

# 2022-23 to 2031-32 Long Term Financial Plan



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## Executive Summary

The Local Government Association's 2022/23–2031/32 Long-Term Financial Plan (LTFP) is a key document in the LGA's Strategic Planning Framework. Covering a period of 10 years the LTFP reflects the LGA's strategic direction and financial capacity.

The Local Government Association's LTFP ensures that the LGA can continue to deliver services to its members and achieve its strategic objectives in a financially sustainable manner.

The LTFP is aligned to the LGA's 2021-2025 Strategic Plan, which was adopted by the LGA Board in March 2021. The strategic plan focuses on the LGA's mission to provide leadership, support, representation and advocacy on behalf of South Australian councils. To achieve this mission, the LGA has set four key objectives that are summarised as Advocate, Advance, Assist and Achieve.

The LTFP has been developed to provide an overarching strategic focus on the LGA's finances by establishing a base-case 10 year plan with financial sustainability indicators to ensure the LGA's financial health remains on track.

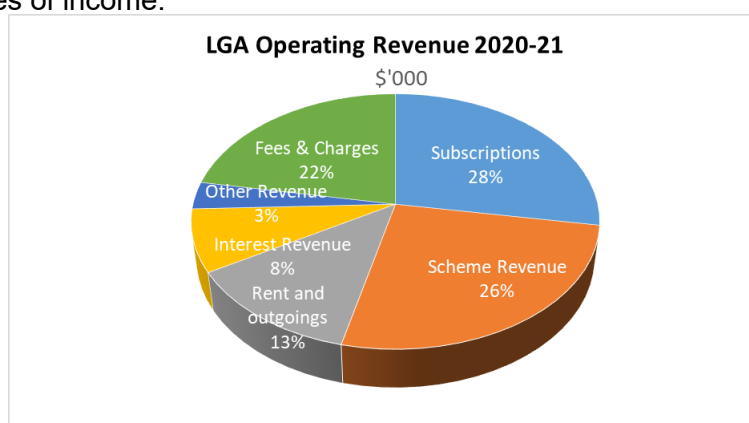
Some of the key initiatives of the LTFP include:

- Operating sustainability over the 10 years of the plan
- Ensuring the LGA maximises the value it delivers to members over the life of the plan
- Maintenance and capital upkeep of Local Government House ensuring it continues to meet the LGA requirements and continues to be market competitive to maintain 100% occupancy
- Improved collaboration with its subsidiaries, LGA Procurement and LGASA Mutual which includes the Mutual Liability Scheme and Workers Compensation Scheme

The LGA splits its operations into two distinct areas; the LGA Secretariat and LGA Projects. The LGA Secretariat budget tends to be relatively stable, maintaining a breakeven result over the 10 years of the plan.

This compares to the fluctuations in LGA Project income and expenditure, which are predominately driven by the availability of grant funding. While Project funding varies considerably year on year, this tends to have a nil net effect on the overall LGA financial position as all project expenditure is matched by corresponding project income.

The LGA receives approximately a quarter of its revenue from Member Subscriptions (\$2.4 million), a quarter from Scheme Revenue (\$2.3 million), a slightly less than quarter from various fees and charges (\$1.8 million), the remaining quarter is associated with income from LG House and the remainder from various other sources of income.



The LTFP operating statement and financial indicators have been split into the categories of operating activities and projects activities. This split is to ensure the operational activities of the LGA remain financially sustainable and that accountability can be held for the delivery of projects in line with scope, timing and budget.

Only project grants that meet the definition of revenue in the accounting standard AASB 15 are shown in the Profit and Loss statement. As some grants do not meet this technical definition, they are shown in a separate section of this LTFP as they still provide value to members and will appear in the LGA's cashflow statement. The long term grants that do not meet the revenue definition include:

- Community Wastewater Management Scheme – Completed in 2026/27
- State Local Government Infrastructure Partnership program – Completed in 2027/28

The LTFP is based on the assumptions summarised in the table below.

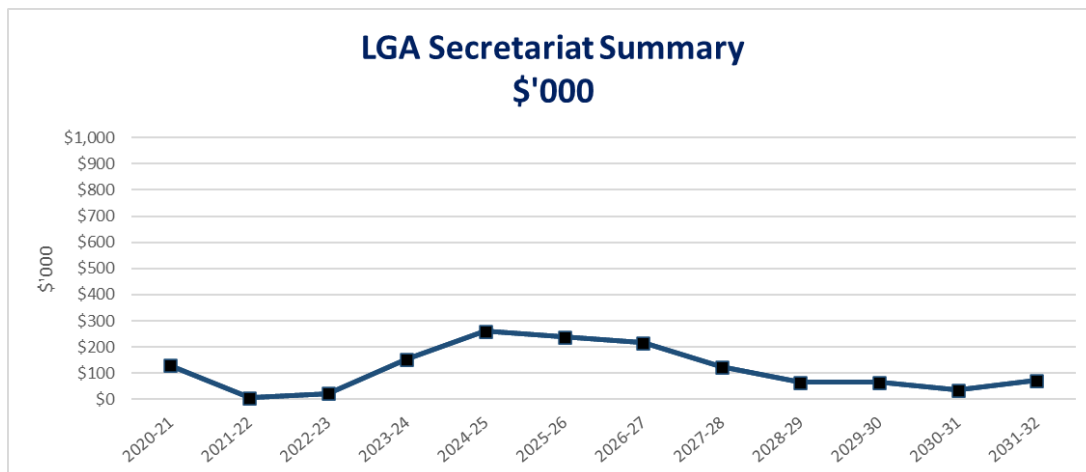
	Annual Increase	Explanation
<b>Revenue</b>		
Membership subscriptions	2.5%	Based on the CPI increase plus 0.5% matching the increase in wages
LGA House Rental Income	3.5%	Based on lease agreements
Scheme Income	2%	Based on the CPI increase
Grants & Contributions		Only known grants have been included and are based on grant agreements.
R&D Fund Income	2%	Based on the CPI increase
Investment/Interest Income	2%	Based on interest on cash
Investment property income	0.5%	LG House asset revaluation increment of 3% less 40 year amortisation.
Fees & Charges	1% to 3%	Events 1%, Training 2% and Webservices 3%
LGA Procurement	various	FY21-22 contribute \$50,000 per year and increasing by \$50,000 per year until it reaches \$200,000 per year in FY24-25; then increasing by CPI
<b>Expenditure</b>		
Salaries and Wages	2.5%	Based on the CPI increase plus 0.5%
Operating Expenses	2%	Based on the CPI increase
Interest Expense on Borrowings	3.425%	Fixed rate negotiated with LGFA for the SLGIP project.
Depreciation		Per asset schedule; revaluation every year based on 3% increase in value of owner-occupied part of LG House

Overall, the LTFP shows that the LGA's finances will remain financially sustainable maintaining a positive operating result for the life of the plan.

Key highlights of the LTFP include:

- Operating Secretariat Income over the ten year period of \$106 million
- Operating Secretariat Expenditure over the ten year period of \$105 million
- Maintaining an operating surplus
- Spending \$2 million to ensure that the LGA's office furniture, fittings and equipment can be replaced within next 10 years.
- Building improvements to LG House of \$3 million
- Borrowings will be required in the later years of the plan to support a \$1.5 million renewal of the website content management system that the majority of councils use for the management of their websites
- Repayment of the \$15 million remaining on the State Local Government Partnership Infrastructure loan by 2027/28. The State Government provides an annual grant to the LGA to cover all interest and principal repayments.
- LGA Procurement is expected to return a dividend to the LGA of \$50,000 in 2021/22 growing by \$50,000 per year until it reaches \$200,000 in 2025.

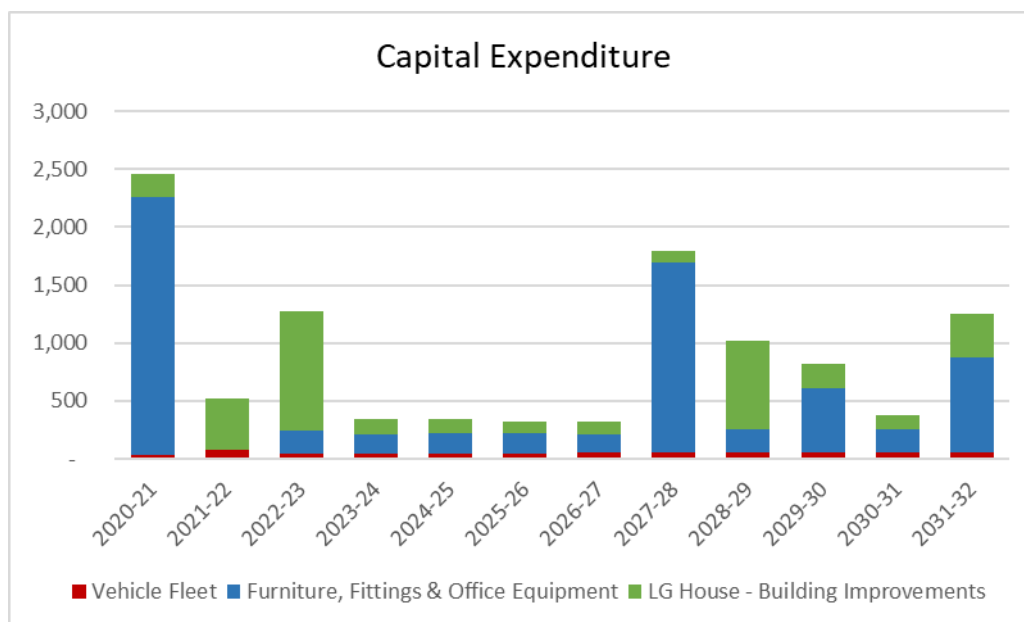
The chart below shows the expected operating results from ordinary activities (excluding projects). The surplus operating result is within 2% of gross revenue and expenditure for the next 10 years.



The graph below provides an overview of the capital works plan contained in this LTFP. The draft Capital Plan has a net expenditure of \$7.5 million over the ten year period commencing 2022/23 and includes \$3.1 million of improvements to LG House, \$2.6 million for office fit out and \$1.5 million for a replacement of the web service's content management system and further \$0.5 million for fleet vehicle

changeovers.

The financial performance of the LGA is monitored using the following key financial sustainability indicators. Further details on the indicators and target ranges are provided in page 21.



The table shows a summary of the projected financial sustainability indicators for the LTFP compared to the target ranges for each indicator.

Year Ended 30 June:	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	Audited Actual \$('000)	Budget Estimate \$('000)	Plan Year 1 \$('000)	Plan Year 2 \$('000)	Plan Year 3 \$('000)	Plan Year 4 \$('000)	Plan Year 5 \$('000)	Plan Year 6 \$('000)	Plan Year 7 \$('000)	Plan Year 8 \$('000)	Plan Year 9 \$('000)	Plan Year 10 \$('000)
Secretariat Operating Surplus / (Deficit) - \$'000	129	6	22	153	260	238	216	123	64	65	35	73
Secretariat Operating Surplus Ratio - %	2%	0%	0%	2%	3%	2%	2%	1%	1%	1%	0%	1%
Net Financial Liabilities - \$'000 (excluding SLGIP)	1,654	935	1,467	950	299	- 378	- 1,062	- 1,693	- 2,111	- 2,026	- 2,174	- 1,493
Net Financial Liabilities Ratio - %	19%	9%	15%	9%	3%	-4%	-10%	-16%	-20%	-18%	-19%	-13%
Current Ratio / Liquidity Ratio	0.89	0.93	0.87	0.91	0.99	1.08	1.24	1.97	1.91	1.68	1.73	1.80
Return on Building Investment Ratio - %		5%	5.4%	5.5%	5.7%	5.9%	6.1%	6.2%	6.4%	6.6%	6.8%	7.0%

This document will guide the LGA in setting its fees and charges, its strategic priorities and its financial direction for each year as part of its annual budget process. This document will be revised, considered and adopted by the LGA board each year as part of the process of adopting its priorities, budget and key activities for the ensuing year.

The LGA will update the LTFP annually to incorporate changes in external factors such as government policy decisions, global economic pressures, and internal factors. The LTFP will also be reviewed annually by the LGA's Audit and Risk committee to provide advice regarding the assumptions being used.

## About the LGA

The Local Government Association of South Australia (LGA) is the peak body for local government in South Australia. The LGA provides leadership and services to councils and represents the sector to State and Federal governments and other key stakeholders. Membership of the LGA is voluntary, but all 68 of South Australia's councils are members.

The LGA also provides competitive procurement and indemnity (insurance) services to councils through two separate commercial entities; LGA Procurement and LGASA Mutual. The LGA is governed by a Board of Directors and supported by a Secretariat based in Local Government House in Adelaide. The LGA is federated with interstate bodies through the Australian Local Government Association (ALGA), which represents local government's national interests. More information about the LGA is available on our website at [www.lga.sa.gov.au](http://www.lga.sa.gov.au).

## Vision, Mission & Strategic Priorities

The LGA has adopted a 5-year Strategic Plan covering the period 2021-2025 which sets as its vision *"For South Australian councils to work together as willing and trusted partners in government, for the benefit of our communities"*. This vision is backed up by the LGA's mission which is *"To provide leadership, support, representation and advocacy on behalf of South Australian councils"*.

The LGA's Strategic Plan is broken down into four Key Strategies:

- **Strategy 1: Advocate** – Achieving greater influence for local government
- **Strategy 2: Asset** - Build the capacity of member councils
- **Strategy 3; Advance** – Facilitate continuous improvement in local government
- **Strategy 4 – Achieve** – Embed best practice governance and operations to enable the LGA to provide value to members

Each of these four key initiatives also has strategies to help the LGA meet its objectives. The plan is available on the LGA's website [www.lga.sa.gov.au](http://www.lga.sa.gov.au) under the heading Corporate Documents.

## Integrated Planning and Reporting Framework

The LTFP is aligned to the Strategic Plan and is supported by a planning and reporting framework to assist the LGA in meeting its goals and aspirations.

The diagram below illustrates the LGA's strategic planning framework, detailing the inputs into the development of the Strategic Plan and how it is implemented.

**LGA's Integrated Planning and Reporting Framework**



# External Factors, Risks and Assumptions impacting the plan

## External Factors

Delivering on the LGA's LTFP's 10-year targets is subject to certain inherent risks and external influences, including:

- State Elections
- State Grant activities
- Council and community needs
- Market conditions and cost pressures
- Legislation changes
- Revenue instability

The LGA will update the LTFP annually to incorporate changes in external factors such as government policy decisions and global economic pressures as well as any internal factors. The LTFP will also be reviewed annually by the LGA's audit and risk committee to provide governance advice regarding the assumptions being used.

The following analysis highlights the key risks and influences within the LTFP.

### ***State Election***

The South Australian election is held every four years with the next one in March 2026. The LGA advocates on the issues of importance to the local government sector. The LTFP has included additional advertising in the plan but further funding may be required to address members' concerns on significant issues that may affect the local government sector and the community.

### ***State Government Grant Activities***

The State Government often utilises the LGA to coordinate and deliver programs to councils and the community. Some of these programs address issues such as public health, economic development, environment, roads and infrastructure. These programs can significantly change the LGA's corporate and project finances as the timing of these initiatives can be very unpredictable.

Grant programs often allow for reasonable corporate staff and administration costs, improving the LGA's operating financial result.

### ***Council and Community needs***

The LGA is a member-based organisation and thus must manage the changing expectations and priorities of its members. Properly addressing issues can often have additional costs. Before any budget adjustments are made, they must be approved by the LGA Board. The issues can vary from local issues to concerns at the Federal or State Government level.

Should these change significantly in a short space of time and if due to resourcing constraints, the LGA fails to respond promptly to the satisfaction of members, it risks losing members and thus revenue, which could undermine its ability to meet the requirements of remaining members. As a member organisation

the LGA can be asked to respond to a variety of issues with limited notice.

### ***Market conditions and cost pressures***

Like all other organisations, the LGA is subject to market conditions and cost pressures. Should costs increase significantly more than expected due to general market movements and not be matched by similar increases in revenue, it will pressure the LGA's ability to meet member expectations and its key objectives.

### ***Legislative changes***

The LGA operates in a legislative and political environment. As a result, its operations are subject to changes in legislation which may have an impact on its revenue streams and the use and cost of its resources.

## **Internal Activities**

In addition to the external factors influencing the LGA's operations, there are also a number of internal activities that can create a risk to the LTFP. These include:

- Member services activities
- Local Government Reform Implementation
- Performance of LGASA Mutual and LGA Procurement subsidiaries
- Ownership and returns from LG House
- Research & Development Scheme

Each is explored in more detail below.

### ***Member Service activity***

The LGA's Member Services team provides additional services on a fee-for-service basis or cost-neutral basis to increase the LGA's value to members. Each new member service is required to have its own business case to reduce the risk of implementing an unsustainable service. All business cases are reviewed by the LGA's Audit and Risk committee before being considered and approved by the Board.

### ***Local Government Reform Implementation***

In 2021, the State Government passed the Statutes Amendment (Local Government Review Bill). The Bill will have a significant impact on councils and the LGA. The 2022/23 budget includes project funding from councils for training activities associated with the changes. Further work may be required in future years to support councils to meet the new legislative requirements.

### ***Performance of LGASA Mutual and LGA Procurement***

LGA revenue remains reliant on the performance of its subsidiaries for its growth. LGASA Mutual and Local Government Risk Services provides \$2.5 million per year to the LGA for the administration of the Workers Compensation Scheme and Mutual Liability Scheme.

The LGA Procurement's revenue continues to achieve increases in its gross revenue of 15% to 20% each year.

### ***Ownership of LG House***

LG House is the LGA's largest asset comprising 90% of the LGA's asset base and it provides an income of \$1.9 million per year, representing 13% of the LGA's income from ordinary activities.

LG House will be fully tenanted for the next 4-5 years with options for the existing tenants to extend their lease for further 5 years. All tenants have recently invested in fit-outs providing confidence they are likely to exercise the extension.

The benefits from holding the investment are rental income, capital growth and below market cost of "owner occupier rent" for the LGA, which is a saving from the commercial rental market.

The risk of vacancies remains a risk that will be monitored. Returns will also be compared to alternative buildings in the market.

The LGA will continue to review the viability of the investment and identify any business opportunities that may be available to best capitalise on holding this asset.

The LGA has set up a financial indicator and financial targets to monitor how its commercial CBD rental returns are performing compared to other potential risk-free investments with the Local Government Financing Authority and other Adelaide CBD commercial rental returns.

### ***Research & Development Fund***

The Local Government Finance Authority (LGFA), a State Government statutory body, pays income tax equivalent amounts to the LGA to be used for research and development activities in the sector. The grant provides income of \$1.4 million to the LGA per year.

The LGA, councils, universities and other bodies all undertake work under this program to pursue priorities and policy development on behalf of the sector. Ordinarily, this would need to be funded by membership subscriptions, special levies or not be undertaken at all.

The LGA's share of the Research and Development Fund is subject to a number of variables outside the LGA's control, including the LGFA's annual profit, changes to government legislation over this fund and the tax equivalent payments, and changes relating to how these funds are allocated.

As the R&D fund income is based on the corporate tax-equivalent payable by the LGFA, any changes to the profit of the LGA and/or the corporate tax rate will affect the revenue going into the R&D fund available to the LGA to fund its operations.

## Financial Assumptions

The content of the LTFP is based on a number of assumptions, particularly to assist in the collating of information for years 4 – 10, as there are many unknowns when attempting to anticipate the longer-term future.

Much of the information in the LTFP is based on the expected forecast movement in the Consumer Price Index (CPI). The Reserve Bank of Australia has set an inflationary target of between 2 percent and 3 percent per annum. Based on the ten-year average, CPI increases have been set at 2 percent for the life of the Plan.

The table below provides a summary of the key financial assumptions made in the LTFP.

### Operating Revenue

The table on page 3 provides the general assumptions used to prepare this LTFP. Provided below are the more specific assumptions used for each category of revenue source of the LGA.

#### ***Member Subscriptions – 2.5% Based on CPI + 0.5%***

It is the intent of the LGA to continue to provide more value to members in a financially sustainable way, continuing to hold membership of all councils across South Australia. The LTFP is based on the assumption that member subscriptions will increase by the CPI plus 0.5%.

#### ***Scheme Revenue - 2% Based on CPI***

The LTFP assumes that the LGA will maintain its current approximate \$2.5 million revenue from the Schemes as agents/funders of the Schemes, and this is expected to increase by CPI each year.

#### ***LG House Rent and Outgoings Income – 3.5% Based on Lease Agreements***

The LGA land and building is valued at \$26 million. From this, the LGA receives rental and income and reimbursements of \$1.9 million plus the LGA effective rental of this building.

The LTFP assumes that LGA House has 100% occupancy during the LTFP and that rental income will increase by 3% each year.

#### ***Investment income 2% - CPI / SLGIP funding agreement***

Investment income is a combination of interest earned by the LGA on invested funds from project reserves and grant contributions from the SA Government to repay the interest on the State Local Government Infrastructure Partnership Loan (SLGIP).

#### ***Research and Development Project Income - 2% Based on CPI***

It is assumed that Research and Development (R&D) funds will continue to be received at current levels (\$1.4 million per year) indexed by CPI (2%) each year.

In this LTFP, R&D projects have been split into regular and periodic projects to determine residual amounts available for new projects. It is also assumed that there will be no carry forward of R&D projects each year and that a minimum of \$150,000 is kept in reserve if needed to respond to unexpected events.

#### ***Grants & Contributions – Various based on agreement***

The LGA will continue to seek funding from external sources to assist it in meeting the objectives in its Strategic Plan. In preparing this LTFP only known external grants and contributions have been included. Many of these are only for short durations (less than two years).

The LGA entered into a long term funding arrangement with the State Government for the delivery of the State Local Government Infrastructure Partnership (SLGIP). Although the program activity is now complete the LGA is repaying the long term loan, which was originally \$25 million. The LGA received a matching grant from the State Government and so this has had a nil net effect on the LGA's operation statement and balance sheet.

**Fee-for-Service Income 1% to 3%** The LGA provides added value to members by providing fee-for-service offerings. For the following established fee-for-service activities it has been assumed this income will increase by the following:

- Education and training – 1% given the variability of training activity in recent years a conservative target has been adopted
- Events and Conferences – 2% based on CPI
- Squiz content management system hosting and other web services – 3% being CPI + 1% based on established council services agreements

### **LGA Procurement**

The LGA operates a wholly owned subsidiary trading as LGA Procurement (LGAP). LGA Procurement was established to help South Australian councils undertake best practice procurement and deliver value for money to the sector.

As LGAP is a separate entity, its finances have not been included in this LTFP. It is expected that LGAP will provide a dividend to the LGA to further assist it in reducing its reliance on its members' subscriptions. From 2022/23 LGAP is budgeting to provide a dividend of \$100,000 pa increasing by \$50,000 pa, year-on-year until stabilising at a total dividend of \$200,000 in 2024/25, after which it is expected to increase by CPI.

### **Operating Costs**

Provided below are the more specific assumptions used for each category of expenditure shown in the table on page 3:

#### **Employee costs - CPI**

Employee costs are based on current staffing levels. Annual increases are based on the consumer price index plus 0.5% allowing for further salary growth or changes in roles and positions over the ten year period.

#### **Materials, contract & other costs - CPI**

The estimated annual increase is an average of 2%, being the estimated increase in the consumer price index during the life of this LTFP.

#### **Depreciation**

Depreciation is based on the estimated useful life of the assets purchased over the life of the LTFP. The assets are depreciated on the following basis:

- LG House (owner occupier) – 40 year useful life and is revalued every year
- LG House (investment) – the floors commercially leased are not amortised. Any changes in value have been factored into the estimated annual revaluation
- Office Furniture and Equipment – 7 – 10 years
- Motor Vehicles – 4 years

## ***Project Expenditure***

It has been assumed that most project reserves carried forward from 2021/22 will be spent in full in 2022/23 with the exceptions being the CWMS reserve and Research and Development Scheme reserves.

The CWMS reserve of \$7.4 million in 2021/22 will reduce by \$1.48 million each year over the remaining 5 years of the project. The result of this assumption is that the LGA's cash reserves and total cash holding will continue to reduce until 2026/27.

## **Loan Borrowings & Debt – 3.25% Interest**

Due to the nature of the LGA's operations, including the limited infrastructure that it is responsible for and its good financial management, the LGA rarely borrows funds as part of its business.

The borrowing of funds is limited to specific projects where identified revenue streams exist, such as funding the upgrade to the Squiz content management system, the State Government Infrastructure Partnership Program, and capital upgrades to LG House. New loans of \$1.5 million and \$0.5 million are forecast in 2027/28 and 2028/29, respectively, to fund the Squiz replacement and office upgrades. These will be repaid in the following years with \$250,000 in 2029/30, \$500,000 from 2030/31 until the entire loan is repaid.

In 2017/18 the LGA obtained a \$24 million loan from the LGFA to be repaid over a period of ten years, with the repayments plus interest to be provided to the LGA from the State Government as part of the State Local Government Infrastructure Partnership.

All repayments of principal and interest payments are included in the LTFP. Interest payments are shown in operating expenses.

## **Non-current Assets**

The LTFP also provides for the revaluation of its building and land every year. Assets are assumed to increase by CPI+1% and the resultant increase on depreciation has been factored into the LTFP post revaluations.

## **Reserves**

The LGA maintains several reserve funds for specific purposes. These include:

- R&D Fund – for all unspent or unallocated funds for Research and Development projects.
- CWMS – the LGA receives \$4.5 million pa (indexed) over ten years for construction of wastewater management systems by councils. The timing of expenditure under this program can vary and all unspent and unallocated funds remain in the CWMS reserve. The LGA is required to distribute these funds to councils to subsidise the construction and management of new wastewater disposal systems. According to accounting standards, the grant revenue and expense are not shown in the LGA's operating statement but appear in the cashflow statement
- Other Grant Funds – the LGA typically keeps its grant funds quarantined from its ordinary activities with any unspent funds remaining in the relevant grant project reserve

# Long Term Financial Plan Overview

## Objectives of LTFP

The long term financial performance and position of the LGA is considered to be sustainable, where planned long term service and asset standards are met without unplanned increases in member subscriptions or disruptive decreases in service levels. The specific objectives of the LTFP are as follows.

### 1. To achieve and maintain an Operating Surplus

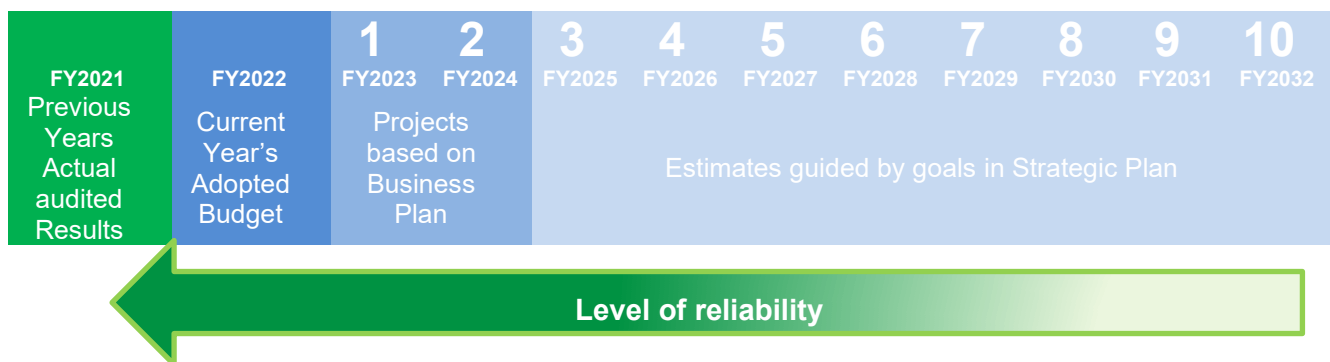
Aim for a breakeven operating position in the short to medium term. In the longer term, seek to achieve and maintain consistent operating surpluses as a result of the expansion of its commercial services. These funds are then available to invest in more services to members or to reduce the reliance on member subscriptions.

### 2. To fund the Asset Renewal/Replacement of existing assets

Target an average Asset Sustainability Ratio of 100% (measured against the planned Capital works program). This would mean that the existing assets are being renewed and replaced to maintain the existing services levels.

### 3. To achieve the Plan

The success of the Plan is totally reliant on ongoing consistency with its objectives. The financial performance is reviewed at each budget review and annually when preparing the Business Plan and Budget to identify any issues which could negatively impact the achievement of the Plan.



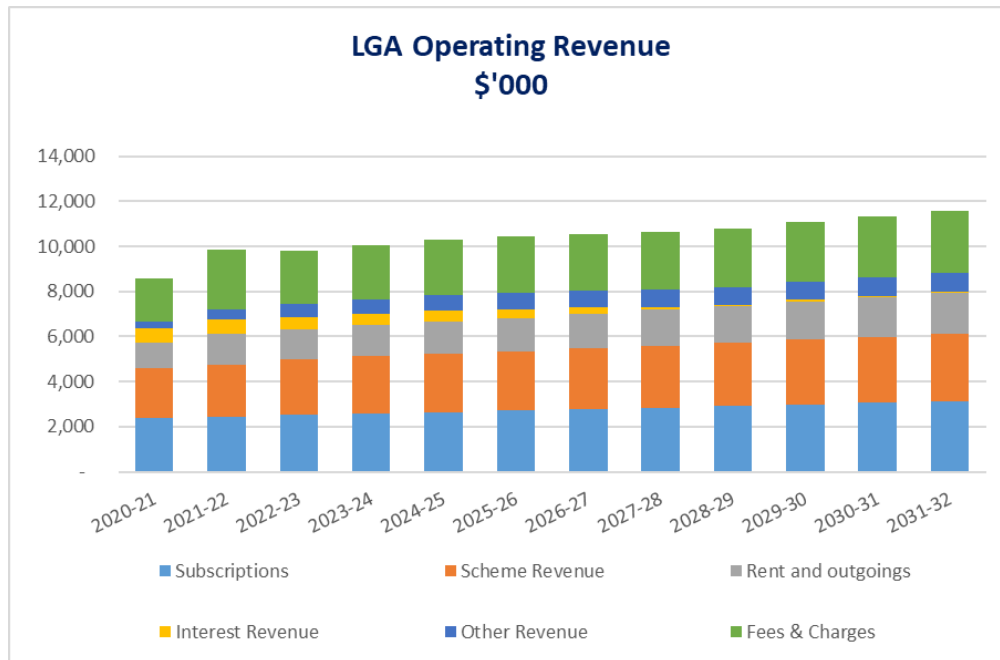
The plan provides an overview of the LGA's financial capacity to deliver its ordinary activities and projects.

The LTFP estimates provide for a general increase in the majority of its income and expenditure in line with CPI and a balanced budget. It assumes that the LGA will continue to provide the current range of services that it currently does. That is, it does not allocate additional expenditure for new or altered activities which is consistent with achieving its objectives in the LGA's Strategic Plan.

## Income

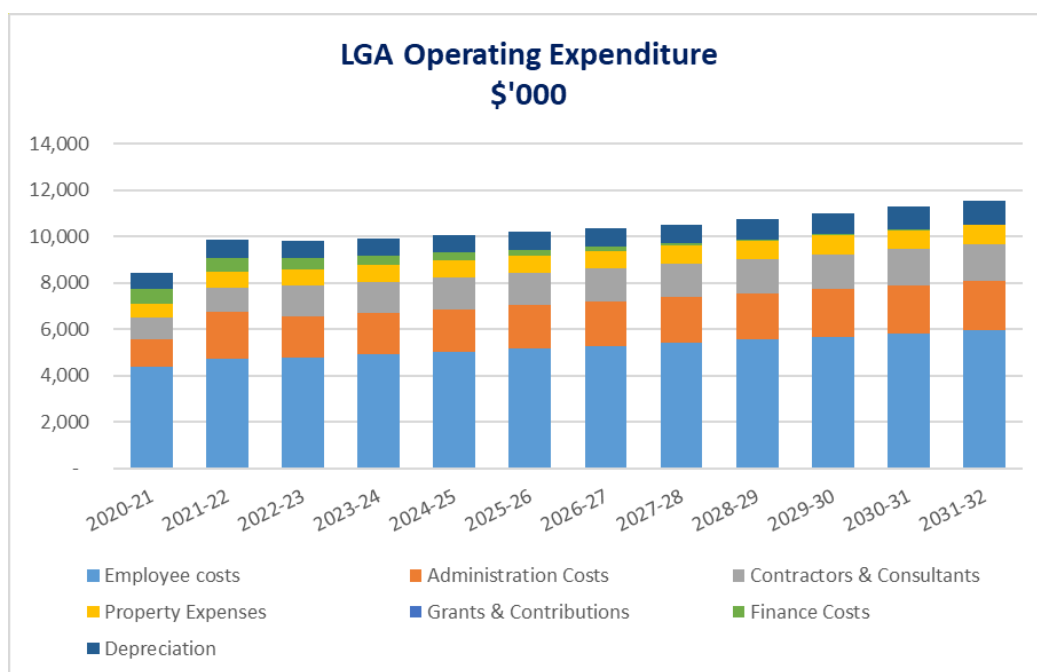
The Chart below provides an overview of the LGA's revenue for the period covered by the LTFP from its traditional sources of income (excluding projects). As outline above, it highlights that there is a steady increase in its income across almost all areas.

Interest Revenue is decreasing due to repayment of the SLGIP loan



## Expenditure

The Chart below provides an overview of the LGA's expenditure for the period covered by the LTFP by its traditional sources categories of expenditure (excluding projects). As outlined above, it highlights that there is a steady increase in its expenditure across all areas in line with inflation.



## Operating Result

The chart below combines the LGA's operating result from its ordinary activities (excluding projects) noting that the fluctuations in the operating result remain within 3% of gross revenue over the life of the LTFP.



## Balance Sheet - Capital

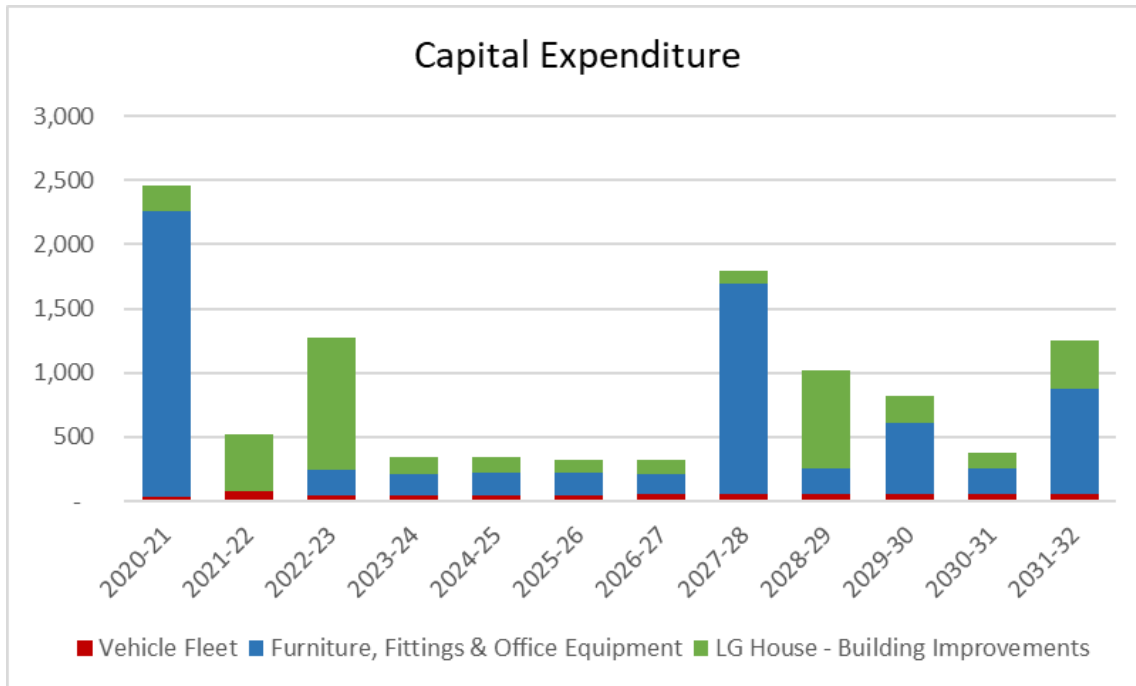
Unlike the councils it represents, the LGA does not have a large infrastructure/asset base. The LGA's assets are primarily represented by LG House, valued at \$26 million that represents 90% of the LGA's total assets. Other assets include a small number of motor vehicles, office equipment & furniture, and Web Service's content management system and information technology equipment.

The draft Capital Plan provides for net expenditure of \$7 million over the ten year period commencing 2022/23. More broadly, this capital expenditure can be summarised as follows:

- **Building** – per independent assessment including mechanical services, lift and bathroom upgrades and other capital maintenance.
- **Vehicles** –to replace four vehicles every four years plus a trailer replacement for the Functional Support Group.
- **Furniture, fittings & ITC** – replacement of current office equipment on a revolving basis, a minor office refit in year 7 and a larger one in year 10

The graph below provides an overview of the capital works plan contained in this LTFP.

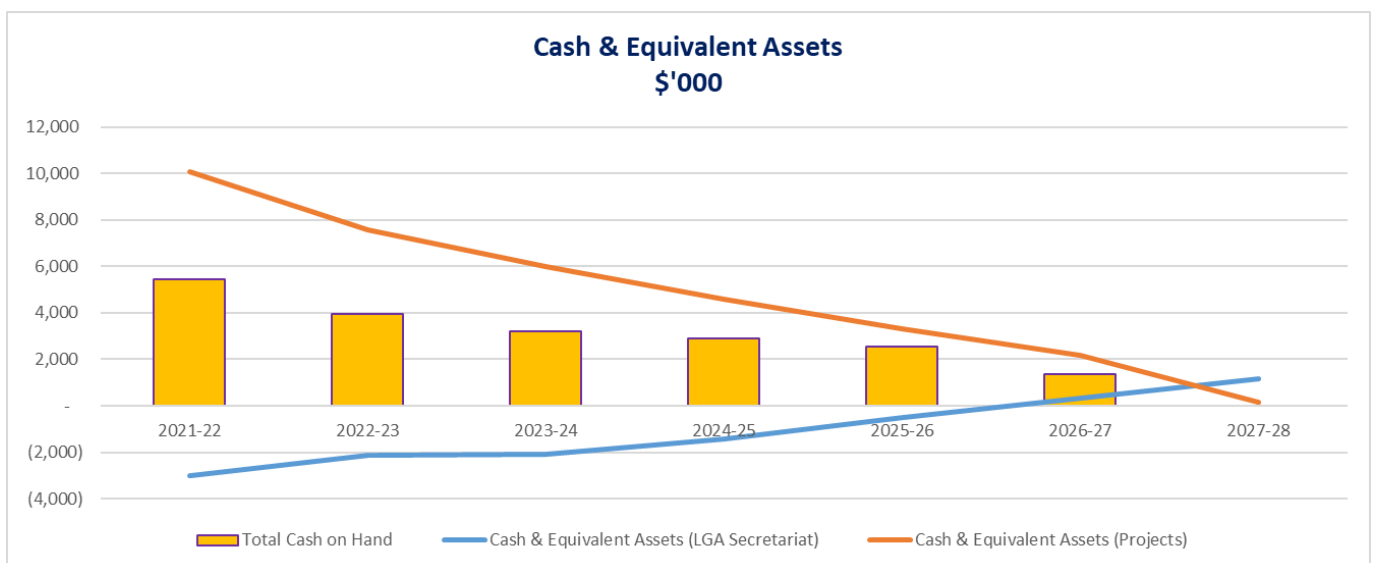
A more detailed capital plan is provided in Appendix 7.



## Cash Flow

The chart below combines all the above elements of the LTFP and shows the cash available to fund the LGA's activities. It provides an overview of the LGA's cash and investments from its ordinary activities and its project activities.

Project reserves drop from 2022/23 as all carry forward funds are spent and again in 2026/27 when the CWMS fund is depleted at the conclusion of this program. In addition, the loans in 2027/28 and 2028/29 for the replacement of Squiz and LG House building works support the LGA's capital investment program.



The chart indicates that the LGA has positive cash on hand during the life of the LTFP. However, it also indicates that the LGA is using project reserves to provide cash flow for its ordinary activities. Should there be issues with the future cash flow from the LGA's projects, or should they be spent faster

than anticipated, it may cause a negative impact on the LGA's ability to fund its ordinary activities. However the LGA is in a relative positive net-liabilities position and has a preapproved overdraft facility available of \$12 million to borrow short to medium term if the situation requires it.

## Financial Targets

The LGA's financial performance is monitored using the following key financial sustainability indicators:

- Operating Surplus Ratio
- Net Financial Liability Ratio
- Liquidity Ratio
- Subscription Reliance Ratio
- Return on Building Investment

The table shows a summary of the projected financial sustainability indicators for the LTFP compared to the target ranges for each indicator.

Year Ended 30 June:	2020-21 Audited Actual \$('000)	2021-22 Budget Estimate \$('000)	2022-23 Plan Year 1 \$('000)	2023-24 Plan Year 2 \$('000)	2024-25 Plan Year 3 \$('000)	2025-26 Plan Year 4 \$('000)	2026-27 Plan Year 5 \$('000)	2027-28 Plan Year 6 \$('000)	2028-29 Plan Year 7 \$('000)	2029-30 Plan Year 8 \$('000)	2030-31 Plan Year 9 \$('000)	2031-32 Plan Year 10 \$('000)
Secretariat Operating Surplus / (Deficit) - \$'000	129	6	22	153	260	238	216	123	64	65	35	73
Secretariat Operating Surplus Ratio - %	2%	0%	0%	2%	3%	2%	2%	1%	1%	1%	0%	1%
Net Financial Liabilities - \$'000 (excluding SLGIP)	1,654	935	1,467	950	299	- 378	- 1,062	- 1,693	- 2,111	- 2,026	- 2,174	- 1,493
Net Financial Liabilities Ratio - %	19%	9%	15%	9%	3%	-4%	-10%	-16%	-20%	-18%	-19%	-13%
Current Ratio / Liquidity Ratio	0.89	0.93	0.87	0.91	0.99	1.08	1.24	1.97	1.91	1.68	1.73	1.80
Return on Building Investment Ratio - %		5%	5.4%	5.5%	5.7%	5.9%	6.1%	6.2%	6.4%	6.6%	6.8%	7.0%

**Green = Achieved Target**

The above key indicators are discussed in more detail below.

## Operating Surplus Ratio for Operating Activities

The Operating Surplus Ratio expresses the operating surplus (or deficit) as a percentage of Total Income (excluding project). This ratio is designed to show whether the LGA services and programs, include depreciation are fully funded by its income sources.

### Target

-5% - 5%  
(-\$1 - +\$1)

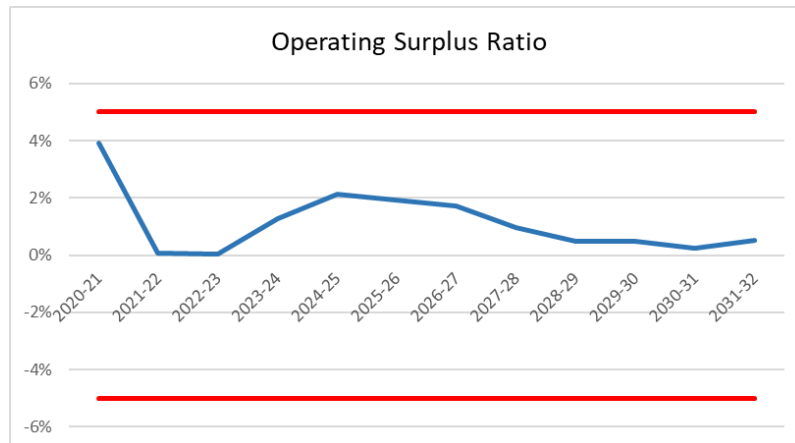
### Measure

Operating result from  
LGA Operating  
Activities / Revenue  
from Operating  
Activities

### Target result



**Achieved**



The operating surplus ratio remains within the target range for the LTFP.

## Liquidity ratio

The liquidity ratio is used to assess whether the organisation is sustainable. That is, that it can pay its liabilities from assets it holds as and when they fall due. . The target is to achieve a ratio of at least 1.5 or better, meaning the LGA has at least 1.5 times the amount of current assets to cover its current liabilities.

### Target

> 1.5

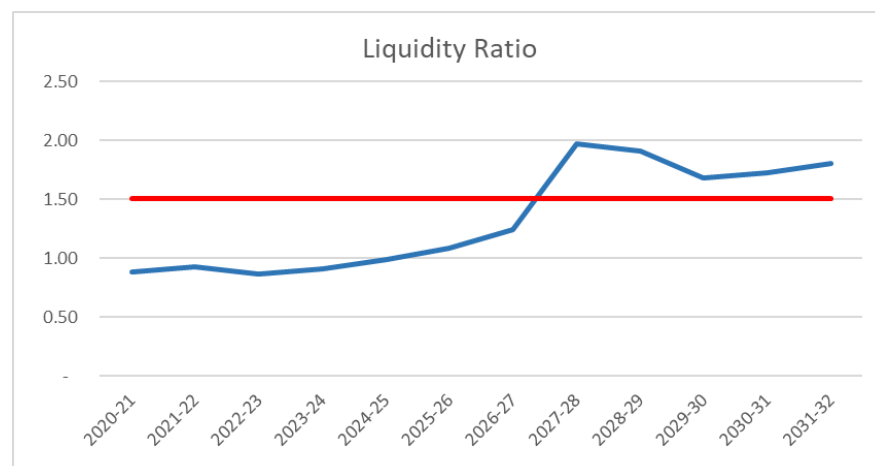
### Measure

Current Assets / Current  
Liabilities

### Target Result



**Achieved after  
2027-28**



The liquidity (or current) ratio remains predominantly within the target range during the period covered by the LTFP, noting that it drops slightly below 1.5 in the early part of the LTFP. The ratio in early years reflects the liability associated with the SLGIP. While this is matched by a corresponding (1:1) receivable asset, it causes the overall ratio to fall below 1:1.5.

## Net Financial Liabilities Ratio

This ratio measures the level of the LGA's debt including project reserves as a percentage of total annual revenue. This ratio excludes the borrowings from the SLGIP project of \$15 million as the State Government is funding all principal and interest repayments.

### Target

<100%

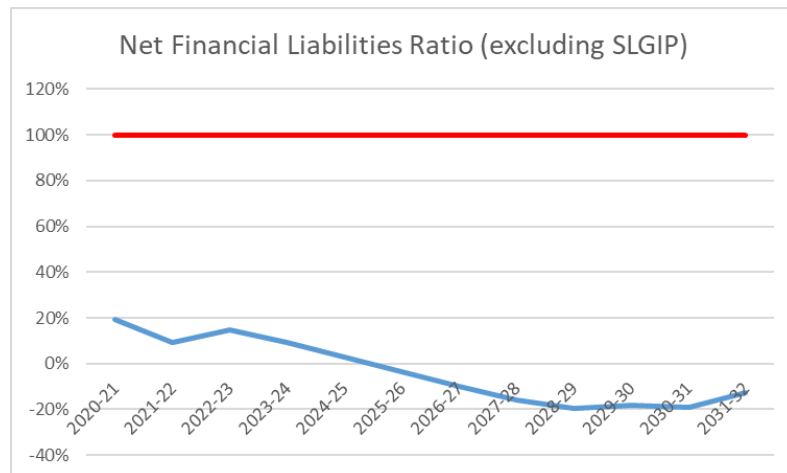
### Measure

Net financial liabilities /  
total operating revenue

### Target result:



Achieved



Given that the only loan included in the LTFP is externally funded, the above chart indicates that the LGA has and expects a positive net financial liability ratio during the life of the Plan.

## Return on Building Investment

The LGA's major asset is LG House. This building generates significant income for the LGA helping to keep members' subscriptions to a minimum. This measurement indicates how the investment in LG House compares to other investments such as the market rate for similar commercial investments in the Adelaide CBD and the LGFA investment rates.

### Target

Above 6%

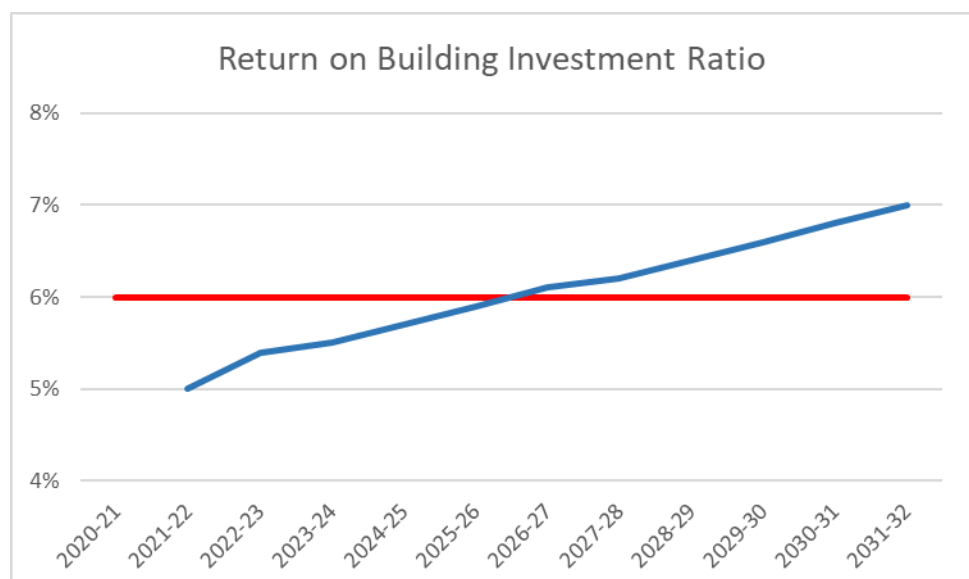
### Measure

Rental Income – OPEX  
+ Cap Gain / Building  
Value

### Target Achieved



Achieved after  
2026/27



# Appendix: Financial Statements

Appendix 1: Est. Comprehensive Income Statement

Appendix 2: Est. Statement of Financial Position

Appendix 3: Est. Statement of Cashflows

Appendix 4: Est. Statement of Change in Equity

Appendix 5: Est. Comprehensive Income Statement: Projects

Appendix 6: Capital Expenditure

Appendix 7: Financial Indicators

## Appendix 1: Est. Comprehensive Income Statement

Year Ended 30 June:	2020-21 Audited Actual \$('000)	2021-22 Budget \$('000)	2022-23 Plan Year 1 \$('000)	2023-24 Plan Year 2 \$('000)	2024-25 Plan Year 3 \$('000)	2025-26 Plan Year 4 \$('000)	2026-27 Plan Year 5 \$('000)	2027-28 Plan Year 6 \$('000)	2028-29 Plan Year 7 \$('000)	2029-30 Plan Year 8 \$('000)	2030-31 Plan Year 9 \$('000)	2031-32 Plan Year 10 \$('000)
<b>INCOME</b>												
Subscriptions	2,370	2,430	2,515	2,578	2,642	2,708	2,776	2,845	2,916	2,989	3,064	3,141
Scheme Revenue	2,240	2,308	2,495	2,545	2,596	2,648	2,701	2,755	2,810	2,866	2,923	2,981
Rent and outgoings	1,096	1,369	1,329	1,376	1,424	1,474	1,526	1,579	1,634	1,691	1,750	1,811
Interest Revenue	678	657	516	503	484	383	278	131	63	81	75	79
Other Revenue	295	455	590	650	710	726	742	760	778	796	815	835
Fees & Charges	1,900	2,659	2,365	2,404	2,444	2,485	2,526	2,567	2,610	2,654	2,700	2,746
<b>Total LGA Secretariat Income</b>	<b>8,579</b>	<b>9,878</b>	<b>9,810</b>	<b>10,056</b>	<b>10,300</b>	<b>10,424</b>	<b>10,549</b>	<b>10,637</b>	<b>10,811</b>	<b>11,077</b>	<b>11,327</b>	<b>11,593</b>
Project - R&D Fund	1,282	1,282	1,370	1,397	1,425	1,454	1,483	1,513	1,543	1,574	1,605	1,637
Project - CWMS	221	748	350	357	364	371	378	386	394	402	410	418
Project - SGIP	0	0	0	0	0	0	0	0	0	0	0	0
Projects - Interest	3	20	20	20	20	20	20	20	20	20	20	20
Project - Other Project Income	2,561	896	132	132	132	132	132	132	132	132	132	132
<b>Total LGA Project Income</b>	<b>4,067</b>	<b>2,946</b>	<b>1,872</b>	<b>1,906</b>	<b>1,941</b>	<b>1,977</b>	<b>2,013</b>	<b>2,051</b>	<b>2,089</b>	<b>2,128</b>	<b>2,167</b>	<b>2,207</b>
<b>Total Revenues</b>	<b>12,646</b>	<b>12,824</b>	<b>11,682</b>	<b>11,962</b>	<b>12,241</b>	<b>12,401</b>	<b>12,562</b>	<b>12,688</b>	<b>12,900</b>	<b>13,205</b>	<b>13,494</b>	<b>13,800</b>
<b>EXPENSES</b>												
Employee costs	4,376	4,724	4,778	4,897	5,019	5,144	5,273	5,405	5,540	5,679	5,821	5,967
Administration Costs	1,164	1,999	1,773	1,808	1,844	1,881	1,919	1,957	1,996	2,036	2,077	2,119
Contractors & Consultants	940	1,062	1,320	1,346	1,373	1,400	1,428	1,457	1,486	1,516	1,546	1,577
Property Expenses	627	688	694	708	722	736	751	766	781	797	813	829
Grants & Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Finance Costs	635	612	491	427	342	255	165	125	70	61	44	26
Other Expenses	30	-	-	8	4	6	5	6	5	6	6	6
Depreciation	678	787	732	709	736	764	792	798	869	917	985	996
<b>Total LGA Secretariat Expenditure</b>	<b>8,450</b>	<b>9,872</b>	<b>9,788</b>	<b>9,903</b>	<b>10,040</b>	<b>10,186</b>	<b>10,333</b>	<b>10,514</b>	<b>10,747</b>	<b>11,012</b>	<b>11,292</b>	<b>11,520</b>
Project - Finance Costs	-	-	-	-	-	-	-	-	-	-	-	-
Project - Employee Costs	1,531	1,300	627	642	657	672	686	702	718	735	753	772
Project - Contractors & Consultants	721	662	728	721	716	709	704	697	691	683	675	666
Project - Grants & Contribution Expenditure	583	983	520	530	555	583	610	639	667	697	726	756
Project - Other Expenses	867	-	13	13	13	13	13	13	13	13	13	13
<b>Total LGA Project Expenditure</b>	<b>3,702</b>	<b>2,945</b>	<b>1,888</b>	<b>1,906</b>	<b>1,941</b>	<b>1,977</b>	<b>2,013</b>	<b>2,051</b>	<b>2,089</b>	<b>2,128</b>	<b>2,167</b>	<b>2,207</b>
<b>Total Expenses</b>	<b>12,152</b>	<b>12,817</b>	<b>11,676</b>	<b>11,809</b>	<b>11,981</b>	<b>12,163</b>	<b>12,346</b>	<b>12,565</b>	<b>12,836</b>	<b>13,140</b>	<b>13,459</b>	<b>13,727</b>
<b>LGA Secretariat Operating Surplus (Deficit)</b>	<b>129</b>	<b>6</b>	<b>22</b>	<b>153</b>	<b>260</b>	<b>238</b>	<b>216</b>	<b>123</b>	<b>64</b>	<b>65</b>	<b>35</b>	<b>73</b>
<b>LGA Project Operating Surplus (Deficit)</b>	<b>365</b>	<b>1</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Surplus (Deficit)</b>	<b>494</b>	<b>7</b>	<b>6</b>	<b>153</b>	<b>260</b>	<b>238</b>	<b>216</b>	<b>123</b>	<b>64</b>	<b>65</b>	<b>35</b>	<b>73</b>
Net gain / (loss) on sale of Assets	(18)	0	(10)	(10)	(10)	(10)	(10)	(89)	(10)	(10)	(10)	(10)
Gain on revaluation of investment property	1,629	0	208	211	213	216	219	221	224	227	230	234
<b>NET SURPLUS / (DEFICIT)</b>	<b>2,105</b>	<b>7</b>	<b>204</b>	<b>354</b>	<b>473</b>	<b>444</b>	<b>425</b>	<b>255</b>	<b>278</b>	<b>282</b>	<b>255</b>	<b>297</b>
<b>Other Comprehensive Income</b>												
Changes in revaluation surplus - IPP&E	620	625	351	360	376	381	300	367	417	435	391	456
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4,830</b>	<b>639</b>	<b>759</b>	<b>1,068</b>	<b>1,312</b>	<b>1,269</b>	<b>1,150</b>	<b>877</b>	<b>973</b>	<b>999</b>	<b>901</b>	<b>1,050</b>

## Appendix 2: Est. Statement of Financial Position

Year Ended 30 June:	2020-21 Audited Actual \$( '000)	2021-22 Budget \$( '000)	2022-23 Plan Year 1 \$( '000)	2023-24 Plan Year 2 \$( '000)	2024-25 Plan Year 3 \$( '000)	2025-26 Plan Year 4 \$( '000)	2026-27 Plan Year 5 \$( '000)	2027-28 Plan Year 6 \$( '000)	2028-29 Plan Year 7 \$( '000)	2029-30 Plan Year 8 \$( '000)	2030-31 Plan Year 9 \$( '000)	2031-32 Plan Year 10 \$( '000)
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Equivalent Assets (LGA Secretariat)	(3,010)	(2,129)	(2,091)	(1,442)	(487)	323	1,143	1,230	1,627	1,487	1,582	843
Cash & Equivalent Assets (Projects)	10,071	7,553	6,011	4,600	3,324	2,187	174	174	174	174	174	174
Trade & Other Receivables	4,266	4,345	4,489	4,638	4,793	4,954	5,122	2,407	2,487	2,570	2,656	2,746
<b>Total Current Assets</b>	11,327	9,769	8,409	7,796	7,630	7,464	6,439	3,811	4,288	4,231	4,412	3,763
<b>Non-Current Assets</b>												
Receivables	15,412	13,056	10,619	8,098	5,490	2,792	-	-	-	-	-	-
Property, Plant & Equipment	27,587	27,500	28,587	28,784	28,972	29,121	29,163	30,654	31,431	31,983	31,981	32,914
<b>Total Non-Current Assets</b>	42,999	40,556	39,206	36,882	34,462	31,913	29,163	30,654	31,431	31,983	31,981	32,914
<b>Total Assets</b>	<b>54,326</b>	<b>50,325</b>	<b>47,615</b>	<b>44,678</b>	<b>42,092</b>	<b>39,377</b>	<b>35,602</b>	<b>34,465</b>	<b>35,719</b>	<b>36,214</b>	<b>36,393</b>	<b>36,677</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Trade & Other Payables	9,831	7,314	6,447	5,187	4,275	3,314	1,492	1,001	1,037	1,041	1,050	1,057
Borrowings	2,277	2,356	2,437	2,521	2,608	2,698	2,792	-	250	500	500	-
Provisions	689	850	808	854	862	890	909	933	956	980	1,004	1,029
<b>Total Current Liabilities</b>	<b>12,797</b>	<b>10,520</b>	<b>9,692</b>	<b>8,562</b>	<b>7,745</b>	<b>6,902</b>	<b>5,193</b>	<b>1,934</b>	<b>2,243</b>	<b>2,521</b>	<b>2,554</b>	<b>2,086</b>
<b>Non-Current Liabilities</b>												
Trade Payables and Other payables	184	184	184	184	184	184	184	184	184	184	184	184
Borrowings	15,412	13,056	10,619	8,098	5,490	2,792	-	1,500	1,750	1,250	750	750
<b>Total Non-Current Liabilities</b>	<b>15,596</b>	<b>13,240</b>	<b>10,803</b>	<b>8,282</b>	<b>5,674</b>	<b>2,976</b>	<b>184</b>	<b>1,684</b>	<b>1,934</b>	<b>1,434</b>	<b>934</b>	<b>934</b>
<b>Total Liabilities</b>	<b>28,393</b>	<b>23,760</b>	<b>20,495</b>	<b>16,844</b>	<b>13,419</b>	<b>9,878</b>	<b>5,377</b>	<b>3,618</b>	<b>4,177</b>	<b>3,955</b>	<b>3,488</b>	<b>3,020</b>
<b>NET ASSETS</b>	<b>25,933</b>	<b>26,565</b>	<b>27,120</b>	<b>27,834</b>	<b>28,673</b>	<b>29,499</b>	<b>30,225</b>	<b>30,847</b>	<b>31,542</b>	<b>32,259</b>	<b>32,905</b>	<b>33,657</b>
<b>EQUITY</b>												
Accumulated Surplus	5,612	8,137	9,883	11,648	13,387	14,968	17,406	17,661	17,939	18,221	18,476	18,773
Asset Revaluation Reserve	10,250	10,875	11,226	11,586	11,962	12,343	12,643	13,010	13,427	13,862	14,253	14,709
Other Reserves	10,071	7,553	6,011	4,600	3,324	2,187	174	174	174	174	174	174
<b>TOTAL EQUITY</b>	<b>25,933</b>	<b>26,565</b>	<b>27,120</b>	<b>27,834</b>	<b>28,673</b>	<b>29,499</b>	<b>30,225</b>	<b>30,847</b>	<b>31,542</b>	<b>32,259</b>	<b>32,905</b>	<b>33,657</b>

## Appendix 3: Est. Statement of Cashflows

Year Ended 30 June:	2021-22 Budget	2022-23 Plan Year 1	2023-24 Plan Year 2	2024-25 Plan Year 3	2025-26 Plan Year 4	2026-27 Plan Year 5	2027-28 Plan Year 6	2028-29 Plan Year 7	2029-30 Plan Year 8	2030-31 Plan Year 9	2031-32 Plan Year 10
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>											
<u>Receipts</u>											
Subscriptions	2,430	2,515	2,578	2,642	2,708	2,776	2,845	2,916	2,989	3,064	3,141
Scheme Revenue	2,308	2,495	2,545	2,596	2,648	2,701	2,755	2,810	2,866	2,923	2,981
Rent and outgoings	1,369	1,329	1,376	1,424	1,474	1,526	1,579	1,634	1,691	1,750	1,811
Interest Revenue	658	680	266	512	274	233	49	(5)	2	(3)	(5)
Other Revenue	455	590	650	710	726	742	760	778	796	815	835
Fees & Charges	2,659	2,365	2,404	2,444	2,485	2,526	2,567	2,610	2,654	2,700	2,746
Project - R&D Fund	1,282	1,370	1,397	1,425	1,454	1,483	1,513	1,543	1,574	1,605	1,637
Project - CWMS	5,248	4,850	4,857	4,864	4,871	4,878	4,886	4,894	4,902	4,910	4,918
Projects - Interest	20	20	20	20	20	20	20	20	20	20	20
Project - Other Project Income	896	132	132	132	132	132	132	132	132	132	132
<u>Payments</u>											
Employee costs	(4,563)	(4,820)	(4,851)	(5,011)	(5,116)	(5,254)	(5,381)	(5,517)	(5,655)	(5,797)	(5,942)
Administration Costs	(1,999)	(1,773)	(1,808)	(1,844)	(1,881)	(1,919)	(1,957)	(1,996)	(2,036)	(2,077)	(2,119)
Contractors & Consultants	(1,062)	(1,320)	(1,346)	(1,373)	(1,400)	(1,428)	(1,457)	(1,486)	(1,516)	(1,546)	(1,577)
Property Expenses	(688)	(694)	(708)	(722)	(736)	(751)	(766)	(781)	(797)	(813)	(829)
Other Expenses	0	0	(8)	(4)	(6)	(5)	(6)	(5)	(6)	(6)	(6)
Finance Costs	(612)	(491)	(427)	(342)	(255)	(165)	(125)	(70)	(61)	(44)	(26)
Project - Employee Costs	(1,300)	(627)	(642)	(657)	(672)	(686)	(702)	(718)	(735)	(753)	(772)
Project - Contractors & Consultants	(662)	(728)	(721)	(716)	(709)	(704)	(697)	(691)	(683)	(675)	(666)
Project - Grants & Contribution Expenditure	(8,001)	(6,114)	(6,118)	(6,063)	(6,006)	(6,960)	(5,625)	(5,143)	(5,197)	(5,225)	(5,255)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>(1,562)</b>	<b>(221)</b>	<b>(404)</b>	<b>37</b>	<b>11</b>	<b>(855)</b>	<b>390</b>	<b>925</b>	<b>940</b>	<b>980</b>	<b>1,024</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<u>Receipts</u>											
Receipts from State Government to repay loan	2,277	2,356	2,437	2,521	2,608	2,698	2,792	-	-	-	-
<u>Payments</u>											
Expenditure on Renewal/Replacement of Asset	(75)	(1,080)	(185)	(170)	(155)	(170)	(1,650)	(815)	(272)	(182)	(435)
Expenditure on New Assets	0	(190)	(160)	(175)	(170)	(155)	(140)	(200)	(545)	(190)	(815)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>2,202</b>	<b>1,086</b>	<b>2,092</b>	<b>2,176</b>	<b>2,283</b>	<b>2,373</b>	<b>1,002</b>	<b>(1,015)</b>	<b>(817)</b>	<b>(372)</b>	<b>(1,250)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<u>Receipts</u>											
Proceeds from Borrowings	0	-	-	-	-	-	1,500	500	-	-	-
<u>Payments</u>											
Repayments of Borrowings	(2,277)	(2,356)	(2,437)	(2,521)	(2,608)	(2,698)	(2,792)	-	(250)	(500)	(500)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(2,277)</b>	<b>(2,356)</b>	<b>(2,437)</b>	<b>(2,521)</b>	<b>(2,608)</b>	<b>(2,698)</b>	<b>(1,292)</b>	<b>500</b>	<b>(250)</b>	<b>(500)</b>	<b>(500)</b>
<b>Net Increase/(Decrease) in cash held</b>	<b>(1,637)</b>	<b>(1,491)</b>	<b>(749)</b>	<b>(308)</b>	<b>(314)</b>	<b>(1,180)</b>	<b>100</b>	<b>410</b>	<b>(127)</b>	<b>108</b>	<b>(726)</b>
<b>Opening cash, cash equivalents or (bank overdraft)</b>	<b>7,061</b>	<b>5,424</b>	<b>3,933</b>	<b>3,184</b>	<b>2,876</b>	<b>2,562</b>	<b>1,382</b>	<b>1,482</b>	<b>1,892</b>	<b>1,765</b>	<b>1,873</b>
<b>Closing cash, cash equivalents or (bank overdraft)</b>	<b>5,424</b>	<b>3,933</b>	<b>3,184</b>	<b>2,876</b>	<b>2,562</b>	<b>1,382</b>	<b>1,482</b>	<b>1,892</b>	<b>1,765</b>	<b>1,873</b>	<b>1,147</b>

## Appendix 4: Est. Statement of Change in Equity

Year Ended 30 June:	2020-21 Audited Actual \$(‘000)	2021-22 Budget \$(‘000)	2022-23 Plan Year 1 \$(‘000)	2023-24 Plan Year 2 \$(‘000)	2024-25 Plan Year 3 \$(‘000)	2025-26 Plan Year 4 \$(‘000)	2026-27 Plan Year 5 \$(‘000)	2027-28 Plan Year 6 \$(‘000)	2028-29 Plan Year 7 \$(‘000)	2029-30 Plan Year 8 \$(‘000)	2030-31 Plan Year 9 \$(‘000)	2031-32 Plan Year 10 \$(‘000)
<b>ACCUMULATED SURPLUS</b>												
Balance at end of previous reporting period	6,414	5,612	8,137	9,883	11,648	13,387	14,968	17,406	17,661	17,939	18,221	18,476
Net Result for Year	2,105	7	204	354	463	444	425	255	278	282	255	297
Transfers to Other Reserves	(3,130)	(6,780)	(6,196)	(6,367)	(6,542)	(6,723)	(6,908)	(1,689)	(1,723)	(1,757)	(1,793)	(1,828)
Transfers from Other Reserves	223	9,298	7,738	7,778	7,818	7,859	8,921	1,689	1,723	1,757	1,793	1,828
<b>Balance at end of period</b>	<b>5,612</b>	<b>8,137</b>	<b>9,883</b>	<b>11,648</b>	<b>13,387</b>	<b>14,967</b>	<b>17,406</b>	<b>17,661</b>	<b>17,939</b>	<b>18,221</b>	<b>18,476</b>	<b>18,773</b>
<b>ASSET REVALUATION RESERVE</b>												
Freehold Land	-	-	67	134	202	273	346	421	498	577	659	743
Buildings	10,250	10,875	11,159	11,453	11,754	12,065	12,292	12,584	12,924	13,274	13,583	13,954
<b>Balance at end of period</b>	<b>10,250</b>	<b>10,875</b>	<b>11,226</b>	<b>11,586</b>	<b>11,957</b>	<b>12,338</b>	<b>12,638</b>	<b>13,005</b>	<b>13,422</b>	<b>13,851</b>	<b>14,242</b>	<b>14,698</b>
<b>OTHER RESERVES</b>												
Balance at end of previous reporting period	7,164	10,071	7,553	6,011	4,600	3,324	2,187	174	174	174	174	174
Transfers from Accumulated Surplus	3,130	6,780	6,196	6,367	6,548	6,729	6,914	1,696	1,730	1,770	1,806	1,841
Transfers to Accumulated Surplus	(223)	(9,298)	(7,738)	(7,778)	(7,818)	(7,859)	(8,921)	(1,689)	(1,723)	(1,757)	(1,793)	(1,828)
<b>Balance at end of period</b>	<b>10,071</b>	<b>7,553</b>	<b>6,011</b>	<b>4,600</b>	<b>3,330</b>	<b>2,193</b>	<b>180</b>	<b>181</b>	<b>181</b>	<b>187</b>	<b>187</b>	<b>187</b>
<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>25,933</b>	<b>26,565</b>	<b>27,120</b>	<b>27,834</b>	<b>28,673</b>	<b>29,499</b>	<b>30,225</b>	<b>30,847</b>	<b>31,542</b>	<b>32,259</b>	<b>32,905</b>	<b>33,657</b>

## Appendix 6: Est. Comprehensive Income Statement: Projects

Year Ended 30 June:	2020-21 Audited Actual \$('000)	2021-22 Budget Estimate \$('000)	2022-23 Plan Year 1 \$('000)	2023-24 Plan Year 2 \$('000)	2024-25 Plan Year 3 \$('000)	2025-26 Plan Year 4 \$('000)	2026-27 Plan Year 5 \$('000)	2027-28 Plan Year 6 \$('000)	2028-29 Plan Year 7 \$('000)	2029-30 Plan Year 8 \$('000)	2030-31 Plan Year 9 \$('000)	2031-32 Plan Year 10 \$('000)
<b>INCOME</b>												
Research & Development	1,595	1,464	1,282	1,561	1,592	1,624	1,656	1,689	1,723	1,757	1,793	1,828
CWMS	4,584	4,669	4,762	4,858	4,955	5,054	5,155	5,258				
SLGIP	635	612	491	427	342	255	165	72				-
Council Ready	961	-										
Other Projects	1,287	-	-	-	-	-	-	-	-	-	-	-
<b>Total Project Revenues</b>	<b>9,062</b>	<b>6,745</b>	<b>6,535</b>	<b>6,845</b>	<b>6,889</b>	<b>6,933</b>	<b>6,976</b>	<b>7,019</b>	<b>1,723</b>	<b>1,757</b>	<b>1,793</b>	<b>1,828</b>
<b>EXPENSES</b>												
Research & Development	1,554	1,891	2,002	1,561	1,592	1,624	1,656	1,689	1,723	1,757	1,793	1,828
CWMS	425	4,338	6,305	6,268	6,231	6,190	7,169	5,258			-	-
SLGIP	635	612	491	427	342	255	165	72				
Council Ready	1,047	268	-	-	-	-	-	-	-	-	-	-
Other Projects	672	902	555	-	-	-	-	-	-	-	-	-
<b>Total Project Expenses</b>	<b>4,333</b>	<b>8,010</b>	<b>9,353</b>	<b>8,256</b>	<b>8,165</b>	<b>8,069</b>	<b>8,990</b>	<b>7,019</b>	<b>1,723</b>	<b>1,757</b>	<b>1,793</b>	<b>1,828</b>
<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>4,729</b>	<b>(1,265)</b>	<b>(2,818)</b>	<b>(1,410)</b>	<b>(1,276)</b>	<b>(1,136)</b>	<b>(2,014)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RESERVE FUNDS</b>												
Research & Development	1,297	870	150	150	150	150	150	150	150	150	150	150
CWMS	7,048	7,379	5,837	4,426	3,150	2,014	(0)	(0)	(0)	0	0	0
Council Ready	268	0	0	0	0	0	0	0	0	0	0	0
Other Projects	1,457	555	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PROJECT RESERVES</b>	<b>10,070</b>	<b>8,805</b>	<b>5,987</b>	<b>4,576</b>	<b>3,300</b>	<b>2,163</b>	<b>149</b>	<b>149</b>	<b>149</b>	<b>150</b>	<b>150</b>	<b>150</b>

## Appendix 7: Capital Expenditure

Year Ended 30 June:	2020-21 Audited Actual \$('000)	2021-22 Budget Estimate \$('000)	2022-23 Plan Year 1 \$('000)	2023-24 Plan Year 2 \$('000)	2024-25 Plan Year 3 \$('000)	2025-26 Plan Year 4 \$('000)	2026-27 Plan Year 5 \$('000)	2027-28 Plan Year 6 \$('000)	2028-29 Plan Year 7 \$('000)	2029-30 Plan Year 8 \$('000)	2030-31 Plan Year 9 \$('000)	2031-32 Plan Year 10 \$('000)	10 Year LTFP Total \$('000)
<b>EXPENDITURE</b>													
Vehicle Fleet	38	75	50	50	50	50	55	55	55	60	60	60	545
Furniture, Fittings & Office Equipment	2,219	-	190	160	175	170	155	1,640	200	545	190	815	4,240
LG House - Building Improvements	199	450	1,030	135	120	105	115	95	760	212	122	375	3,069
<b>Total Capital Expenditure</b>	<b>2,456</b>	<b>525</b>	<b>1,270</b>	<b>345</b>	<b>345</b>	<b>325</b>	<b>325</b>	<b>1,790</b>	<b>1,015</b>	<b>817</b>	<b>372</b>	<b>1,250</b>	<b>7,854</b>
Less: Trade-in	-	-	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(300)
<b>NET CAPITAL EXPENDITURE</b>	<b>2,456</b>	<b>525</b>	<b>1,240</b>	<b>315</b>	<b>315</b>	<b>295</b>	<b>295</b>	<b>1,760</b>	<b>985</b>	<b>787</b>	<b>342</b>	<b>1,220</b>	<b>7,554</b>
Year Ended 30 June:	2020-21 Audited Actual \$('000)	2021-22 Budget Estimate \$('000)	2022-23 Plan Year 1 \$('000)	2023-24 Plan Year 2 \$('000)	2024-25 Plan Year 3 \$('000)	2025-26 Plan Year 4 \$('000)	2026-27 Plan Year 5 \$('000)	2027-28 Plan Year 6 \$('000)	2028-29 Plan Year 7 \$('000)	2029-30 Plan Year 8 \$('000)	2030-31 Plan Year 9 \$('000)	2031-32 Plan Year 10 \$('000)	
<b>EXPENDITURE</b>													
Mechanical Services	-	-	50	135	80	-	-	80	760	75	30	-	
End of Trip	-	350	50	-	-	-	-	-	-	-	-	150	
Building Structure	199	-	150	-	-	-	-	-	-	-	-	-	
Car park Roller Door	-	-	30	-	-	-	-	-	-	7	-	-	
Lifts	-	-	150	-	-	50	-	-	-	50	-	-	
Bathroom Upgrade	-	-	600	-	-	-	100	-	-	-	92	100	
Solar Power	-	100	-	-	-	-	-	-	-	-	-	125	
CCTV	-	-	-	-	-	40	-	-	-	80	-	-	
Building Management System	-	-	-	-	40	15	15	15	-	-	-	-	
Sustainability	-	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL LG HOUSE CAPITAL EXPENDITURE</b>	<b>199</b>	<b>450</b>	<b>1,030</b>	<b>135</b>	<b>120</b>	<b>105</b>	<b>115</b>	<b>95</b>	<b>760</b>	<b>212</b>	<b>122</b>	<b>375</b>	

## Appendix 7: Capital Expenditure (cont.)

### CORPORATE CAPITAL EXPENDITURE

Year Ended 30 June:	2020-21 Audited Actual \$('000)	2021-22 Budget Estimate \$('000)	2022-23 Plan Year 1 \$('000)	2023-24 Plan Year 2 \$('000)	2024-25 Plan Year 3 \$('000)	2025-26 Plan Year 4 \$('000)	2026-27 Plan Year 5 \$('000)	2027-28 Plan Year 6 \$('000)	2028-29 Plan Year 7 \$('000)	2029-30 Plan Year 8 \$('000)	2030-31 Plan Year 9 \$('000)	2031-32 Plan Year 10 \$('000)
<b>EXPENDITURE</b>												
Unallocated (Misc)	-	-	75	45	60	35	40	25	55	55	75	45
Office Fit (including AV equipment)	2,219	-	95	95	95	95	95	95	95	470	95	750
CRM (Squiz replacement)	-	-	-	-	-	-	-	1,500	-	-	-	-
ECM/Technology One	-	-	-	-	-	-	-	-	-	-	-	-
Servers, wifi, cabling, other (< \$10,000)	-	-	20	20	20	20	20	20	20	20	20	20
Phone System upgrade	-	-	-	-	-	20	-	-	30	-	-	-
<b>TOTAL ITC CAPITAL EXPENDITURE</b>	<b>2,219</b>	<b>-</b>	<b>190</b>	<b>160</b>	<b>175</b>	<b>170</b>	<b>155</b>	<b>1,640</b>	<b>200</b>	<b>545</b>	<b>190</b>	<b>815</b>