and 5%

LTFP COMMENTARY

This indicator peaks at 2.7% in 2023/2024. With forecast new borrowings within the LTFP of \$12.9m required to fund capital expenditure by 2023/2024, Council's Debt Servicing Ratio remains within the target range over the course of the LTFP. This indicates a moderate capacity to borrow within this ratio, noting that all ratios should be considered before making this decision.



ASSET CONSUMPTION RATIO

The Asset Consumption ratio is calculated by measuring the written down value (depreciated value) of the assets against their replacement cost. It illustrates the amount of asset life or ‘as new’ condition remaining in the depreciable assets. Depreciation represents the reduction in value of the assets each year and therefore accumulated depreciation is the total reduction in the carrying value of the assets.

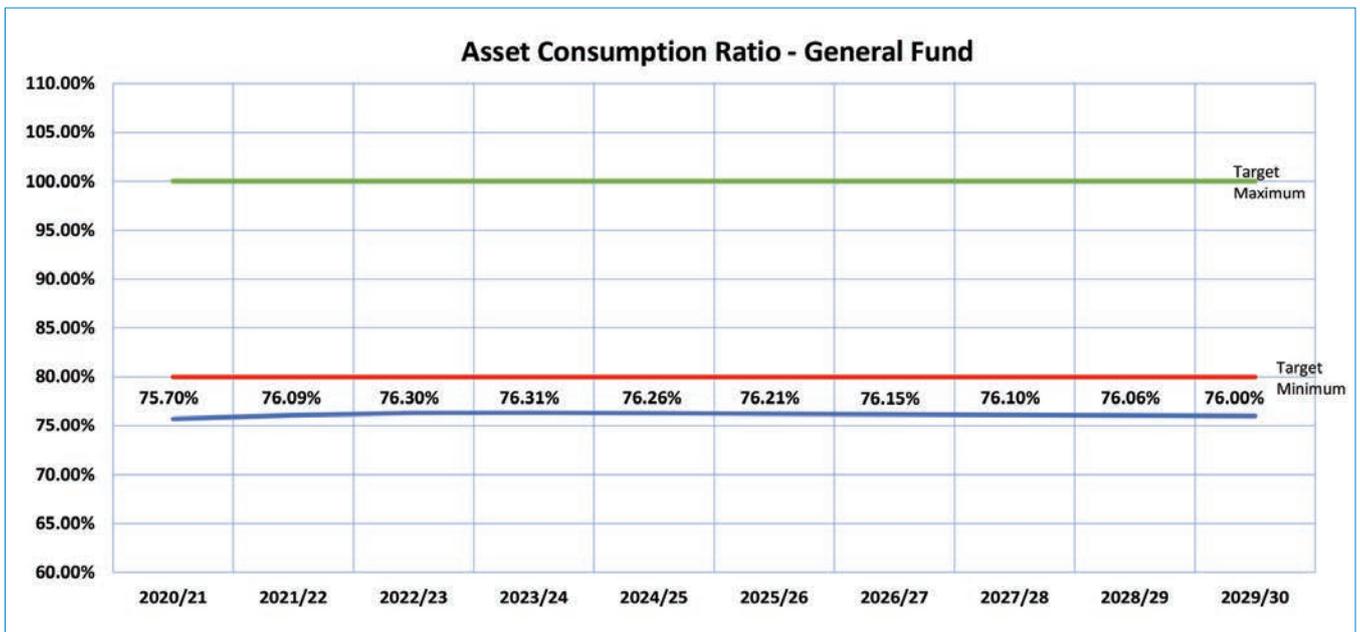
TARGET

The average proportion of ‘as new condition’ left in assets is greater than 80% and less than 100%.

LTFP COMMENTARY

The Asset Consumption Ratio highlights the potential service level remaining in Council’s assets. If the Asset Consumption Ratio is high, this indicates that Council’s assets are in relatively good condition - that is they are either relatively new or have been maintained in good condition. If the Asset Consumption Ratio is low, this indicates that Council’s assets are in relatively poor condition - that is assets have not been renewed at a time when renewal was expected to occur.

Council’s Asset Consumption ratio falls just outside of its target, however with many long lived assets and steady renewal programs this is holding firm at around 76%. This indicates that Council’s asset base requires further renewal to achieve the 80% minimum. With continuing work on its Asset Management Plans and strategies relating to specific asset classes in progress, a good foundation is being set to improve this in the future.



FINANCIAL STATEMENTS
UNIFORM PRESENTATION OF FINANCES

City of Marion

10 Year Financial Plan for the Years ending 30 June 2030

UNIFORM PRESENTATION OF FINANCES - GENERAL FUND

Scenario: LTFP 2020-2030

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Activities									
Income	95,826	96,645	98,223	100,952	103,403	105,924	108,502	111,056	113,681
less: Expenses	(89,137)	(89,784)	(91,841)	(93,363)	(95,695)	(98,375)	(101,606)	(103,621)	(106,355)
Operating Surplus / (Deficit)	6,689	6,861	6,382	7,589	7,708	7,549	6,895	7,436	7,326
Capital Activities									
less (Net Outlays) on Existing Assets									
Capital Expenditure on Renewal and Replacement of Existing Assets	(17,119)	(17,760)	(18,221)	(16,827)	(16,855)	(17,456)	(18,135)	(19,016)	(19,894)
add back: Depreciation, Amortisation and Impairment	15,708	16,792	17,464	18,162	18,889	19,644	20,430	21,247	22,097
(Net Outlays) on Existing Assets	(1,411)	(968)	(758)	1,336	2,033	2,188	2,295	2,231	2,204
less (Net Outlays) on New and Upgraded Assets									
Capital Expenditure on New and Upgraded Assets	(27,993)	(14,350)	(7,037)	(6,241)	(6,382)	(6,527)	(6,676)	(6,829)	(6,965)
add back: Amounts Received Specifically for New and Upgraded Assets	8,163	-	-	-	-	-	-	-	-
(Net Outlays) on New and Upgraded Assets	(19,830)	(14,350)	(7,037)	(6,241)	(6,382)	(6,527)	(6,676)	(6,829)	(6,965)
less: Share of Profit in Equity Accounted Investments (excl dividend)	(365)	(376)	(387)	(399)	(411)	(423)	(436)	(449)	(462)
Net funding increase/(decrease) for Financial Year	(14,917)	(8,833)	(1,799)	2,285	2,949	2,787	2,079	2,389	2,102

Projected Years

BUDGETED FUNDING STATEMENT

City of Marion

10 Year Financial Plan for the Years ending 30 June 2030

BUDGET SUMMARY - GENERAL FUND

Scenario: LTFP 2020-2030

	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years										
					2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000					
Income															
Rates	80,044	82,286	84,584	86,946	89,035	91,174	93,364	95,516	97,718	99,970					
Statutory Charges	2,161	2,215	2,271	2,328	2,386	2,445	2,507	2,569	2,633	2,699					
User Charges	2,278	2,335	2,393	2,453	2,514	2,577	2,642	2,708	2,775	2,845					
Grants, Subsidies and Contributions	7,824	7,097	6,139	6,293	6,450	6,611	6,777	6,946	7,120	7,298					
Investment Income	755	987	1,073	1,131	1,176	1,233	1,288	1,349	1,422	1,512					
Reimbursements	1,164	873	895	918	940	964	988	1,013	1,038	1,064					
Other Income	1,234	476	481	485	490	496	501	506	512	518					
Net gain - equity accounted Council businesses	365	376	387	399	411	423	436	449	462	476					
Total Income	95,826	96,645	98,223	100,952	103,403	105,924	108,502	111,056	113,681	116,382					
Expenses															
Employee Costs	37,959	38,689	39,120	40,166	41,139	42,253	43,225	44,219	45,236	46,277					
Materials, Contracts & Other Expenses	35,148	33,974	34,667	34,407	35,132	36,009	37,553	37,830	38,775	39,743					
Depreciation, Amortisation & Impairment	15,708	16,792	17,464	18,162	18,889	19,644	20,430	21,247	22,097	22,981					
Finance Costs	322	329	590	628	536	468	398	324	247	172					
Total Expenses	89,137	89,784	91,841	93,363	95,695	98,375	101,606	103,621	106,355	109,173					
Operating Surplus	6,689	6,861	6,382	7,589	7,708	7,549	6,895	7,436	7,326	7,209					
Operating Surplus Ratio	6.98%	7.10%	6.50%	7.52%	7.45%	7.13%	6.36%	6.70%	6.44%	6.19%					
Amounts Received Specifically for New or Upgraded Assets	8,163	-	-	-	-	-	-	-	-	-					
Net Surplus / (Deficit) for the Year	14,852	6,861	6,382	7,589	7,708	7,549	6,895	7,436	7,326	7,209					
Capital (Balance Sheet) and Reserve Movements															
Capital Expenditure	(45,112)	(32,110)	(25,258)	(23,067)	(23,237)	(23,983)	(24,810)	(25,845)	(26,859)	(27,703)					
Loan Repayments (External)	(1,245)	(994)	(1,714)	(2,044)	(1,470)	(1,537)	(1,607)	(1,681)	(1,759)	(1,419)					
New Loan Borrowings (External)	2,000	8,000	2,960	-	-	-	-	-	-	-					
Net Transfers (to)/from Reserves	14,317	2,101	648	(315)	(815)	(815)	(315)	(315)	(315)	(315)					
Total Capital (Balance Sheet) and Reserve Movements	(30,040)	(23,004)	(23,364)	(25,425)	(25,522)	(26,334)	(26,732)	(27,841)	(28,932)	(29,436)					
Net Result (including Depreciation & Other non-cash items)	(15,188)	(16,143)	(16,981)	(17,836)	(17,814)	(18,786)	(19,837)	(20,405)	(21,606)	(22,227)					
Add back Depreciation Expense (non-cash)	15,708	16,792	17,464	18,162	18,889	19,644	20,430	21,247	22,097	22,981					
Less Other Income (non-cash)	(365)	(376)	(387)	(399)	(411)	(423)	(436)	(449)	(462)	(476)					
Cash Budget Surplus	154	273	95	(73)	664	436	157	393	29	277					

* Employee Costs include temporary labour hire

BUDGETED INCOME STATEMENT

City of Marion

10 Year Financial Plan for the Years ending 30 June 2030

INCOME STATEMENT - GENERAL FUND

Scenario: LTFP 2020-2030

	Projected Years									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
Rates	80,044	82,286	84,584	86,946	89,035	91,174	93,364	95,516	97,718	99,970
Statutory Charges	2,161	2,215	2,271	2,328	2,386	2,445	2,507	2,569	2,633	2,699
User Charges	2,278	2,335	2,393	2,453	2,514	2,577	2,642	2,708	2,775	2,845
Grants, Subsidies and Contributions	7,824	7,097	6,139	6,293	6,450	6,611	6,777	6,946	7,120	7,298
Investment Income	755	987	1,073	1,131	1,176	1,233	1,288	1,349	1,422	1,512
Reimbursements	1,164	873	895	918	940	964	988	1,013	1,038	1,064
Other Income	1,234	476	481	485	490	496	501	506	512	518
Net gain - equity accounted Council businesses	365	376	387	399	411	423	436	449	462	476
Total Income	95,826	96,645	98,223	100,952	103,403	105,924	108,502	111,056	113,681	116,382
Expenses										
Employee Costs	37,959	38,689	39,120	40,166	41,139	42,253	43,225	44,219	45,236	46,277
Materials, Contracts & Other Expenses	35,148	33,974	34,667	34,407	35,132	36,009	37,553	37,830	38,775	39,743
Depreciation, Amortisation & Impairment	15,708	16,792	17,464	18,162	18,889	19,644	20,430	21,247	22,097	22,981
Finance Costs	322	329	590	628	536	468	398	324	247	172
Net loss - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Total Expenses	89,137	89,784	91,841	93,363	95,695	98,375	101,606	103,621	106,355	109,173
Operating Surplus / (Deficit)	6,689	6,861	6,382	7,589	7,708	7,549	6,895	7,436	7,326	7,209
Amounts Received Specifically for New or Upgraded Assets	8,163	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	14,852	6,861	6,382	7,589	7,708	7,549	6,895	7,436	7,326	7,209

BUDGETED STATEMENT OF FINANCIAL POSITION

City of Marion

10 Year Financial Plan for the Years ending 30 June 2030

BALANCE SHEET - GENERAL FUND

Scenario: L TFP 2020-2030

	Projected Years									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
ASSETS	\$'000									
Current Assets										
Cash & Cash Equivalents	26,152	24,831	24,397	24,497	25,918	27,121	27,592	28,198	28,489	29,024
Trade & Other Receivables	6,626	6,019	5,978	6,117	6,267	6,425	6,599	6,749	6,917	7,091
Inventories	269	260	265	263	268	275	287	289	296	304
Total Current Assets	33,047	31,110	30,640	30,877	32,454	33,821	34,477	35,236	35,702	36,419
Non-Current Assets										
Equity Accounted Investments in Council Businesses	7,671	8,047	8,434	8,833	9,244	9,667	10,103	10,552	11,014	11,490
Infrastructure, Property, Plant & Equipment	1,198,491	1,213,631	1,221,531	1,226,396	1,230,855	1,235,328	1,239,944	1,244,584	1,249,490	1,254,360
Total Non-Current Assets	1,206,162	1,221,678	1,229,965	1,235,229	1,240,099	1,244,995	1,250,047	1,255,136	1,260,504	1,265,850
TOTAL ASSETS	1,239,209	1,252,788	1,250,605	1,266,106	1,272,553	1,278,816	1,284,524	1,290,372	1,296,206	1,302,269
LIABILITIES										
Current Liabilities										
Trade & Other Payables	9,913	9,625	9,814	9,769	9,978	10,229	10,649	10,742	11,009	11,282
Borrowings	994	1,714	2,044	1,470	1,537	1,607	1,681	1,759	1,419	1,477
Provisions	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655
Total Current Liabilities	16,562	16,994	17,513	16,894	17,170	17,491	17,986	18,156	18,082	18,414
Non-Current Liabilities										
Borrowings	5,396	11,681	12,598	11,128	9,591	7,984	6,303	4,544	3,125	1,649
Provisions	724	724	724	724	724	724	724	724	724	724
Total Non-Current Liabilities	6,120	12,405	13,322	11,852	10,315	8,708	7,027	5,268	3,849	2,373
TOTAL LIABILITIES	22,682	29,400	30,834	28,746	27,485	26,199	25,012	23,424	21,932	20,786
Net Assets	1,216,527	1,223,388	1,229,770	1,237,360	1,245,068	1,252,617	1,259,512	1,266,948	1,274,274	1,281,483
EQUITY										
Accumulated Surplus	442,257	451,219	458,250	465,525	472,418	479,152	485,733	492,854	499,866	506,760
Asset Revaluation Reserves	762,292	762,292	762,292	762,292	762,292	762,292	762,292	762,292	762,292	762,292
Other Reserves	11,978	9,877	9,228	9,543	10,358	11,172	11,487	11,801	12,116	12,431
Total Equity	1,216,527	1,223,388	1,229,770	1,237,360	1,245,068	1,252,617	1,259,512	1,266,948	1,274,274	1,281,483

BUDGETED STATEMENT OF CASHFLOWS

City of Marion												
10 Year Financial Plan for the Years ending 30 June 2030												
CASH FLOW STATEMENT - GENERAL FUND												
Scenario: LTFP 2020-2030												
	2020/21	2021/22	2022/23	2023/24	Projected Years							
	\$'000	\$'000	\$'000	\$'000	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30		
					\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Cash Flows from Operating Activities												
Receipts:	94,771	96,853	97,892	100,409	102,857	105,360	107,923	110,463	113,069	115,751		
Payments:	(73,695)	(73,069)	(74,314)	(75,199)	(76,729)	(78,638)	(81,034)	(82,330)	(84,162)	(86,094)		
Net Cash provided (or used in) Operating Activities	21,076	23,784	23,578	25,210	26,128	26,723	26,889	28,133	28,908	29,657		
Cash Flows from Investing Activities												
Receipts:	8,163	-	-	-	-	-	-	-	-	-		
Amounts Received Specifically for New/Upgraded Assets												
Payments:	(17,119)	(17,760)	(18,221)	(16,827)	(16,855)	(17,456)	(18,135)	(19,016)	(19,894)	(20,599)		
Expenditure on Renewal/Replacement of Assets												
Expenditure on New/Upgraded Assets	(27,993)	(14,350)	(7,037)	(6,241)	(6,362)	(6,527)	(6,676)	(6,829)	(6,965)	(7,104)		
Net Cash provided (or used in) Investing Activities	(36,949)	(32,110)	(25,258)	(23,067)	(23,237)	(23,983)	(24,810)	(25,845)	(26,859)	(27,703)		
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings	2,000	8,000	2,960	-	-	-	-	-	-	-		
Payments:												
Repayments of Borrowings	(1,245)	(994)	(1,714)	(2,043)	(1,470)	(1,537)	(1,607)	(1,681)	(1,759)	(1,419)		
Net Cash Flow provided (used in) Financing Activities	755	7,006	1,246	(2,043)	(1,470)	(1,537)	(1,607)	(1,681)	(1,759)	(1,419)		
Net Increase/(Decrease) in Cash & Cash Equivalents	(15,118)	(1,321)	(434)	100	1,421	1,203	471	606	290	535		
plus: Cash & Cash Equivalents - beginning of year	41,270	26,152	24,831	24,397	24,497	25,918	27,121	27,592	27,592	28,198		
Cash & Cash Equivalents - end of the year	26,152	24,831	24,397	24,497	25,918	27,121	27,592	28,198	28,489	29,024		

GLOSSARY

FINANCIAL ASSETS

Financial Assets include cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses, inventories and land held for resale.

FINANCIAL SUSTAINABILITY

Financial Sustainability is where planned long-term service and infrastructure levels and standards are met without unplanned and disruptive increases in rates or cuts to services.

INTEREST COVER RATIO

Interest Cover Ratio indicates the extent to which Council's commitment to interest expenses are met by total operating revenues. The ratio is calculated by measuring net interest expense to total operating revenue (excluding Regional Landscape Levy).

NET LENDING/ (BORROWING)

Net Lending/ (Borrowing) equals Operating Surplus / (Deficit), less net outlays on non-financial assets. This result is a measure of the Council's overall (i.e. Operating and Capital) budget on an accrual basis. Achieving a zero result in any one year essentially means that the Council has met all of all its expenditure (both operating and capital) from the current year's revenues.

NON-FINANCIAL OR PHYSICAL ASSETS

Non-financial or Physical Assets refers to infrastructure, land, buildings, plant, equipment, furniture and fittings, library books and inventories.

OPERATING DEFICIT

Operating Deficit is where operating revenues are less than operating expenses (i.e. operating revenue is therefore not sufficient to cover all operating expenses).

OPERATING EXPENSES

Operating Expenses are operating expenses shown in the Income Statement, including depreciation, but excluding losses on disposal or revaluation of non-financial assets.

OPERATING REVENUES

Operating Revenues are incomes shown in the Income Statement but exclude profit on disposal of non-financial assets and amounts received specifically for new/upgraded assets (e.g. from a developer). For ratios calculated where the denominator specified is total operating revenue or rate revenue, Regional Landscape Levy (formerly NRM levy) revenue is excluded.

OPERATING SURPLUS

Operating Surplus is where operating revenues are greater than operating expenses (i.e. operating revenue is therefore sufficient to cover all operating expenses) but does not take into account any capital expenditure.