CITY OF
ONKAPARINGA

Draft
Long Term Financial Plan

2024–25 to 2034–35

Contents

About the City of Onkaparinga

The City of Onkaparinga is home to 180,865 residents living in both urban and rural communities, making it the largest South Australian council by population. The city has over 83,000 rateable properties across five major categories, including residential, commercial and primary production.

Onkaparinga is also South Australia's largest metropolitan council, extending over 518 square kilometres of diverse natural landscape including 31 kilometres of coastline, hills, vineyards, agricultural plains and national parks.

The city benefits from many public open spaces and recreational areas, creative and cultural communities, and a unique variety of industrial areas, commercial precincts, community centres and facilities.

Council owns and maintains a diverse asset portfolio worth approximately $3.5 billion, which includes:

- 1,384km of sealed roads
- 2,462 land parcels
- 447 buildings (including sport and active recreation facilities)
- 854 reserves (developed and undeveloped)
- 250 playgrounds
- 739 sporting and active recreation assets including 203 hardcourts, 313 lights, 40 pitches and 36 turfed ovals
- 721km of stormwater pipes and 147kms of sewer pipes
- 652 plant and fleet assets

Planning Framework

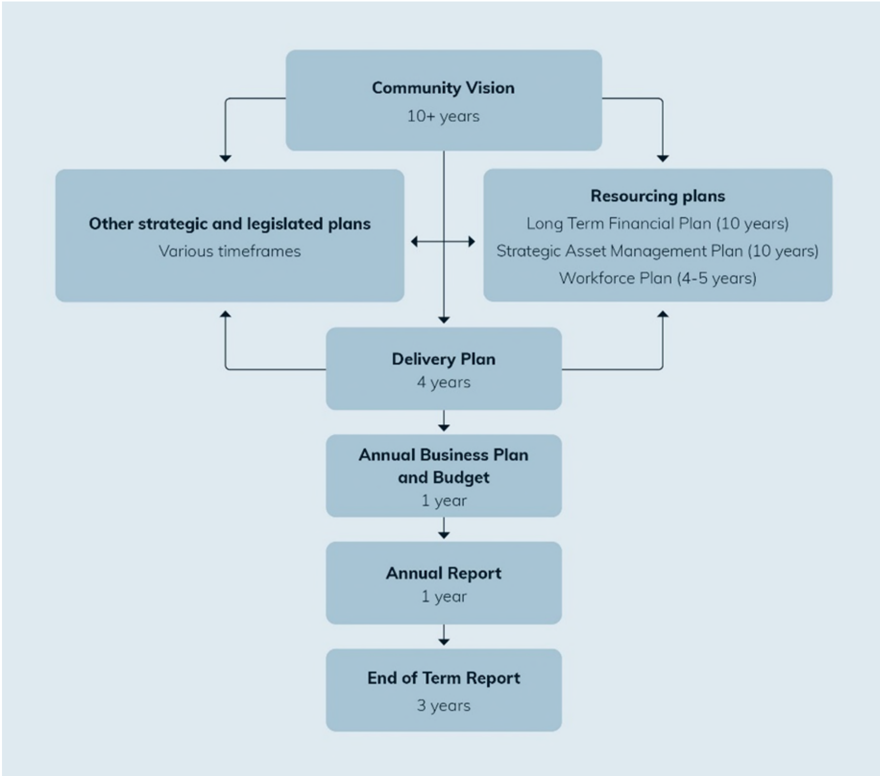
Requirements under the *Local Government Act 1999*

Under section 122 of the *Local Government Act 1999* (the Act), Council must undertake a comprehensive review of its Long Term Financial Plan (LTFP) every four years, and review the plan on an annual basis to ensure that the assumptions and information contained within the plan remains relevant.

This plan will continue to be reviewed and updated as part of each annual budget process.

The LTFP is a critical part of Council's financial planning process. Its purpose is to guide decision making so that financial sustainability can be maintained while delivering on the needs of our community.

The LTFP expresses in financial terms how we will deliver on the objectives specified in our other leading strategic documents including the Community Vision 2034 and Strategic Asset Management Plan (SAMP).



Community Vision 2034

The Community Vision 2034 is a 10-year roadmap designed to guide our community's future. It serves as a collective compass, steering council, residents, businesses, community groups, industry partners, and other government levels toward a shared vision. This vision provides a clear direction, helping us all work together to achieve common goals. The plan not only defines our aspirations but also outlines actionable steps to bring this vision to life. The Community Vision features four themes to frame council decision making and the services and projects we deliver. Community

- Environment
- Liveability and
- Leadership.

The LTFP, SAMP and Workforce Plan forecast the resources required to achieve this vision. These resourcing plans are informed by, and help to inform, our other strategic and legislative plans.

The outcomes within these plans flow into a four-year Delivery Plan, and further into each Annual Business Plan and Budget.

Strategic Asset Management Plan (SAMP)

The SAMP provides an overview of our assets, how they are performing, the service levels provided, goals and objectives, areas for improvement and financial position. It also indicates how we manage assets to align with community goals and objectives, and the strategic goals of the organisation.

The SAMP is reviewed and updated every year, and the projected financial requirements must align to those within the LTFP. This is to ensure budgets are allocated to achieve the objectives and demands identified in the SAMP, and that any budget shortfalls, pressures or opportunities are reflected and identified in both plans.

Relationship of the LTFP to the annual budget

The LTFP is a 20-year plan, with the first 10 years (plus the current budget year) published as required under the Act. It applies key principles and underlying assumptions to each year of the plan, with its main purpose being to guide and inform decision making and to provide an insight into the City of Onkaparinga’s financial sustainability over the period of the plan.

Each year Council also adopts an Annual Business Plan and Budget. It details the proposed annual expenditure and income required to deliver projects and services to meet Council’s objectives for the coming year. The budget prescriptive, developed at the cost centre and project level, and incorporates known impacts for the coming year. Its main purpose is to allocate and manage annual resources, and to serve as a tool to measure performance.

ESCOSA Advice

Following amendments to the *Local Government Act 1999* in 2022, the Essential Services Commission of South Australia (ESCOSA) was appointed the designated authority to conduct the Local Government Advice Scheme.

Over a four-year period, ESCOSA will review and provide advice on each council's strategic management planning documents, identifying risks, areas of good practice, and the appropriateness of the assumptions within the plans including historical performance.

ESCOSA reviewed the City of Onkaparinga's LTFP and SAMP in 2023, and the advice was received in February 2024. The advice identified challenges to council's financial sustainability, in particular the operating performance which has been in deficit for seven consecutive years.

These challenges were already understood by Council, and the recommendations from ESCOSA were referred to in the development of the 2024-25 budget which is reflected in this LTFP.

The ESCOSA report acknowledged that Council was taking steps towards becoming more sustainable but emphasised the need to improve its operating performance, ensure the LTFP and SAMP are properly aligned, maintain asset renewals at sufficient levels, increase revenue, and develop a plan to manage debt.

The 14 recommendations made by ESCOSA and council's responses are listed on the following pages.

ESCOSA recommendations and council response

Budgeting considerations

Recommendation 1

Ensure that the long-term financial plan is prepared every year as year as required by the LG Act.

Response

The LTFP will be updated and adopted as part of each annual budget process. The annual update in 2023-24 was placed on hold in order to focus on the budget repair required to improve council's future financial position.

Recommendation 2

Update and coordinate the data in the long-term financial plan and annual budget by clearly identifying the annual inflation and other relevant assumptions as inputs to its projected revenue (including rates) and expenditure, to provide transparency to the community.

Response

The annual LTFP updates will include clear identification of the inflation rate and other key assumptions used in the budget and throughout the LTFP.

Recommendation 3

Start to provide an annual statement of financial sustainability as required by the LG Act.

Response

A CEO statement of financial sustainability has been included in the draft LTFP.

Recommendation 4

Review its long-term financial plan annually (including its 10-year projections and all relevant assumptions (including for inflation)) to better inform its decision-making and any relevant consultation processes.

Response

Inflation rates and other key assumptions will be reviewed and updated in each annual update of the LTFP to ensure the plan reflects the most relevant information available.

Continuing to provide evidence of ongoing cost efficiencies

Recommendation 5

Consider options to increase income to move forward to a more financially sustainable position.

Response

As part of the updated LTFP, a new set of principles has been adopted by Council, which includes the following: Council decreases its reliance on rates by increasing revenue from alternative sources.

Council have indicated there is a strong appetite to look at both maximising existing revenue opportunities and exploring new opportunities, and this will continue to be a focus.

Recommendation 6

Monitor and report the growth in costs, including employee expenses, to ensure costs are constrained to forecast levels to ensure the operating performance is not negatively impacted by a lack of cost control.

Response

This recommendation will be captured in the annual budget and LTFP updates.

Recommendation 7

Consider adopting cost saving targets and reporting the projected and actual cost savings in the annual budget and long-term financial plan to provide evidence of controlling the growth in costs and achieving efficiencies across its operations and service delivery.

Response

This recommendation will be considered and if adopted will be reported on as part of the annual budget and LTFP updates.

Recommendation 8

Develop a staged plan and identify targets to reduce the high level of debt, and report the achievements against targets in the annual budget and long-term financial plan.

Response

It is recognised that there is a need to implement a robust debt management strategy. The first priority for Council has been on budget repair and returning the budget to an ongoing surplus position in order to provide better financial resilience as well as cash surpluses. Further development of a strategy to manage debt will continue to be a focus.

Recommendation 9

Identify and dispose of those assets that have reached the end of their useful lives, or are excess to requirements, to reduce debt and exposure to future liabilities.

Response

The updated LTFP contains an assumption for sale of surplus assets. This will need to be further progressed with the current Council to ensure this assumption realised.

Refinements to asst management planning

Recommendation 10

Review the asset valuations, their remaining useful lives and corresponding depreciation schedules regularly to ensure they reflect current values, and incorporate this information into the strategic asset management plan and include these expenditure forecasts in the annual budget and annual long-term financial plan update.

Response

The Strategic Asset Management Plan (SAMP) is updated on an annual basis, but the previous LTFP update did not align with the expenditure forecasts included in the SAMP. This has been rectified with the current LTFP update and will be maintained going forward.

Reviews of asset valuations, unit rates, useful lives and depreciation are currently ongoing to ensure these are reflective of how assets are consumed and replaced.

Recommendation 11

Undertake the good practice of developing and regularly updating the individual asset management plans for each asset group and coordinate the data in these asset management plans with the infrastructure asset management plan, budget, and long-term financial plan.

Response

Asset management plans for the individual asset classes have been developed, with key data informing the SAMP. Financial requirements from the SAMP are incorporated into the updated LTFP and will be aligned in all future updates.

Recommendation 12

Provide more funding for asset renewals rather than prioritising initiatives which involve new or upgraded infrastructure.

Response

Asset renewal requirements are determined from the asset management plans and are incorporated into the SAMP and LTFP; however it is noted that the priority for delivery should be on asset renewal as opposed to new infrastructure. It is noted that in some cases it may be necessary to upgrade or build new infrastructure to manage emerging risks such as the impacts of climate change.

Recommendation 13

Continue to hold community consultations and conduct surveys to identify community priorities and desired service levels as part of the planning process for its strategic management plans.

Response

This will continue to be undertaken.

Containing rate levels

Recommendation 14

Continue to consider limiting future increases in rates to no more than expected inflation to reduce any emerging affordability risk in the community.

Response

As Council focus on budget repair, there will be a need to increase rates above inflation in the immediate-term. This has occurred due to rate increases below CPI in previous years, or not rating for growth (rates from new properties).

Once the budget returns to an ongoing surplus, rate increases can be limited to inflation (plus growth).

CEO Statement of Financial Sustainability

The focus of this updated Long Term Financial Plan has been to attain and maintain a budget surplus and lay the foundations for effective debt management so we continue to deliver on the community's vision in an efficient and sustainable way.

As reported in the recently released ESCOSA advice, it was critical to return to surplus as soon as possible.

In recent years, both council, and the community, have experienced the impacts of high inflation, increasing interest rates, supply chain delays and significant asset valuation increases.

By operating with consecutive deficits, our resilience to manage these economic events has been limited.

Through the development of the 2024-25 budget, our key focus was on budget repair.

This meant making some decisions that were difficult in the short term but necessary in the long term to ensure we can continue to provide the high quality services and public amenity our community expects and deserves as reflected through the Community Vision 2034.

Our approach to the 2024-25 budget demonstrates our commitment to improving the City of Onkaparinga's financial resilience and this can be seen throughout this plan.

I am pleased that the LTFP as outlined meets and exceeds financial sustainability benchmarks set for Local Government in South Australia and projects consecutive surpluses over the life of the plan.

While there is more work to be done, this LTFP sets strong foundations for a more sustainable financial future, positioning Council to continue to deliver valued services, maintain core infrastructure and invests in the city's liveability.

The LTFP will be updated on an annual basis to ensure it remains relevant and reflects the latest information, economic data and assumptions to guide Council decision making.

Phu Nguyen

Chief Executive Officer

Principles

As part of the comprehensive review of the LTFP, an updated set of principles were adopted by Council in December 2023. These principles have been simplified from the previous LTFP and focus on the key areas that should guide decision making.

These updated principles have underpinned the development of the 2024-25 Annual Business Plan and Budget and the forecasts within this LTFP.

1. **Through the Long Term Financial Plan and annual budgeting process, Council addresses the structural deficit position, transitions to a balanced budget in this Council term and maintains this surplus position going forward.**

   In order to build long-term financial sustainability and the resilience to withstand unexpected events, returning to a balanced budget and maintaining a surplus position on an ongoing basis is critical and needs to be reflected in all decision making.

   The emphasis on budget repair throughout the development of the 2024-25 budget resulted in a projected operating surplus of $3.5 million, the first surplus position in seven years. More importantly however, the budget provides the conditions to continue to maintain operating surpluses into the future. This will take ongoing discipline to ensure that the assumptions within this LTFP are adhered to, including future decisions about rate increases, efficiencies, capital spend and asset rationalisation.

2. **Council adopts a dollar value debt ceiling when the LTFP is finalised, however additional debt can be accessed for capital investment purposes where there is a financial return to fully cover interest costs and provides a reasonable payback period.**

   Council's levels of borrowings have remained lower than the forecasts of the previous LTFP largely due to the receipt of $30 million of revenue in advance for capital works projects funded by the State and Federal governments in 2022. This funding has temporarily reduced the level of borrowings held by council. Borrowings will increase over the next two years as this funding is utilised.

   Council manages its cashflow by repaying variable loans when there is cash inflow (such as grant funding or rates payments) and drawing down on loans when there are payments to be made. This practice is common across local government as a way to minimise interest costs.

   This principle recognises that debt needs to be managed carefully but can also be used for good – for example, for investment purposes that have financial benefits in the future.

Based on the assumptions within this plan, debt levels for normal operations would peak at $143.5 million, setting the new debt ceiling at this level.

3. **Revenue is increased at least in line with the Consumer Price Index (CPI) plus revenue from new properties to ensure financial sustainability.**

   This principle recognises that where it's within the control of council, revenue needs to increase by at least CPI to cover costs. Whilst the development of each annual budget does not automatically assume CPI increases on existing expenses, a number of expenses increase by more than CPI which requires careful management in the overall budget.

   This principle also recognises that growth – rates from new properties – should always be included in the calculation of rate revenue. Rates from new properties are essential to fund service delivery and contribute towards step change (the point where existing infrastructure can no longer absorb the growing population and needs to be expanded). Past decisions have not always included growth, or rates have been set lower than CPI, contributing to previous budget deficits.

   The assumptions within this LTFP align rate revenue increases to CPI, plus revenue from new properties.

4. **Council actively seek out collaborative opportunities which maximise value for our communities.**

   This principle recognises that Council will continue to advocate to the State and Federal government for outcomes that create benefit for our community, with outcomes including policy change, input into legislation, or funding for projects and services. Recognising the ongoing importance in building partnerships with other agencies and working collaboratively is critical as we work towards the delivery of the Community Vision, and being clear about the role council has.

   Within the LTFP, the recognition of funding received from advocacy efforts towards projects and services can have a direct impact on Council's financial forecasts. Consideration needs to be given to whole-of-life costs for capital projects (particularly new projects) and managing community expectations around externally funded services (such as what happens to the service when the funding ceases).

5. **Council decreases its reliance on rates by increasing revenue from alternative sources.**

   Revenue from rates comprises over 80% of council's operating income. Whilst this will take time, there is a strong appetite within the current Council to diversify its revenue streams and explore other opportunities.

Assumptions

The following table outlines the key assumptions used in the development of this LTFP:

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Consumer Price Index (CPI)	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Local Government Price Index (LGPI)	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Interest on loans	5.92%	5.4%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%
Rate increases	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total expenditure increases (excluding depreciation and finance costs)	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Growth	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Asset revaluations	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Consumer Price Index (CPI)

The last couple of years has seen greater than expected levels of inflation. This has been slowing down, although not as quickly as anticipated. The Reserve Bank of Australia (RBA) noted in its August Statement of Monetary Policy that demand for goods and services is still higher than supply, causing inflation to persist at a level higher than target. The RBA is forecasting inflation to be within the target range of 2-3% by 2026[1].

The forecast CPI within the LTFP is based on the RBA inflation forecasts, noting that Adelaide CPI has been higher than the national rate in recent times.

Local Government Price Index (LGPI)

LGPI is a measure of the inflation on goods and services specifically purchased by the Local Government sector. This differs from CPI in that CPI is a measure of inflation on household goods and services. The LGPI was developed by the Australian Bureau of Statistics and is updated quarterly by the South Australian Centre for Economic Studies. It calculates the inflation on recurrent expenditure and capital expenditure to produce a combined index.

Historically CPI and LGPI have been somewhat aligned however in recent years, LGPI has increased significantly as reflected in the cost of materials and delivery of maintenance and construction projects. This increase appears to be slowing down, and therefore the LGPI used in this LTFP aligns to CPI within the next 3 years.

Interest on loans

Interest on loans in this LTFP is based on a weighted average of interest on fixed loans and variable Cash Advance Debenture loans. The variable cash rate has increased significantly however the RBA forecasts that the cash rate will reduce to 3.3 per cent by the of 2026[2]. This is reflected in the interest rate forecasts of the big four banks. Accordingly, the LTFP forecasts a reduction in interest rates to 2027-28 but remains on the conservative side.

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[1] Reserve Bank of Australia: https://www.rba.gov.au/publications/smp/2024/aug/pdf/statement-on-monetary-policy-2024-08.pdf
[2] Ibid

Rate increases and growth

The 2024-25 budget included a rate increase at 6.8 per cent to return to a balanced budget. The decision to increase rates above CPI for this year allows the LTFP to align its future rate revenue increases to CPI plus growth (new properties within the city) from 2025-26. Aligning the rate increases to CPI is in line with the recommendations made by ESCOSA.

Growth has been included at 0.8 per cent annually which represents between 660 and 700 new properties each year. Rates revenue from new properties is required to provide services for those properties.

Total operating expenditure increases (excluding depreciation and finance costs)

The LTFP assumes that expenditure relating to employee costs, materials, contracts and other expenses will not increase by more than CPI, with the exception of known pressures such as the 0.5 per cent superannuation guarantee increase in 2025-26 and Local Government election costs in 2026-27. Noting that many expenses including utilities, fuel and insurance increase by more than CPI, factoring in an overall CPI increase ensures downward pressure is placed on controllable expenses.

In addition, maintenance budgets have been increased for new and contributed assets, recognising whole of life costing for these assets.

Asset revaluations

The revaluation of our infrastructure assets occurs on an annual basis, with a comprehensive revaluation of land and building assets occurring every five years. This involves using a mixture of unit rates and building price indexes to determine the future replacement costs for those assets and impacts on both the asset value in the Statement of Financial Position, and depreciation expense in the operating position. In line with other increases in inflationary measures, asset revaluations have increased significantly over the last two years resulting in increased depreciation expense. This puts pressure on our focus to return to and maintain a surplus budget position.

Revaluation increases have been forecast in the LTFP at a rate higher than LGPI. However, ongoing work to review our asset classes, useful lives, calculation of unit rates and depreciation is occurring to ensure these reflect how our assets are consumed and replaced. The outcomes from this work will be updated into the LTFP as they occur.

Funding Plan

The financial statements commencing on page 27 outline forecast revenue over the next 10 years.

Rates

In addition to general rates from existing and new properties, this income source includes the Regional Landscape Levies collected (and passed directly onto) the Green Adelaide and Hills & Fleurieu Landscape Boards, as well as service charges for the Community Wastewater Management System (CWMS). All CWMS service charges are used directly to fund the system's ongoing operating, maintenance and future capital works, and are not used for any other council purpose.

Rates are also collected from the Port Stanvac Refinery site at Lonsdale, which are calculated under its own debenture Acts.

The increases to these other rates have been aligned to CPI in this plan.

Statutory charges

Statutory charges are fees for regulatory activities and are generally set by legislation, such as those under the *Development, Planning and Infrastructure Act 2016* for development application fees, *Food Act 2001* for audits and inspections of food premises, *South Australian Public Health (Legionella) Regulations 2018* for water system inspections, and *Dog and Cat Management Act 1995* for animal management fees. These charges have been increased by CPI in this plan.

User charges

User charges relate to fee-for-service activities which include accommodation at our two tourist parks, hiring of our recreation centres, community halls and other venues, events and patronage at the McLaren Vale Visitor Information Centre, additional waste bins, NDIS services, leases and licences, and purchase of recycled water. Where possible, the charges set for these activities should recover the full cost of delivering the service. At a minimum, charges should increase by CPI each year, and this has been factored into this plan.

Grants, subsidies and contributions – capital

In line with the LGA's Model Financial Statements, grant funding received for the renewal of assets is required to be shown in the operating position. This has included State and Federal funding for specific projects and projects funded by the Local Roads and Community Infrastructure (LRCI) program from 2021. The LTFP forecasts moderate levels of revenue for renewal projects for the next 10 years (generally between $1.5 million - $2 million annually).

Grants, subsidies and contributions – operating

Operating grants include Financial Assistance Grants (General and Local Roads), Roads to Recovery funding, library grants, and funding for various community services including respite and social support programs. It is anticipated that there will be an increase in Roads to Recovery funding over the next 4 years, and this has been included in the forecasts in this plan.

The timing of the receipt of Financial Assistance Grants has been a challenge for the sector over the past few years, with this funding required to be recognised in the financial statements of the year it is received. The LTFP assumes receipt of the Financial Assistance Grants in the year it is allocated for.

Investment income

Limited interest income based on cash flow has been included in the LTFP, with assumed interest rates over the life of the plan ranging between 3-4 per cent As council generates operating surpluses in the future, the ability to generate additional investment income may increase.

Reimbursements and other income

Reimbursements and other income includes diesel and workers compensation rebates, property reimbursements, salary reimbursements from board-managed community centres, and internal charges such as fleet and sign shop charges.

Net gain – equity accounted joint venture

The Southern Region Waste Resource Authority (SRWRA) is a regional subsidiary established by the City of Onkaparinga, Marion and Holdfast Bay, as per section 43 of the Act. Under equity accounting standards, we recognise within our financial statements our proportion (55 per cent of any net surplus (or deficit) achieved by this joint venture each year. This gain is generally non-cash but is recognised in our operating income. Our annual budget for this gain is based on SRWRA's budgeted surplus. For the purposes of the LTFP, no additional increase on the 2024-25 budget has been included, but will be updated each year following the release of SRWRA's budget.

Income for new or upgraded assets

The last three years has seen significant amounts of funding received for new and upgraded assets due to LRCI and various State and Federal election commitments. Not all funding received was for projects within our forward plan, which puts additional pressure on our operating position as we need to fund the ongoing maintenance and renewal of those additional assets. Our next advocacy plan will focus on projects we have identified as needing to be delivered, such as those responding to the growth of our city.

Between $1 - $1.5 million of capital income for new or upgraded assets has been included in this plan, which is conservative. This assumption will be updated as further commitments are identified.

Proceeds from disposal of assets

Income from the disposal of plant and fleet assets at the end of their useful lives has been factored in at around $900, 000 per year.

The LTFP also contains $3 million of annual proceeds resulting from the sale of surplus assets, for a period of 10 years commencing from 2024-25.

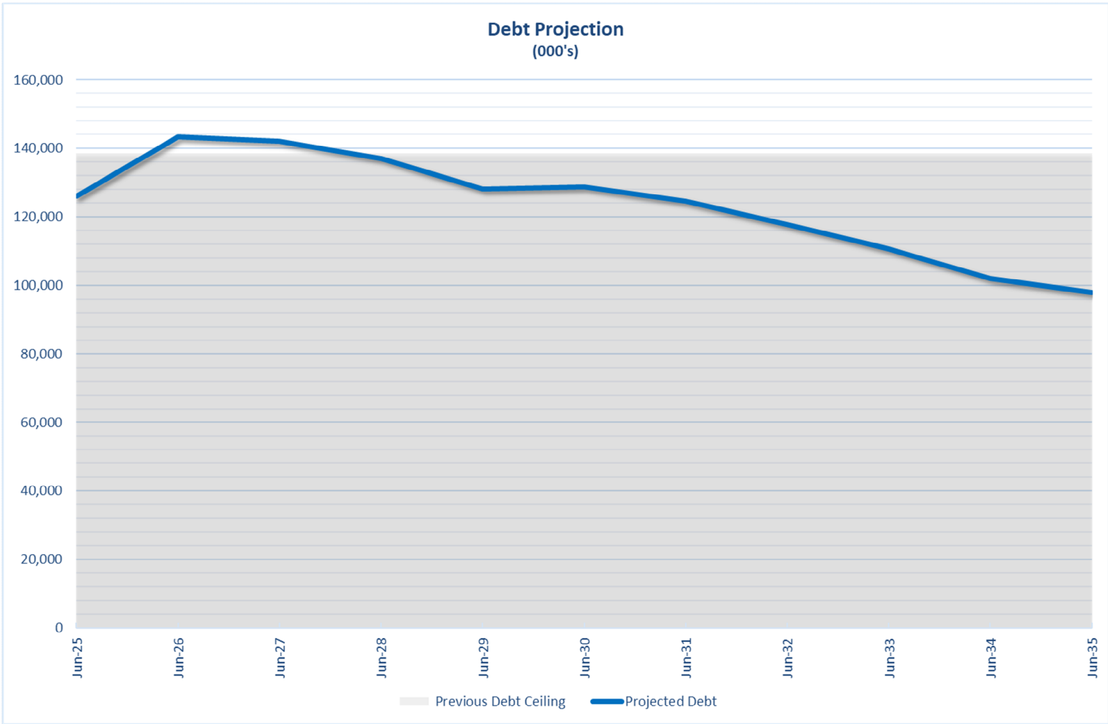
The advice from ESCOSA emphasised the need to dispose of assets that have reached the end of their useful lives, or are excess to requirements, to reduce debt and exposure to future liabilities. This requires a significant commitment from Council to follow through on and deliver.

Borrowings

Borrowings provide a source of funding for councils particularly when building assets that will benefit future generations. Borrowings need to be managed and councils are required to demonstrate they can service the debt.

Funding received in advance for capital works projects over the last few years has temporarily reduced the level of borrowings, however this will increase as those funds are utilised for their specific purpose.

Based on the capital expenditure forecasts (which align to those in the SAMP), projected operating surpluses, and other assumptions within this plan, borrowings are forecast to peak at $143.5 million and then start to reduce. While this is an increase above the $138.5 million debt ceiling proposed in the previous LTFP, this forecast reflects recent economic conditions and commitments to carefully manage our budgets, whilst still maintaining our critical infrastructure, responding to the city's growth, and delivering the services valued by our community.



Key Financial Indicators

Council has adopted a suite of Key Financial Indicators (KFIs) that are primarily based on those included in the Model Financial Statements and those recommended by the Local Government Association and Local Government Financial Managers Group as appropriate for measuring financial sustainability in the context of Local Government.

Additional measures for the level of borrowings, interest ratio cover and debt servicing have been included to monitor debt management.

Council has adopted targets for each of these KFIs, as summarised below.

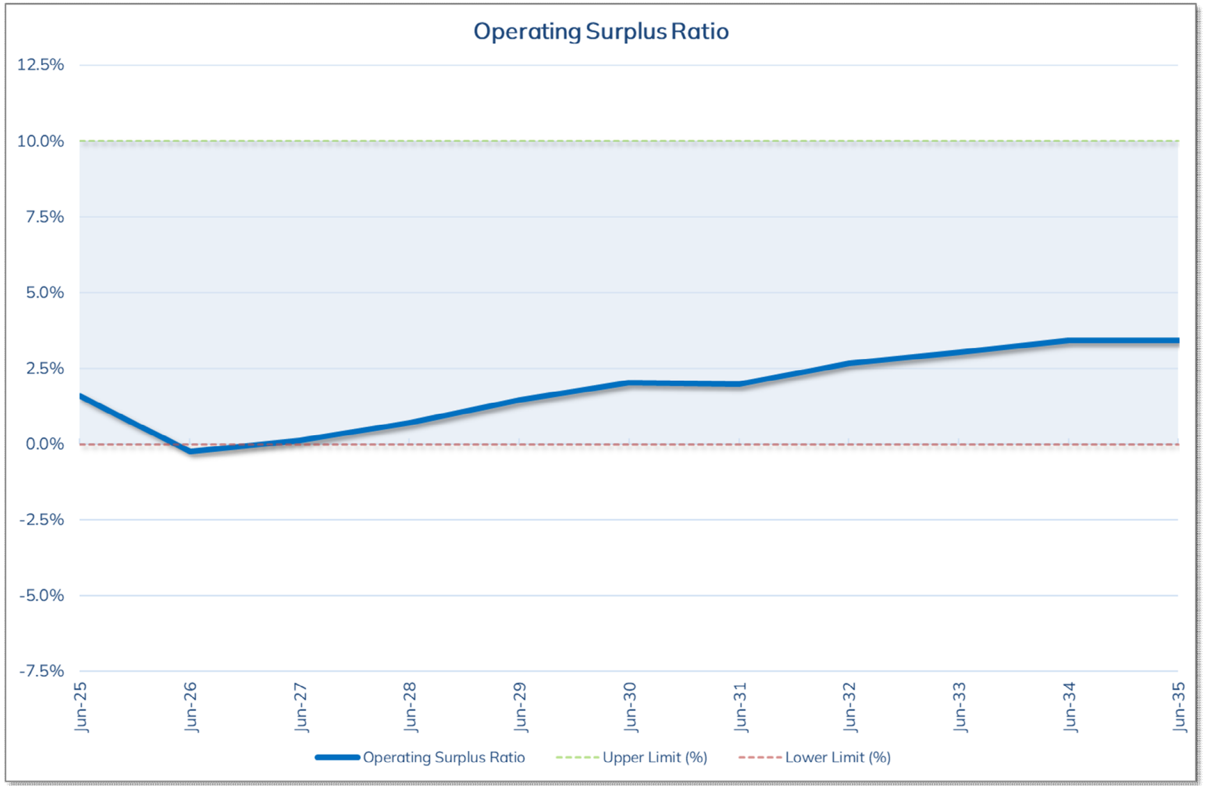
Key Financial Indicator	Target	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35
Operating Surplus Ratio	0-10%	1.6%	-0.2%	0.1%	0.7%	1.5%	2.0%	2.0%	2.7%	3.0%	3.4%	3.4%
Net financial liabilities ratio	<100%	65.2%	67.8%	64.0%	59.9%	54.3%	52.8%	49.5%	45.4%	41.4%	37.2%	34.6%
Asset renewal funding ratio	90% - 110%	109.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Level of borrowings (against debt ceiling)	<100%	91.0%	99.9%	99.1%	95.4%	89.2%	89.7%	86.9%	82.1%	77.0%	71.1%	68.2%
Interest cover ratio	<5%	3.0%	3.4%	3.2%	2.9%	2.6%	2.4%	2.3%	2.1%	1.9%	1.7%	1.6%
Debt servicing	<10%	3.7%	7.0%	7.0%	7.4%	8.5%	5.4%	5.7%	6.3%	6.5%	6.4%	4.9%

Operating surplus ratio

The operating surplus ratio expresses the operating position as a percentage of total operating revenue. A negative ratio shows that expenses are higher than income.

The target operating surplus ratio is between 0 – 10 per cent.

Over the life of this plan, the operating surplus ratio sits between -0.2 – 3.5 per cent (assuming no further intervention to remedy the operating deficit forecast for 2025-26).

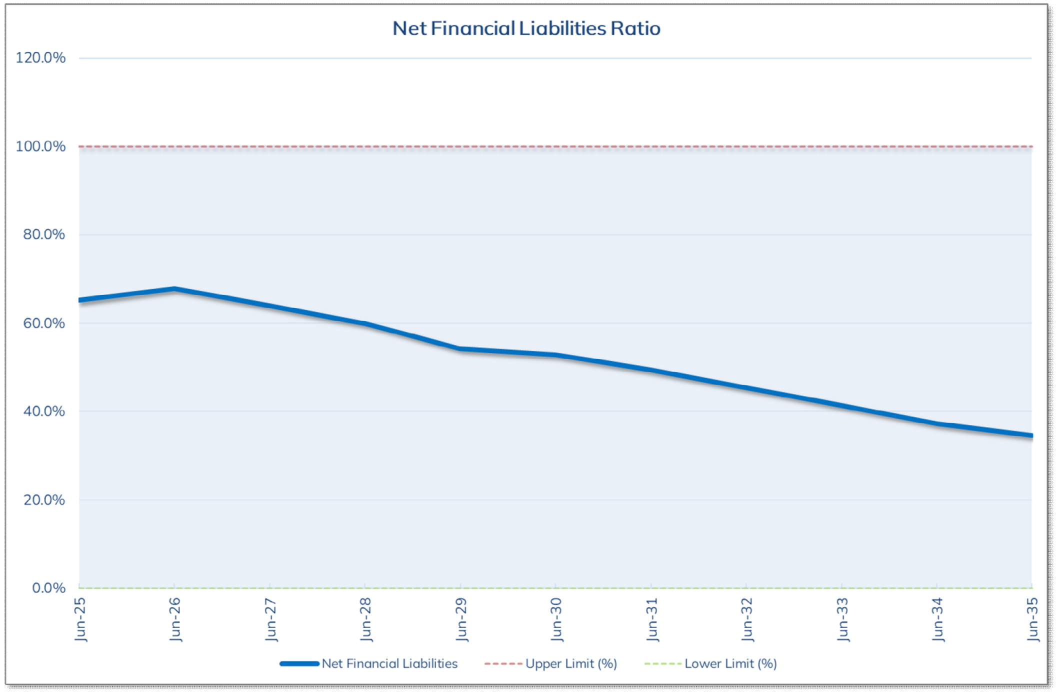


Net financial liabilities ratio

The net financial liabilities ratio expresses the net amount owing to others (total amount owing including borrowings and provisions, less any receivables that can be converted to cash such as cash at bank and debtors) as a percentage of total operating income. It is a measurement of how well council's annual operating income can cover these liabilities.

The target net financial liabilities ratio is below 100 per cent. This indicates that council can repay their liabilities, including borrowings, with the annual income generated.

Over the life of this plan, the net financial liabilities ratio peaks at 77.8 per cent and then declines to 34.6 per cent as borrowings reduce and income increases. This is dependent upon council being able to maintain the assumptions and operating surpluses set out in this plan.

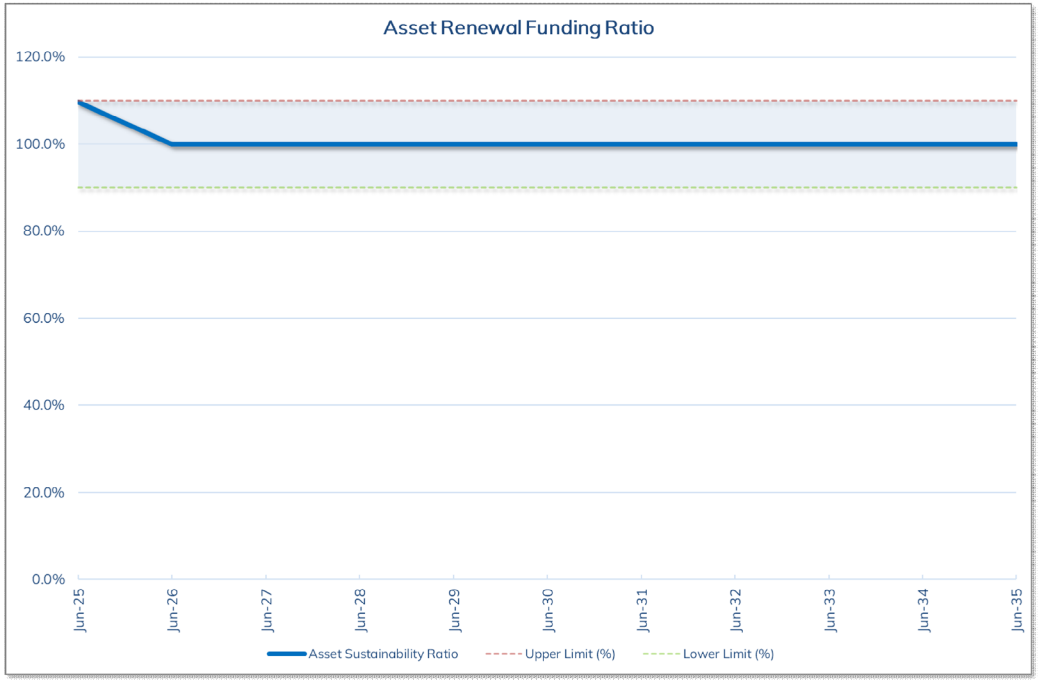


Asset renewal funding ratio

The asset renewal funding ratio expresses expenditure on asset renewal as a percentage of the projected funding required for asset renewal, as outlined in the SAMP. This ratio measures how we are delivering on the renewal requirements set out in our asset management plans.

The target asset renewal funding ratio is between 90 per cent – 110 per cent, recognising that expenditure may increase or decrease in a given year but on average should remain within the target.

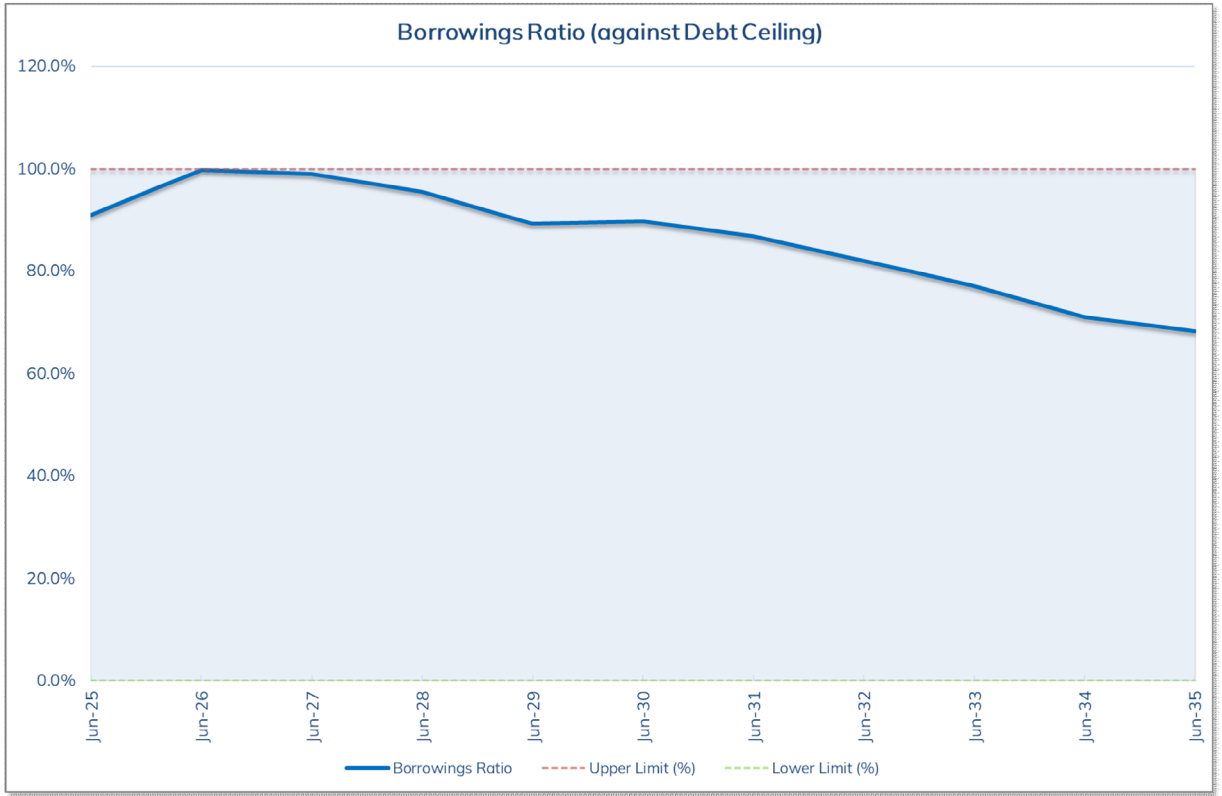
Over the life of this plan, the asset renewal funding ratio is maintained at 100 per cent, demonstrating that the renewal forecasts within this plan are aligned to the forecast requirements within the SAMP.



Level of borrowings

The borrowings ratio is measuring the percentage of borrowings against the debt ceiling. Whilst the final LTFP debt ceiling will be adopted when the LTFP is adopted in November 2024, the debt ceiling proposed in this draft LTFP is $143.5 million.

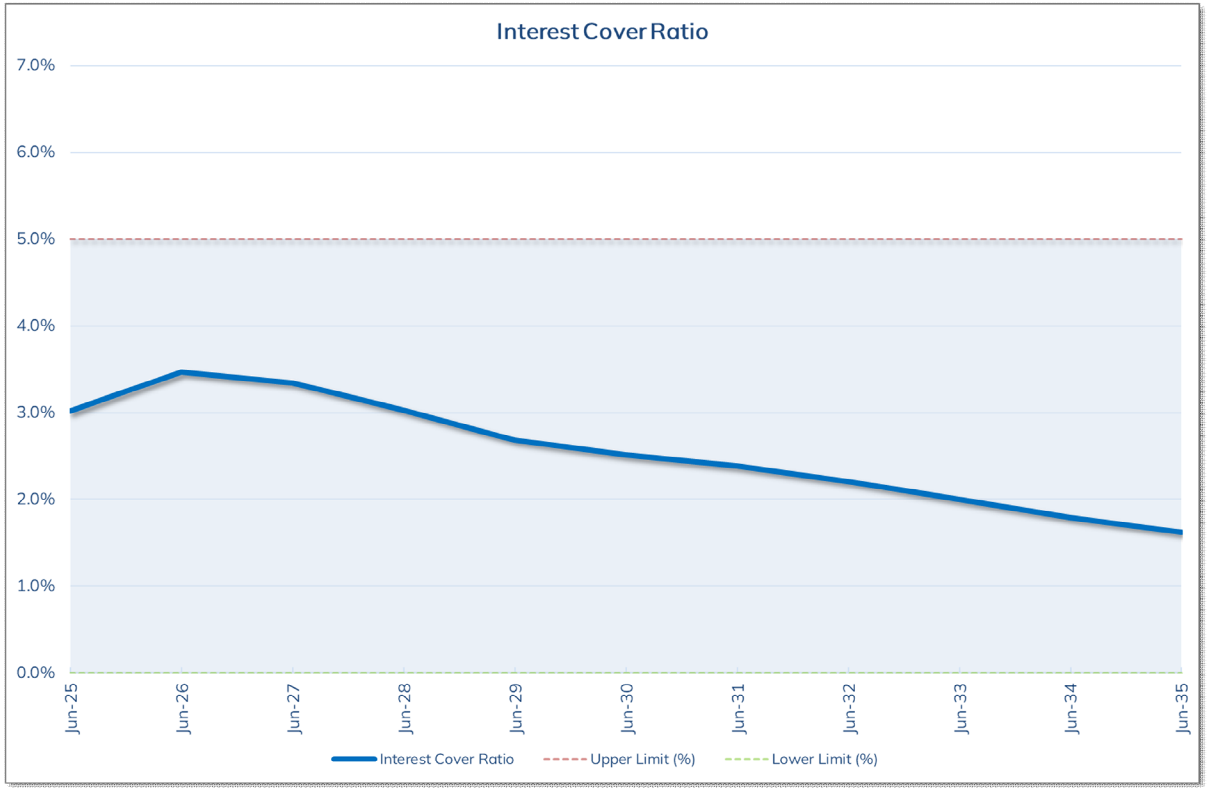
As outlined in the second LTFP principle, additional debt may be accessed for capital investment purposes where the return will cover the associated interest costs and provide a reasonable payback period. These opportunities may be explored in future versions of the LTFP.



Interest cover ratio

The interest cover ratio measures the percentage of total operating income being used to pay interest on loans.

The target interest cover ratio is between 0 – 5 per cent. Over the life of this plan, the interest cover ratio is within the target range, with total interest costs estimated to be $65.9 million over the 10-year forecast.

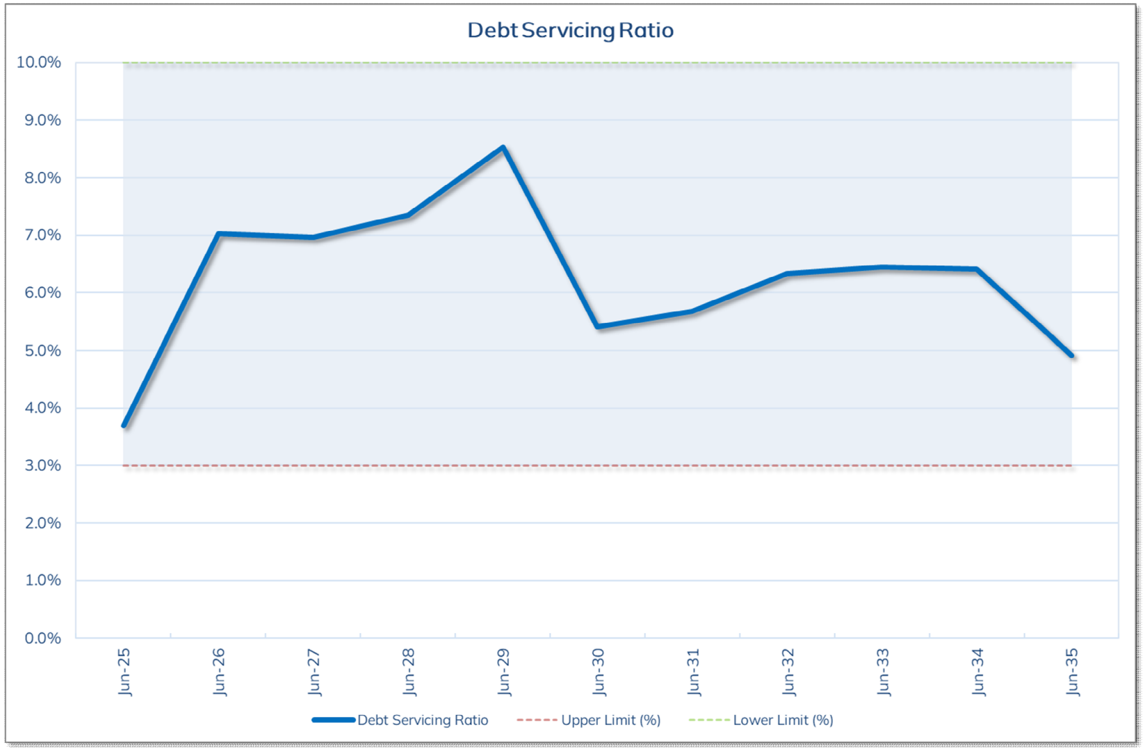


Debt servicing ratio

The debt servicing ratio measures the total cost of repayments and interest as a percentage of total operating income.

The target range for this ratio is between 3 and10 per cent. The City of Onkaparinga hold a minimal amount of fixed-term loans, so this chart represents repayment of variable loans as cash surpluses are generated.

The reduction in the debt servicing ratio in 2029-30 reflects an increase to the road renewal budgets in this year.



CITY OF ONKAPARINGA

STATEMENT OF COMPREHENSIVE INCOME

	2024-25 Budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Operating income											
Rates	178,973	186,621	193,662	200,970	208,554	216,424	224,592	233,069	241,866	250,995	260,469
Statutory charges	4,349	4,501	4,636	4,775	4,919	5,066	5,218	5,375	5,536	5,702	5,873
User charges	12,049	12,471	12,845	13,230	13,627	14,036	14,457	14,891	15,337	15,798	16,271
Grants, subsidies and contributions - capital	4,560	1,917	1,607	772	1,364	1,171	1,206	1,242	1,279	1,317	1,357
Grants, subsidies and contributions - operating	18,062	19,443	20,837	21,345	21,559	21,774	21,992	22,212	22,434	22,659	22,885
Investment income	194	202	209	215	222	229	236	243	250	258	266
Reimbursements	614	635	655	674	694	715	737	759	782	805	829
Other income	2,490	2,577	2,654	2,734	2,816	2,901	2,988	3,077	3,170	3,265	3,363
Net gain - equity accounted joint venture	330	330	330	330	330	330	330	330	330	330	330
Total operating income	**221,621**	**228,696**	**237,435**	**245,047**	**254,085**	**262,646**	**271,755**	**281,197**	**290,984**	**301,128**	**311,644**
Operating expenses											
Employee costs	83,785	89,074	91,775	95,074	98,492	101,534	105,186	108,971	112,892	116,955	121,165
Materials, contracts and other expenses	82,747	86,420	90,225	92,488	95,679	98,618	102,960	105,528	109,137	112,868	117,805
Finance costs	6,874	7,969	7,836	7,364	6,824	6,612	6,524	6,244	5,881	5,475	5,150
Depreciation and amortisation	44,705	45,777	47,332	48,355	49,389	50,530	51,756	52,970	54,220	55,514	56,863
Total operating expenses	**218,111**	**229,241**	**237,168**	**243,282**	**250,384**	**257,293**	**266,426**	**273,712**	**282,130**	**290,813**	**300,984**
Operating surplus/(deficit) before capital amounts	**3,510**	**(545)**	**267**	**1,765**	**3,701**	**5,353**	**5,329**	**7,485**	**8,854**	**10,315**	**10,660**
Capital income											
Amounts received specifically for new or upgraded assets	2,912	1,283	1,500	1,556	1,580	1,171	1,206	1,242	1,279	1,317	1,357
Physical resources received free of charge	-	-	-	-	-	-	-	-	-	-	1
Proceeds from disposal of assets	3,734	3,964	4,037	4,310	3,972	4,444	4,385	4,419	4,273	4,461	1,505
Net surplus/(deficit)	**10,156**	**4,702**	**5,804**	**7,630**	**9,252**	**10,968**	**10,920**	**13,146**	**14,406**	**16,094**	**13,523**
Other comprehensive income											
Changes in revaluation surplus - infrastructure, property, plant and equipment	66,718	74,374	67,305	59,281	61,059	62,891	64,778	66,721	68,722	70,784	75,908
Total other comprehensive income	**66,718**	**74,375**	**67,307**	**59,284**	**61,063**	**62,896**	**64,784**	**66,728**	**68,730**	**70,793**	**75,918**
Total comprehensive income	**76,874**	**79,077**	**73,111**	**66,914**	**70,315**	**73,864**	**75,704**	**79,874**	**83,136**	**86,887**	**89,441**

CITY OF ONKAPARINGA

STATEMENT OF FINANCIAL POSITION

	2024-25 Budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Current assets											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	16,493	16,493	16,493	16,493	16,493	16,493	16,493	16,493	16,493	16,493	16,493
Inventories	73	73	73	73	73	73	73	73	73	73	73
Total current assets	**16,566**	**16,566**	**16,566**	**16,566**	**16,566**	**16,566**	**16,566**	**16,566**	**16,566**	**16,566**	**16,566**
Non-current assets											
Financial Assets	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Equity accounted investments in council businesses	15,915	16,245	16,575	16,905	17,235	17,565	17,895	18,225	18,555	18,885	19,215
Infrastructure, property, plant and equipment	2,674,058	2,773,498	2,843,121	2,904,510	2,965,589	3,039,780	3,111,091	3,183,797	3,259,328	3,337,395	3,422,342
Other non-current assets	15,071	15,071	15,071	15,071	15,071	15,071	15,071	15,071	15,071	15,071	15,071
Total non-current assets	**2,706,104**	**2,805,874**	**2,875,827**	**2,937,546**	**2,998,955**	**3,073,476**	**3,145,117**	**3,218,153**	**3,294,014**	**3,372,411**	**3,457,688**
Total assets	**2,722,670**	**2,822,440**	**2,892,393**	**2,954,112**	**3,015,521**	**3,090,042**	**3,161,683**	**3,234,719**	**3,310,580**	**3,388,977**	**3,474,254**
Current liabilities											
Trade and other payables	14,731	8,125	6,125	6,125	6,125	6,125	6,125	6,125	6,125	6,125	6,125
Short term borrowings	36,007	36,007	36,007	36,007	36,007	36,007	36,007	36,007	36,007	36,007	36,007
Short term provisions	11,777	11,777	11,777	11,777	11,777	11,777	11,777	11,777	11,777	11,777	11,777
Total current liabilities	**62,515**	**55,909**	**53,909**	**53,909**	**53,909**	**53,909**	**53,909**	**53,909**	**53,909**	**53,909**	**53,909**
Non-current liabilities											
Long term borrowings	89,993	107,293	106,137	100,946	92,043	92,706	88,648	81,818	74,551	66,070	61,917
Long term provisions	3,809	3,809	3,809	3,809	3,809	3,809	3,809	3,809	3,809	3,809	3,809
Other non current-liabilities	5,701	5,701	5,701	5,701	5,701	5,701	5,701	5,701	5,701	5,701	5,701
Total non-current liabilities	**99,503**	**116,803**	**115,647**	**110,456**	**101,553**	**102,216**	**98,158**	**91,328**	**84,061**	**75,580**	**71,427**
Total liabilities	**162,018**	**172,712**	**169,556**	**164,365**	**155,462**	**156,125**	**152,067**	**145,237**	**137,970**	**129,489**	**125,336**
Net assets	**2,560,651**	**2,649,728**	**2,722,837**	**2,789,747**	**2,860,059**	**2,933,917**	**3,009,616**	**3,089,482**	**3,172,610**	**3,259,488**	**3,348,918**
Equity											
Accumulated surplus	610,259	626,110	632,373	640,579	651,247	665,983	676,963	690,369	705,809	722,534	736,116
Asset revaluation reserve	1,934,342	2,008,716	2,076,021	2,135,301	2,196,360	2,259,251	2,324,029	2,390,750	2,459,472	2,530,256	2,606,164
Other reserves	16,051	14,902	14,443	13,868	12,452	8,684	8,623	8,364	7,329	6,698	6,638
Total equity	**2,560,651**	**2,649,728**	**2,722,837**	**2,789,749**	**2,860,059**	**2,933,918**	**3,009,615**	**3,089,482**	**3,172,610**	**3,259,488**	**3,348,918**

CITY OF ONKAPARINGA

STATEMENT OF CASH FLOWS

	2024-25 Budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Cash flows from operating activities											
Receipts											
Operating receipts	221,427	228,494	237,226	244,831	253,863	262,417	271,519	280,954	290,733	300,870	311,378
Investment receipts	194	202	209	215	222	229	236	243	250	258	266
Payments											
Operating payments to suppliers and employees	(166,532)	(175,495)	(181,999)	(187,562)	(194,171)	(200,152)	(208,146)	(214,499)	(222,029)	(229,823)	(238,971)
Finance payments	(6,874)	(7,969)	(7,836)	(7,364)	(6,824)	(6,612)	(6,524)	(6,244)	(5,881)	(5,475)	(5,150)
Net cash flows from operating activities	**48,215**	**45,232**	**47,600**	**50,120**	**53,090**	**55,882**	**57,085**	**60,454**	**63,073**	**65,830**	**67,523**
Cash flows from investment activities											
Receipts											
Grants specifically for new or upgraded assets	2,912	1,283	1,500	1,556	1,580	1,171	1,206	1,242	1,279	1,317	1,357
Proceeds from sale of assets	3,734	3,964	4,037	4,310	3,972	4,444	4,385	4,419	4,273	4,461	1,505
Payments											
Expenditure on renewal/replacement of assets	(39,107)	(39,621)	(39,134)	(40,218)	(39,701)	(52,611)	(48,479)	(49,659)	(51,453)	(52,935)	(53,932)
Expenditure on new/upgraded assets	(13,973)	(6,222)	(10,516)	(10,247)	(9,708)	(9,219)	(9,809)	(9,296)	(9,575)	(9,863)	(11,970)
Net cash flows from investment activities	**(46,434)**	**(40,596)**	**(44,114)**	**(44,599)**	**(43,857)**	**(56,215)**	**(52,697)**	**(53,294)**	**(55,477)**	**(57,019)**	**(63,041)**
Cash flows from financing activities											
Receipts											
Proceeds from borrowings	2,147	2,653	5,089	4,884	4,536	4,478	4,801	4,460	4,594	4,732	5,961
Payments											
Repayments of borrowings	(1,326)	(8,108)	(8,704)	(10,650)	(14,854)	(7,584)	(8,918)	(11,550)	(12,896)	(13,844)	(10,174)
Net cash flows from financing activities	**821**	**(5,455)**	**(3,616)**	**(5,766)**	**(10,319)**	**(3,106)**	**(4,118)**	**(7,090)**	**(8,302)**	**(9,112)**	**(4,213)**
Net increase/(decrease) in cash held	**2,602**	**(819)**	**(130)**	**(245)**	**(1,086)**	**(3,439)**	**270**	**70**	**(706)**	**(301)**	**269**
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-	-	-	-	-	-	1
Cash and cash equivalents at end of reporting period	**2,602**	**(819)**	**(130)**	**(245)**	**(1,086)**	**(3,439)**	**270**	**70**	**(706)**	**(301)**	**269**
Represented by:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	1
Less: Short term cash advance drawdowns	2,602	(819)	(130)	(245)	(1,086)	(3,439)	270	70	(706)	(301)	269

CITY OF ONKAPARINGA

STATEMENT OF CHANGES IN EQUITY

	2024-25 Budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Accumulated surplus											
Balance at end of previous reporting period	588,538	596,423	602,274	608,537	616,742	627,410	642,146	653,127	666,532	681,973	698,698
Surplus/(deficit) from operations	10,156	4,702	5,804	7,630	9,252	10,968	10,920	13,146	14,406	16,094	13,523
Transfer (to) / from other reserves	(2,271)	1,149	460	575	1,416	3,768	60	260	1,035	631	60
Non-cash transfer from reserves to accumulated surplus at 30 June 2022	-	-	-	-	-	-	-	-	-	-	1
Balance at end of period	**596,423**	**602,274**	**608,537**	**616,742**	**627,410**	**642,146**	**653,127**	**666,532**	**681,973**	**698,698**	**712,282**
Asset revaluation reserve											
Balance at end of previous reporting period	1,867,624	1,934,342	2,008,716	2,076,021	2,135,302	2,196,361	2,259,252	2,324,030	2,390,751	2,459,473	2,530,257
Gain on revaluation of infrastructure, property, plant and equipment	66,718	74,374	67,305	59,281	61,059	62,891	64,778	66,721	68,722	70,784	75,908
Balance at end of period	**1,934,342**	**2,008,716**	**2,076,021**	**2,135,302**	**2,196,361**	**2,259,252**	**2,324,030**	**2,390,751**	**2,459,473**	**2,530,257**	**2,606,165**
Other reserves											
Balance at beginning of period	(9,979)	(7,708)	(8,857)	(9,317)	(9,892)	(11,308)	(15,076)	(15,136)	(15,396)	(16,431)	(17,062)
Transfers to reserve	3,464	-	-	-	-	-	-	-	-	-	-
Transfers from reserve	(1,193)	(1,149)	(460)	(575)	(1,416)	(3,768)	(60)	(260)	(1,035)	(631)	(60)
Non-cash transfer from reserves to accumulated surplus at 30 June 2022	-	-	-	-	-	-	-	-	-	-	(1)
Balance at end of period	**(7,708)**	**(8,857)**	**(9,317)**	**(9,892)**	**(11,308)**	**(15,076)**	**(15,136)**	**(15,396)**	**(16,431)**	**(17,062)**	**(17,123)**
Total equity	**2,523,057**	**2,602,133**	**2,675,241**	**2,742,152**	**2,812,463**	**2,886,322**	**2,962,021**	**3,041,887**	**3,125,015**	**3,211,893**	**3,301,324**

CITY OF ONKAPARINGA

FUNDING STATEMENT

	2024-25 Budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Operating activities											
Income											
Rates revenues	178,973	186,621	193,662	200,970	208,554	216,424	224,592	233,069	241,866	250,995	260,469
Statutory charges	4,349	4,501	4,636	4,775	4,919	5,066	5,218	5,375	5,536	5,702	5,873
User charges	12,049	12,471	12,845	13,230	13,627	14,036	14,457	14,891	15,337	15,798	16,271
Grants, subsidies and contributions - capital	4,560	1,917	1,607	772	1,364	1,171	1,206	1,242	1,279	1,317	1,357
Grants, subsidies and contributions - operating	18,062	19,443	20,837	21,345	21,559	21,774	21,992	22,212	22,434	22,659	22,885
Investment income	194	202	209	215	222	229	236	243	250	258	266
Reimbursements	614	635	655	674	694	715	737	759	782	805	829
Other income	2,490	2,577	2,654	2,734	2,816	2,901	2,988	3,077	3,170	3,265	3,363
Net gain - equity accounted joint venture	330	330	330	330	330	330	330	330	330	330	330
Total income	**221,621**	**228,696**	**237,435**	**245,047**	**254,085**	**262,646**	**271,755**	**281,197**	**290,984**	**301,128**	**311,644**
Expenditure											
Employee costs	83,785	89,074	91,775	95,074	98,492	101,534	105,186	108,971	112,892	116,955	121,165
Contracts	54,851	57,465	59,461	61,565	63,734	65,619	67,910	70,282	72,726	75,252	77,863
Materials	15,176	15,790	16,350	16,931	17,532	18,155	18,800	19,468	20,161	20,878	21,621
Depreciation and amortisation	44,705	45,777	47,332	48,355	49,389	50,530	51,756	52,970	54,220	55,514	56,863
Finance costs	6,874	7,969	7,836	7,364	6,824	6,612	6,524	6,244	5,881	5,475	5,150
Other expenses	12,720	13,165	14,413	13,993	14,412	14,845	16,250	15,778	16,251	16,738	18,321
Total expenses	**218,111**	**229,241**	**237,168**	**243,282**	**250,384**	**257,293**	**266,426**	**273,712**	**282,130**	**290,813**	**300,983**
Operating surplus / (deficit)	3,510	(545)	267	1,765	3,701	5,353	5,329	7,485	8,854	10,315	10,661
Capital projects											
Renewal											
Project expenses	39,107	39,621	39,134	40,218	39,701	52,611	48,479	49,659	51,453	52,935	53,932
Less:											
Grants, subsidies and contributions	4,560	1,917	1,607	772	1,364	1,171	1,206	1,242	1,279	1,317	1,357
Developer contributions	-	-	-	-	-	-	-	-	-	-	-
Other income	734	964	1,037	1,310	972	1,444	1,385	1,419	1,273	1,461	1,505
Net renewal expense	**33,813**	**36,740**	**36,490**	**38,135**	**37,366**	**49,996**	**45,888**	**46,998**	**48,901**	**50,156**	**51,071**
New and Significant Upgrades											
Project expenses	13,973	6,222	10,516	10,247	9,708	9,219	9,809	9,296	9,575	9,863	11,970
Less:											
Grants, subsidies and contributions	2,612	1,283	1,500	1,556	1,580	1,171	1,206	1,242	1,279	1,317	1,357
Developer contributions	300	-	-	-	-	-	-	-	-	-	-
Other income	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	-
Net new and significant upgrade expense	**8,061**	**1,939**	**6,017**	**5,691**	**5,128**	**5,049**	**5,604**	**5,055**	**5,296**	**5,545**	**10,613**
Capital Project Expenditure	41,874	38,679	42,507	43,827	42,494	55,044	51,492	52,052	54,197	55,701	61,684

CITY OF ONKAPARINGA

FUNDING STATEMENT

	2024-25 Budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Other											
Loans											
New loans	2,147	2,653	5,089	4,884	4,536	4,478	4,801	4,460	4,594	4,732	5,961
Less:											
Loan principal repayments	1,326	8,108	8,704	10,650	14,854	7,584	8,918	11,550	12,896	13,844	10,174
Net loan movement	**821**	**(5,455)**	**(3,616)**	**(5,766)**	**(10,319)**	**(3,106)**	**(4,118)**	**(7,090)**	**(8,302)**	**(9,112)**	**(4,213)**
Reserves											
Transfer from reserves	1,193	1,149	460	575	1,416	3,768	60	260	1,035	631	60
Less:											
Transfer to reserves	3,464	-	-	-	-	-	-	-	-	-	-
Net reserve movement	**(2,271)**	**1,149**	**460**	**575**	**1,416**	**3,768**	**60**	**260**	**1,035**	**631**	**60**
Adjust:											
Depreciation - included in operating result, funded by renewal	44,705	45,777	47,332	48,355	49,389	50,530	51,756	52,970	54,220	55,514	56,863
Grants, subsidies and contributions (renewal) - included in operating result	(4,560)	(1,917)	(1,607)	(772)	(1,364)	(1,171)	(1,206)	(1,242)	(1,279)	(1,317)	(1,357)
Net gain - equity accounted joint venture - non-cash	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(330)
Funding Surplus / (deficit)	-	-	-	-	-	-	-	-	-	-	-
Grand Total Income	231,276	237,415	248,190	256,041	265,258	276,177	281,877	291,248	301,834	311,940	320,196
Grand Total Expense	231,276	237,415	248,190	256,041	265,258	276,177	281,877	291,248	301,834	311,940	320,196
Funding Surplus / (deficit)	-	-	-	-	-	-	-	-	-	-	-

CITY OF ONKAPARINGA

UNIFORM PRESENTATION OF FINANCES

	2024-25 Budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Operating surplus/(deficit)											
Income											
Rates	178,973	186,621	193,662	200,970	208,554	216,424	224,592	233,069	241,866	250,995	260,469
Statutory charges	4,349	4,501	4,636	4,775	4,919	5,066	5,218	5,375	5,536	5,702	5,873
User charges	12,049	12,471	12,845	13,230	13,627	14,036	14,457	14,891	15,337	15,798	16,271
Grants, subsidies and contributions - capital	4,560	1,917	1,607	772	1,364	1,171	1,206	1,242	1,279	1,317	1,357
Grants, subsidies and contributions - operating	18,062	19,443	20,837	21,345	21,559	21,774	21,992	22,212	22,434	22,659	22,885
Investment income	194	202	209	215	222	229	236	243	250	258	266
Reimbursmeents	614	635	655	674	694	715	737	759	782	805	829
Other income	2,490	2,577	2,654	2,734	2,816	2,901	2,988	3,077	3,170	3,265	3,363
Net gain - equity accounted council businesses	330	330	330	330	330	330	330	330	330	330	330
Total income	**221,621**	**228,696**	**237,435**	**245,047**	**254,085**	**262,646**	**271,755**	**281,197**	**290,984**	**301,128**	**311,644**
Expenses											
Employee costs	83,785	89,074	91,775	95,074	98,492	101,534	105,186	108,971	112,892	116,955	121,165
Materials, contracts and other expenses	82,747	86,420	90,225	92,488	95,679	98,618	102,960	105,528	109,137	112,868	117,805
Depreciation, amortisation and impairment	6,874	7,969	7,836	7,364	6,824	6,612	6,524	6,244	5,881	5,475	5,150
Finance costs	44,705	45,777	47,332	48,355	49,389	50,530	51,756	52,970	54,220	55,514	56,863
Total expenses	**218,111**	**229,241**	**237,168**	**243,282**	**250,384**	**257,293**	**266,426**	**273,712**	**282,130**	**290,813**	**300,983**
Operating surplus/(deficit)	**3,510**	**(545)**	**267**	**1,765**	**3,701**	**5,353**	**5,329**	**7,485**	**8,854**	**10,315**	**10,661**
Less: Net outlays on existing assets											
Capital expenditure on renewal and replacement of existing assets	(39,107)	(39,621)	(39,134)	(40,218)	(39,701)	(52,611)	(48,479)	(49,659)	(51,453)	(52,935)	(53,932)
Less: Depreciation, amortisation and impairment	44,705	45,777	47,332	48,355	49,389	50,530	51,756	52,970	54,220	55,514	56,863
Less: Proceeds from sale of replaced assets	734	964	1,037	1,310	972	1,444	1,385	1,419	1,273	1,461	1,505
Net outlays on existing assets	**6,332**	**7,120**	**9,235**	**9,448**	**10,660**	**(637)**	**4,662**	**4,730**	**4,039**	**4,041**	**4,436**
Less: Net outlays on new and upgraded assets											
Capital expenditure on new and upgraded assets	(13,973)	(6,222)	(10,516)	(10,247)	(9,708)	(9,219)	(9,809)	(9,296)	(9,575)	(9,863)	(11,970)
Less: Grants and contributions for new and upgraded assets	2,912	1,283	1,500	1,556	1,580	1,171	1,206	1,242	1,279	1,317	1,357
Less: Proceeds from sale of surplus assets	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	-
Net outlays on new and upgraded assets	**(8,061)**	**(1,939)**	**(6,017)**	**(5,691)**	**(5,128)**	**(5,049)**	**(5,604)**	**(5,055)**	**(5,296)**	**(5,545)**	**(10,613)**
Net lending / (borrowing) for financial year	**1,781**	**4,636**	**3,485**	**5,522**	**9,233**	**(333)**	**4,387**	**7,160**	**7,597**	**8,811**	**4,484**

CITY OF ONKAPARINGA

KEY FINANCIAL INDICATORS

	2024-25 Budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Operating surplus ratio											
The percentage by which the major controllable income source varies from day to day expenses											
Calculated as:											
Operating surplus/(deficit) before capital amounts	3,510	(545)	267	1,765	3,701	5,353	5,329	7,485	8,854	10,315	10,660
Divided by:											
Operating income	221,621	228,696	237,435	245,047	254,085	262,646	271,755	281,197	290,984	301,128	311,644
Operating income	**221,621**	**228,696**	**237,435**	**245,047**	**254,085**	**262,646**	**271,755**	**281,197**	**290,984**	**301,128**	**311,644**
Expressed as a percentage	**1.6%**	**(0.2%)**	**0.1%**	**0.7%**	**1.5%**	**2.0%**	**2.0%**	**2.7%**	**3.0%**	**3.4%**	**3.4%**
Target*	**>0%**	**>0%**	**>0%**	**>0%**	**>0%**	**>0%**	**>0%**	**>0%**	**>0%**	**>0%**	**>0%**
Net financial liabilities ratio											
How significant is the net amount owed compared with income											
Calculated as:											
Total liabilities	162,018	172,712	169,556	164,365	155,462	156,125	152,067	145,237	137,970	129,489	125,336
Less: Liabilities for equity accounted investments in council businesses	-	1	2	3	4	5	6	7	8	9	10
Less: Current cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Less: Current trade and other receivables	(16,493)	(16,493)	(16,493)	(16,493)	(16,493)	(16,493)	(16,493)	(16,493)	(16,493)	(16,493)	(16,493)
Less: Current other financial assets	(73)	(73)	(73)	(73)	(73)	(73)	(73)	(73)	(73)	(73)	(73)
Less: Non-current financial assets	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)	(1,060)
Net financial liabilities	**144,392**	**155,087**	**151,932**	**146,742**	**137,840**	**138,504**	**134,447**	**127,618**	**120,352**	**111,872**	**107,720**
Divided by:											
Total operating income	221,621	228,696	237,435	245,047	254,085	262,646	271,755	281,197	290,984	301,128	311,644
Total operating income	**221,621**	**228,696**	**237,435**	**245,047**	**254,085**	**262,646**	**271,755**	**281,197**	**290,984**	**301,128**	**311,644**
Expressed as a percentage	**65.2%**	**67.8%**	**64.0%**	**59.9%**	**54.2%**	**52.7%**	**49.5%**	**45.4%**	**41.4%**	**37.2%**	**34.6%**
Target	**<100%**	**<100%**	**<100%**	**<100%**	**<100%**	**<100%**	**<100%**	**<100%**	**<100%**	**<100%**	**<100%**
Interest cover ratio											
How much income is used in paying interest on loans											
Calculated as:											
Finance costs	6,874	7,969	7,836	7,364	6,824	6,612	6,524	6,244	5,881	5,475	5,150
Less: Investment income	(194)	(202)	(209)	(215)	(222)	(229)	(236)	(243)	(250)	(258)	(266)
Net finance costs	**6,680**	**7,768**	**7,627**	**7,149**	**6,602**	**6,383**	**6,289**	**6,001**	**5,631**	**5,217**	**4,884**
Divided by:											
Total operating income	221,621	228,696	237,435	245,047	254,085	262,646	271,755	281,197	290,984	301,128	311,644
Less: Investment income	(194)	(202)	(209)	(215)	(222)	(229)	(236)	(243)	(250)	(258)	(266)
Total operating income	**221,427**	**228,494**	**237,226**	**244,832**	**253,863**	**262,417**	**271,519**	**280,954**	**290,734**	**300,870**	**311,378**
Expressed as a percentage	**3.0%**	**3.4%**	**3.2%**	**2.9%**	**2.6%**	**2.4%**	**2.3%**	**2.1%**	**1.9%**	**1.7%**	**1.6%**
Target	**<5%**	**<5%**	**<5%**	**<5%**	**<5%**	**<5%**	**<5%**	**<5%**	**<5%**	**<5%**	**<5%**

CITY OF ONKAPARINGA

KEY FINANCIAL INDICATORS

	2024-25 Budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Level of borrowings against the debt ceiling *How significant is the level of borrowings compared with the proposed debt ceiling*											
Calculated as:											
Total borrowings	126,000	143,300	142,144	136,953	128,050	128,713	124,655	117,825	110,558	102,077	97,924
Divided by:											
Proposed debt ceiling	138,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500	143,500
Expressed as a percentage	**91.0%**	**99.9%**	**99.1%**	**95.4%**	**89.2%**	**89.7%**	**86.9%**	**82.1%**	**77.0%**	**71.1%**	**68.2%**
Alternate ratio to show borrowings against total operating income											
Calculated as:											
Total borrowings	126,000	143,300	142,144	136,953	128,050	128,713	124,655	117,825	110,558	102,077	97,924
Divided by:											
Total operating income	221,621	228,696	237,435	245,047	254,085	262,646	271,755	281,197	290,984	301,128	311,644
Expressed as a percentage	**56.9%**	**62.7%**	**59.9%**	**55.9%**	**50.4%**	**49.0%**	**45.9%**	**41.9%**	**38.0%**	**33.9%**	**31.4%**
Debt servicing ratio *The proportion of total operating revenue required to service debt*											
Calculated as:											
Fixed term repayments plus Interest (finance costs)	8,200	16,077	16,540	18,014	21,678	14,195	15,442	17,794	18,776	19,319	15,324
Divided by:											
Total operating income	221,621	228,696	237,435	245,047	254,085	262,646	271,755	281,197	290,984	301,128	311,644
Expressed as a percentage	**3.7%**	**7.0%**	**7.0%**	**7.4%**	**8.5%**	**5.4%**	**5.7%**	**6.3%**	**6.5%**	**6.4%**	**4.9%**
Target											
Total debt servicing will be below an upper debt servicing limit of 10% and above a lower limit of 3% Operating revenue											
Calculated as:											
Total operating income	221,621	228,696	237,435	245,047	254,085	262,646	271,755	281,197	290,984	301,128	311,644
Upper debt servicing limit 10% of operating revenue	22,162	22,870	23,744	24,505	25,409	26,265	27,176	28,120	29,098	30,113	31,164
Lower debt servicing limit 3% of operating revenue	6,649	6,861	7,123	7,351	7,623	7,879	8,153	8,436	8,730	9,034	9,349
Debt Servicing	**8,200**	**16,077**	**16,540**	**18,014**	**21,678**	**14,195**	**15,442**	**17,794**	**18,776**	**19,319**	**15,324**
Asset renewal funding ratio *What percentage of assets are being replaced at the rate they are consumed*											
Calculated as:											
Expenditure on renewal/replacement of assets	39,107	39,621	39,134	40,218	39,701	52,611	48,479	49,659	51,453	52,935	53,932
Net expenditure on renewal/replacement of assets	**39,107**	**39,621**	**39,134**	**40,218**	**39,701**	**52,611**	**48,479**	**49,659**	**51,453**	**52,935**	**53,932**
Divided by:											
Projected asset renewal funding requirement	35,646	39,621	39,134	40,218	39,701	52,611	48,479	49,659	51,453	52,935	53,932
Expressed as a percentage	**109.7%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Target	**90-110%**	**90-110%**	**90-110%**	**90-110%**	**90-110%**	**90-110%**	**90-110%**	**90-110%**	**90-110%**	**90-110%**	**90-110%**