

Helping local government
build stronger communities.



Long Term Financial Plan

2026-27

Contents

Executive Summary.....2

 About LGA.....6

 Vision, Mission & Strategic Priorities 6

 Integrated Planning and Reporting Framework 7

Influencing Factors, Risks and Assumptions 8

 Influencing Factors & Risks 8

 Financial Assumptions 11

Long Term Financial Plan Overview 15

 Objectives of LTFP.....15

 Operating Revenue.....16

 Operating Expenditure.....17

 Capital Expenditure 17

 Cash & Project Reserves 18

 Financial Targets 20

 Appendix 1: Forecast Financial Statements.....25

 Appendix 2: Capital Expenditure 28

 Appendix 3: Detailed Assumptions.....29

Executive Summary

The Local Government Association of South Australia's (LGA) Long Term Financial Plan (LTFP) 2026-27 establishes the financial framework that supports delivery of the LGA Strategic Plan 2025–2030 and provides a roadmap for maintaining financial sustainability over the next ten (10) years.

The LTFP demonstrates that LGA remains financially sustainable throughout the planning period with capacity to consider and implement new initiatives and activities aligned to the Strategic Plan, so long as they are introduced in a considered, costed and informed manner.

The Plan will be regularly reviewed and updated (at least annually) in this regard.

The LTFP separates the financial performance of LGA's operational activities from project activities. This provides transparency regarding the sustainability of core operations while recognising that many project-based activities are funded through external grants and contributions.

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 is monitored and remains on track.

The LTFP is based on existing service levels and, where known and confirmed, new activities and projects and capital works.

The LGA Strategic Plan proposes a range of new priority areas and initiatives for LGA which will be modelled, costed and incorporated into the LTFP as part of the decision-making processes and regular review of the LTFP.

For existing services, LGA is forecasting moderate surpluses from operations of 1.4% of operating revenue on average, based on revenue and expenditure constraint and continuous improvement. Cash holdings also steadily improve over the forecast period, providing LGA with a robust base from which to base, cost and assess strategic service decisions in line with the LGA Strategic Plan.

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.

Local Government Association of SA - Long Term Financial Plan

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2025/26 Forecast Result \$000	2026/27 Budget \$000	2027/28 Forecast \$000	2028/29 Forecast \$000	2029/30 Forecast \$000	2030/31 Forecast \$000	2031/32 Forecast \$000	2032/33 Forecast \$000	2033/34 Forecast \$000	2034/35 Forecast \$000	2035/36 Forecast \$000
Summary Income Statement											
Total Operating Revenue	15,704	15,510	16,278	16,274	16,735	17,211	18,155	18,229	18,747	19,266	20,264
Total Operating Expenses	17,556	16,017	16,116	16,129	16,620	17,000	17,793	18,006	18,539	19,078	20,030
Operating Surplus / (Deficit)	(1,851)	(507)	162	145	116	211	362	222	207	188	234
Comprising:											
LGA Operations Surplus / (Deficit)	57	(35)	162	145	116	211	362	222	207	188	234
LGA Projects Surplus / (Deficit)	(1,908)	(471)	-	-	-	-	-	-	-	-	-
Summary Balance Sheet											
Total Assets	63,080	51,326	39,647	41,769	43,575	45,181	46,594	47,560	48,133	48,317	47,670
Total Liabilities	32,758	20,410	7,924	9,143	10,021	10,563	10,746	10,556	9,980	9,000	7,089
Net Assets	30,323	30,916	31,724	32,627	33,554	34,618	35,848	37,004	38,153	39,317	40,581
Summary Capital Expenditure											
Total Capital Expenditure	89	516	540	320	500	295	475	215	740	780	350
Summary Cash & Project Reserves											
Cash & Cash Equivalents	25,412	15,671	6,102	7,612	8,618	9,480	9,953	10,211	9,566	8,477	6,994
Project Funding Held	28,840	18,612	8,817	9,937	10,715	11,152	11,227	10,926	10,235	9,137	7,105

Only project grants that meet the definition of revenue in the accounting standard AASB 15 and AASB 1058 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 with new program assumed to commence from 2027-28
- State Local Government Infrastructure Partnership program – Completed in 2027-28

All project funds, whether processed through the income statement or directly to balance sheet are factored into the financial indicators to provide LGA with relevant information for informed analysis and decision making.

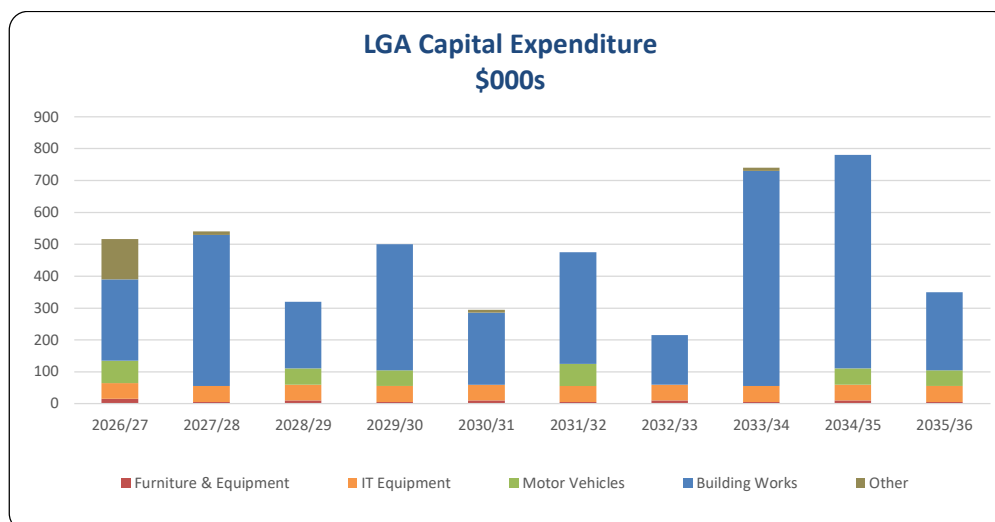
The LTFP is based on the assumptions summarised in the table below.

	2026/27	10 yr avg	Explanation
Revenue			
Membership subscriptions	4.9%	2.8%	Aligned to Adelaide CPI and RBA Forecasts
Rental and Property Income	3.0%	2.6%	As per current agreements with future years based on CPI forecasts
Scheme Income	2.75%	3.1%	3 Year Average of Wage Price Index
Grants & Contributions	3.3%	2.9%	Aligned to LGPI Recurrent
Rebates & Other Income	3.3%	2.9%	Aligned to LGPI Recurrent
Interest Rate on Deposits	4.65%	5.0%	Per LGFA Advice and relative cash rate movements
Fees & Charges	3.3%	2.9%	Aligned to LGPI Recurrent or varied as appropriate
LGA Procurement Distribution	\$50,000	2.8%	\$50,000 for 2026-27 increasing by CPI each year thereafter
Expenditure			
Employment Costs	3.5%	3.2%	Aligned to WPI Forecasts. Market analysis year 1
Operating Expenses	3.3%	2.9%	Aligned to LGPI Recurrent
Interest Rate on Borrowings – Fixed	5.98%	6.3%	Per LGFA Advice and relative cash rate movements
Interest Rate on Borrowings – Variable	5.45%	5.8%	Per LGFA Advice and relative cash rate movements
Capex, Depreciation and Asset Revaluation	3.5%	3.1%	Aligned to LGPI Capital

A detailed listing of forward assumptions is shown at Appendix 3.

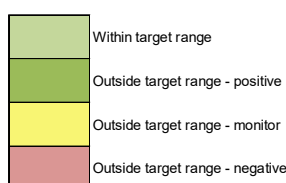
Overall, the LTFP shows that the LGA's finances are financially sustainable based on existing service mix and funding arrangements.

The graph below provides an overview of the capital works plan contained in this LTFP. The draft Capital Plan has expenditure of \$4.7 million over the ten year period commencing 2026-27 compared with forecast depreciation of \$4.9 million over the same period. A condition-based capital asset management plan is in the process of being established which will future confirm / inform future capital expenditure and will be updated as part of the regular review and revision of the LTFP.



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 at page 20.

	Actual	Actual	Actual	Forecast	Year 1 Budget	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Avg
Year Ended 30 June:	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
Operating Surplus Ratio - LGA Operations	2.4%	1.5%	2.6%	0.5%	(0.3%)	1.4%	1.2%	1.0%	1.7%	2.7%	1.7%	1.5%	1.3%	1.6%	1.4%
Liquidity(Quick) Ratio	0.95	1.07	1.08	1.02	1.03	1.11	1.13	1.14	1.17	1.21	1.26	1.28	1.31	1.47	1.21
Net Financial Liabilities Ratio	6.0%	(11.3%)	(14.7%)	(5.5%)	(5.5%)	(6.6%)	(8.9%)	(9.9%)	(12.0%)	(13.4%)	(16.3%)	(16.0%)	(15.5%)	(17.4%)	(12.2%)
Subscription Reliance Ratio	25.6%	24.7%	26.3%	26.5%	27.4%	27.2%	28.2%	28.0%	28.1%	27.3%	27.8%	27.7%	27.6%	26.7%	27.6%
Project Reserve Coverage Ratio	0.86	0.89	0.88	0.89	0.84	0.69	0.77	0.80	0.85	0.89	0.93	0.93	0.93	0.98	0.86
Asset Sustainability Ratio	(11.8%)	6.8%	259.7%	14.9%	86.5%	92.2%	62.6%	92.8%	66.9%	119.8%	49.1%	165.7%	175.2%	70.7%	98.2%



The LTFP guides LGA in setting its fees and charges, service levels, strategic priorities and its financial direction for each year as part of its annual budget process. The LTFP is 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 LGA

The Local Government Association of South Australia is the peak body for local government in South Australia, proudly representing all 68 member councils. LGA advocates on behalf of the sector and delivers services, strategic leadership, capability development, procurement solutions and risk and insurance services to councils, council subsidiaries and regional LGAs.

LGA's purpose is to empower local government to build stronger communities and 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.

Vision, Mission & Strategic Priorities

The LGA has adopted a 5-year Strategic Plan 2025-2030 which sets as its vision *"to lead a collaborative, valued and innovative local government sector"*. This vision is backed up by LGA's mission which is *"to lead, empower and advocate for local government, fostering collaboration, building capability and delivering innovative solutions that promote thriving communities"*.

LGA's Strategic Plan is broken down into the following five Key Strategic Pillars, aimed at enhancing sector skills and capability, fostering innovation and service delivery and strengthening LGA's role as a powerful advocate for issues affecting the sector:

- **Pillar 1 – Advocacy and Partnerships**

Delivering outcomes and strengthening credibility through advocacy, partnerships and sector-led influence.

- **Pillar 2 – Services and Collaboration**

Driving transformation through new initiatives, collaborations and services that support financial and environmental sustainability and increase productivity.

- **Pillar 3 – Leadership, Culture and Capability**

Building leadership and capability through training, resources and development opportunities.

- **Pillar 4 – Innovation and Technology**

Leading innovation, technology adoption and growth within the organisation and across the sector.

- **Pillar 5 – Operational Excellence**

Delivering trusted, high-performing member services through strong governance, financial management and modern systems

Each of these pillars have strategies to help LGA meet its objectives. The plan is available on LGA's website lga.sa.gov.au.

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.



Influencing Factors, Risks and Assumptions

Influencing Factors & Risks

Any LTFP is inherently subject to certain risks and influences. For LGA these include:

- Elections and shifting political environments.
- Inflation and service cost growth above forecast levels.
- Changes in government grant programs.
- Changing and evolving regulatory and compliance obligations.
- Changes in member expectations or needs.
- Commercial property market environment and performance.
- Revenue stability.
- Technology requirements and cybersecurity risks.
- Workforce attraction, retention, capability and leadership.

Other general risks in relation to the robustness of future projections include:

- The quality of asset data
- The quality and relevance of assumptions
- The ongoing performance and relevance of LGA operations and services
- Governance and decision-making discipline

To help mitigate, anticipate and respond to these risks and influencing factors, LGA updates the LTFP annually, incorporating changes in the policy, regulatory, and economic environments and reflecting strategic and service decisions to ensure forward projections remain based on the latest information and business service mix.

Additionally, LGA takes an integrated decision approach where the current and future year financial implications are identified at the decision point to ensure that the impact on the budget as well as on the long-term finances is incorporated into decision making.

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

Elections

The next South Australian election is held every four years with the next one in March 2030. The next Local Government elections will be held in April 2027 and then November 2031. LGA advocates on the issues of importance to the local government sector, the LTFP has included additional net expenditure in the plan coinciding with

local government election support and state election advocacy. Aside from the financial impact of the elections, they also bring political views and discussion to the fore which brings unknowns (risks and potential benefits) in relation to the sector and its reputation and relationship with other tiers of government and the community. These can play out in the form of additional legislation and regulation, and significant advocacy to prevent and inform such legislation, which often results in additional cost.

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 often allow for reasonable corporate staff and administration costs, however changes in the number or nature of these agreements may create a risk in relation to expenditure and resource commitments that LGA has made.

Council and Community needs

LGA is a member-based organisation and whilst it needs to lead and drive the strategic agenda and conversation, it must also be aware of and respond to 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.

If needs and expectations change significantly in a short period of time and LGA fails to adequately respond promptly to the satisfaction of members, there is a membership and subsequent revenue risk, which could impact LGA's ability to meet the requirements of remaining members. As a member organisation, 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 place pressure on LGA's ability to meet member expectations and its key objectives.

Revenue Diversity

Like all other organisations, LGA is subject to market conditions and cost pressures.

More than half of LGA's revenue comes from member subscriptions and member based mutual schemes. This revenue is used to deliver a suite of core member services. Should membership reduce in any substantial way or should the cost of core services increase significantly more than expected, it will place pressure on LGA's ability to meet member expectations and its key objectives. One of LGA's key strategies is to grow the shared service portion of its operations to reduce this risk and to provide future potential revenue to reduce reliance on member subscriptions.

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.

Performance of LGASA Mutual and LGA Procurement

LGA revenue remains reliant on the performance of its subsidiaries with revenue from the Mutual Liability and Workers Compensation schemes accounting for more than a quarter of LGA's operating revenue, forecast to increase in line with wages indexation. LGA Procurement also provides a contribution of \$50,000 towards LGA's operating revenue.

Commercial property market - Ownership of LG House

LG House is LGA's largest asset comprising almost 90% of LGA's asset base and it provides an income of \$1.59 million per year, representing 14% of LGA's income from ordinary activities.

The lease for levels one and three has recently been renewed with the lease for level two currently under renewal negotiation. 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.

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.

Research & Development Fund

The Local Government Finance Authority (LGFA), a State Government statutory body, pays income tax equivalent via the Department of Treasury and Finance to LGA to be used for research and development activities in the sector. The grant provides income of approximately \$2 million per year on average, however this is based on the corporate tax-equivalent payable by the LGFA, and therefore is not a guaranteed amount year on year.

LGA, councils, universities and other bodies are able to apply to this fund to undertake work to pursue priorities for and development of the sector. Ordinarily, this would need to be funded by membership subscriptions, special levies or not be undertaken at all.

Financial Assumptions

The content of the LTFP is based on a number of assumptions, particularly to assist in the collating of information for years 2 – 10, as there are many unknowns when attempting to anticipate the longer-term future.

Much of the future year forecast information in the LTFP is based on the expected forecast movement in the Consumer Price Index (CPI), Wage Price Index (WPI) and the Local Government Price Index (LGPI). The Reserve Bank of Australia and the Australian Bureau of Statistics are used as the primary data sources for forecast indicators.

A general overview of the financial assumptions is outlined below, a detailed listing of the financial assumptions is shown at Appendix 3.

Operating Revenue

Member Subscriptions

It is the intent of the LGA to continue to provide value to members in a financially sustainable way. Member subscriptions are proposed to increase in line with CPI over the forecast period in relation to the existing member service mix. New services or service expansion aligned with the LGA Strategic Plan will be considered on a case by case basis including alternate funding sources and models where possible. It is acknowledged that service costs often, and will likely, increase at a rate greater than

CPI and LGA is committed to a continuous improvement program with the aim of keeping the increase of subscriptions for existing services to CPI.

Scheme Revenue

The LTFP assumes that the LGA will maintain its current level of revenue from the Schemes, as agents/founders of the Schemes, and this is expected to increase in line with the Wage Price Index for Workers Compensation Scheme, and CPI for the Mutual Liability scheme.

LG House Rent and Outgoings Income

LGA receives rental and reimbursements of approximately \$1.59 million from LG House tenancies and this is expected to increase by 3 – 3.5% per year for the first three years based on agreements in place and then by CPI thereafter.

The LTFP assumes that LGA House has 100% occupancy during the 10-year forecast period.

Interest Income

Interest 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). Forecast revenue is based on a combination of expected cash balances and interest rate movements.

Research and Development Project Income

It is assumed that Research and Development (R&D) funds will continue to be received at current levels (approximately \$2.0 million per year) indexed by CPI.

The LTFP assumes that there will be no carry forward of R&D projects each year and that a minimum of \$200,000 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 and these are assumed to continue, indexed at CPI and offset by expenditure across the 10-year forecast period.

Fee-for-Service Income

The LGA provides added value to members by providing fee-for-service offerings. Revenue from fees and charges has been recalibrated for 2026/27 based on current service activity and are assumed to increase by the Local Government Price Index each year thereafter.

The LTFP currently does not assume the introduction of new fee for service offering as they are not known at this stage although contemplated in the Strategic Plan. This will be reviewed regularly and the LTFP updated accordingly as service decisions are taken.

LGA Procurement

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 operational finances have not been included in this LTFP except for the distribution provided to LGA to further assist reducing reliance on members subscriptions. The distribution currently provided by LGAP is \$50,000 and this is conservatively forecast to increase by CPI each year, with other parameters in place to provide for one off increases in years where LGAP exceeds certain thresholds. Conservatively, the LTFP has not anticipated any of these one-off increases.

Operating Expenditure

Employee costs

Employee costs are projected based on current staffing levels. Annual increases are forecast to be in line with the higher of Wage Price Index or CPI however actual annual increase decisions are based on market analysis each year, largely aligned to the Wage Price Index. New positions required to deliver the Strategic Plan have not been assumed as they will require consideration and business case analysis prior to Board approval. Regular review of these decisions and update of the LTFP will occur accordingly.

Materials, contract & other costs

The estimated annual increase of other operating expenditure is in line with the Local Government Price Index over the 10-year forecast period, with existing service

levels remaining. As with employee costs, fees and charges, future service decisions taken in line with the Strategic Plan will be regularly reviewed and the LTFP updated accordingly.

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 – 5 to 10 years
- Motor Vehicles – 4 to 5 years

Depreciation is indirectly indexed via property revaluation assumptions and capital expenditure indexation assumptions, aligned with the capital portion of the Local Government Price Index.

Project Expenditure

It has been assumed that most project reserves relating to the CWMS program will be spent over the coming 3 years, in addition to a new 10 year program commencing from 2028. It is also assumed that other reserves are not carried over year on year and remain roughly at their current levels.

This will be reviewed and updated annually based on actual activity each year.

Loan Borrowings & Debt

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 LTFP does not currently forecast any new borrowings over the 10-year forecast period, however this will be regularly reviewed as shared service opportunities and other Strategic Plan initiatives are considered.

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 and will conclude in 2027-28.

The LTFP shows that LGA does not have any other borrowings at present, however it should be noted that cash holdings are currently not sufficient to cover project reserves, so LGA has internal borrowings to the value of approximately \$2.9 million as at 2026. If all project reserves were allocated, LGA would have to take borrowings of \$2.9 million in order to fund them.

The financial ratios indicate a capacity for LGA to take on borrowings for strategically aligned and appropriate activities provided funding sources are associated to service and repay those borrowings as well as address the existing deficit to project reserves.

Non-current Assets

The LTFP also provides for the revaluation of its building and land every year. Assets are assumed to increase by 2.5% per year in value and the resultant increase on depreciation has been factored into the LTFP post revaluations.

Long Term Financial Plan Overview

Objectives of LTFP

The general objectives of the Long-Term Financial Plan (LTFP) are to project the financial capacity and sustainability of current LGA operations and planned services as well as to outline LGA's financial health, financial capacity and financial constraints over the next ten (10) years, to inform strategic and service decisions. The specific objectives of the LTFP are as follows.

1. To achieve and maintain a moderate Operating Surplus

To achieve operating surpluses between 1% and 4% of operating revenue over the life of the plan to provide LGA the capacity to absorb unforeseen costs, invest in service expansion and delivery on strategic objectives, and/or reduce reliance on member subscriptions.

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

Target an average Asset Sustainability Ratio of 100% (initially measured against depreciation and following its completion, against the asset management plan) to ensure assets are being renewed and replaced to maintain services levels and asset performance.

3. To effectively manage cash and project reserves

To maintain sufficient cash levels to appropriately fund LGA operating activities and administer project reserves in a way that maximises the effective use of cash without impacting on the effective administration of project funds and without utilising borrowings for operational purposes.

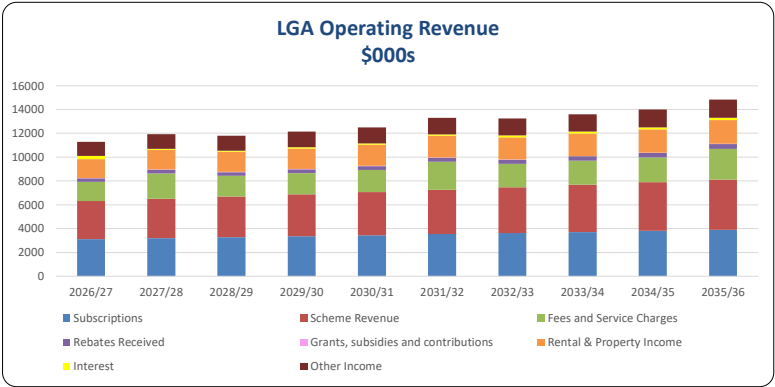
Previous Years' Results	Current Year Forecast	Year1 Year2 Corporate Plan	Long-Term Forecasts							
			Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10



The LTFP estimates are based on a general increase in the majority of income and expenditure in line with CPI and moderate surpluses from LGA Operations. It assumes that the LGA will continue to provide the current range of services and at this stage does not factor in additional investment to deliver expanded investment in line with the Strategic Plan.

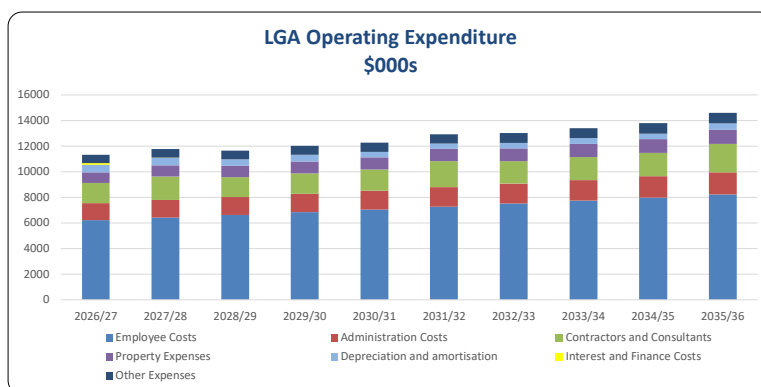
The LTFP indicates financial capacity to invest in strategic objectives beyond those funded in the current Corporate Plan and will be updated regularly as strategic decisions are made to ensure they remain within LGA's financial parameters.

Operating Revenue



Over the ten (10) year forecast, revenue from LGA Operations is projected to increase by 2.8% on average. Fees and charges increases are impacted by the four (4) yearly election cycle and corresponding increases in training activity that periodically occur as a result, whilst interest income decreases over the forecasts due to repayment of the SLGIP loan.

Operating Expenditure



Over the ten (10) year forecast, expenditure on LGA Operations is projected to increase by 2.7% on average. Employee costs are forecast to increase by 3.8% on average, coming off of a low base in 2025/26 due to a number of vacancies, whilst property expenses and interest costs are forecast to increase by less than CPI on average due to additional maintenance undertaken in 2025/26 (base year) and the repayment of the SLGIP Loan respectively.

Capital Expenditure

Unlike the councils it represents, LGA does not have a large infrastructure/asset base. LGA's major asset is LG House, valued at \$28.5 million and representing 87% of the value of LGA's non-current assets. Other assets include a small number of motor vehicles, office equipment & furniture and information technology equipment.

This Long-Term Financial Plan forecasts capital expenditure of \$4.7 million over the ten (10) year period, compared to \$4.9 million in depreciation.

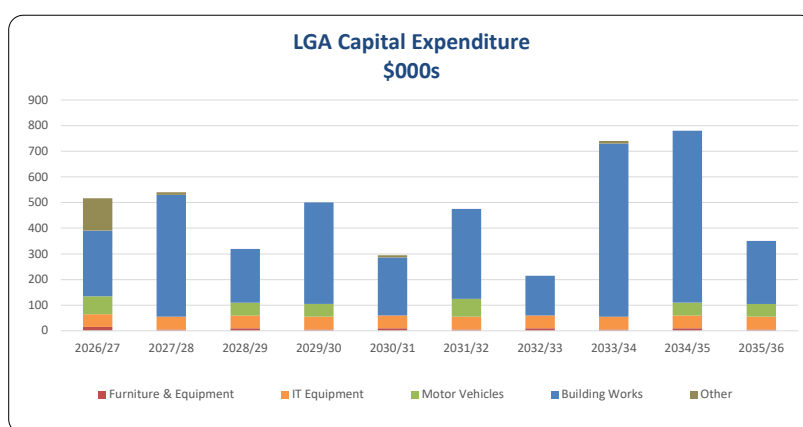
Recent major works have been undertaken to upgrade LG House including End of Trip, Bathrooms and fit outs.

LGA is currently undertaking a detailed condition based assessment of LG House with a view of developing a detailed 10-year capital plan. Once completed this data will be

incorporated into future updates to the Long-Term Financial Plan and Budget to ensure adequate lead time for funding and financial planning.

Budgeted capital expenditure is currently driven by:

- **Building (including fit out)** – independent assessment, safety and compliance assessments and forecast expenditure from building management services.
- **Vehicles** –vehicle replacement every 5 – 6 years based on usage and market.
- **Furniture, fittings & ITC** – replacement of current office equipment on a revolving basis, IT equipment replacement on a four (4) year cycle for laptops etc.



A detail listing of building works (including fit out) capital expenditure is provided in Appendix 2.

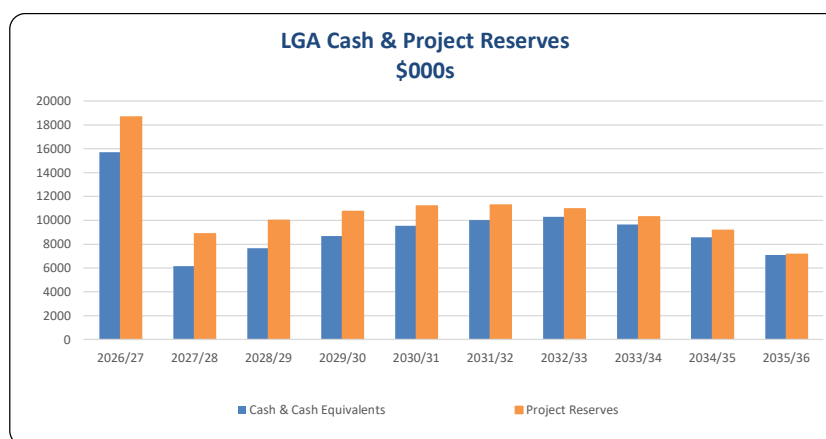
Cash & Project Reserves

LGA is the recipient of grant funding each year for a number of grant programs it is responsible for administering, including CWMS, R&D, Coastal Adaptation and others. Funds received (less administration costs) are held on LGA's balance sheet in various ways due to different accounting standard requirements. The amount being held by LGA at any one time is called the "project reserve" and it represents the funds the LGA needs to distribute to various project recipients in accordance with the grant funding programs.

The project reserve is forecast to drop substantially in 2027/28, due to the anticipated allocation of CWMS funding to several projects that are currently in detail design phase. The LTFP assumes that all grant programs currently administered by LGA continue in largely the same capacity as they are across the forecast period.

The chart below compares the value of the “project reserve funds” with LGA’s cash holdings and indicates that LGA currently does not have sufficient cash to cover its project reserves, if they were to be all allocated/called upon in a short timeframe. This means that LGA has effectively borrowed against its own cash holdings to fund other LGA activities, with the current difference being approximately \$2.94 million. Whilst borrowing from internal cash holdings (where contractually acceptable) is a legitimate, and often efficient, use of cash, it must be monitored carefully so as not to place LGA in an unsustainable position with unexpected borrowings should those project programs come to an end or the project funding be all allocated in a short time frame.

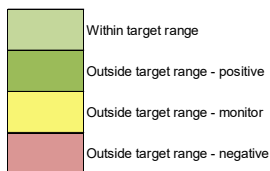
To assist with this, the financial indicators such as Net Financial Liability Ratio and Liquidity Ratio incorporate additional detail, to indicate the effect of project reserves holdings.



Financial Targets

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

Year Ended 30 June:	Actual	Actual	Actual	Forecast	Year 1 Budget	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Avg
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
Operating Surplus Ratio - LGA Operations	2.4%	1.5%	2.6%	0.5%	(0.3%)	1.4%	1.2%	1.0%	1.7%	2.7%	1.7%	1.5%	1.3%	1.6%	1.4%
Liquidity(Quick) Ratio	0.95	1.07	1.08	1.02	1.03	1.11	1.13	1.14	1.17	1.21	1.26	1.28	1.31	1.47	1.21
Net Financial Liabilities Ratio	6.0%	(11.3%)	(14.7%)	(5.5%)	(5.5%)	(6.6%)	(8.9%)	(9.9%)	(12.0%)	(13.4%)	(16.3%)	(16.0%)	(15.5%)	(17.4%)	(12.2%)
Subscription Reliance Ratio	25.6%	24.7%	26.3%	26.5%	27.4%	27.2%	28.2%	28.0%	28.1%	27.3%	27.8%	27.7%	27.6%	26.7%	27.6%
Project Reserve Coverage Ratio	0.86	0.89	0.88	0.89	0.84	0.69	0.77	0.80	0.85	0.89	0.93	0.93	0.93	0.98	0.86
Asset Sustainability Ratio	(11.8%)	6.8%	259.7%	14.9%	86.5%	92.2%	62.6%	92.8%	66.9%	119.8%	49.1%	165.7%	175.2%	70.7%	98.2%



Operating Surplus Ratio – LGA Operations

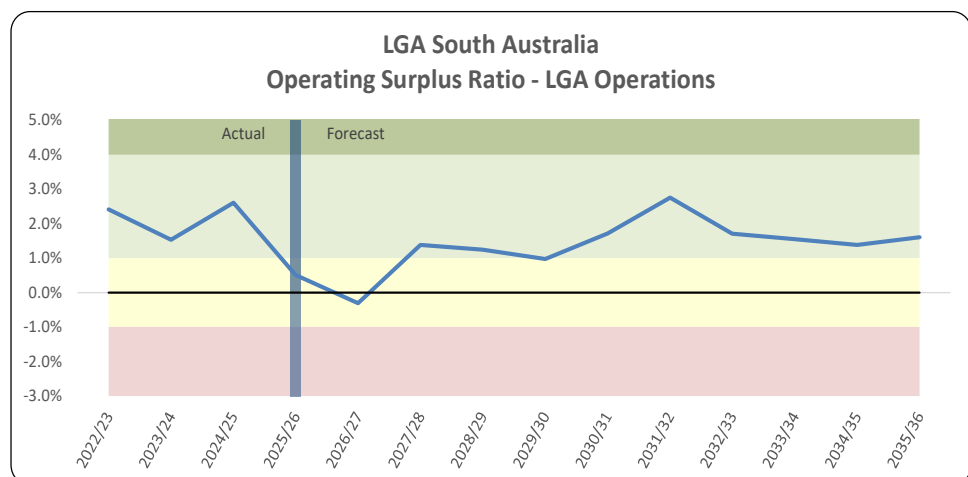
The Operating Surplus Ratio shows whether LGA Operations are fully funded by operating income sources, with the target band of between 1 - 4% surplus that aims to provide capacity to absorb unforeseen events and financial shocks whilst supporting effective management of assets and cash flow.

Target

1% - 4%

Measure

Operating result
from LGA
Operating Activities
/ Revenue from
LGA Operating
Activities



The green (target area) equates to LGA Operations being fully funded by LGA operating revenue, with the higher up in the target area representing greater scope to manage unforeseen events, repay debt or service new activities. The darker green

area indicates increased operational surplus which may require Board strategic consideration.

Whilst the ratio remains in the target zone for most of the forecast period, it should be read in conjunction with the Project Reserve Coverage Ratio which indicates that LGA currently does not have sufficient cash to cover project reserves should they all be called upon, which would result in borrowings.

Liquidity (Quick) ratio

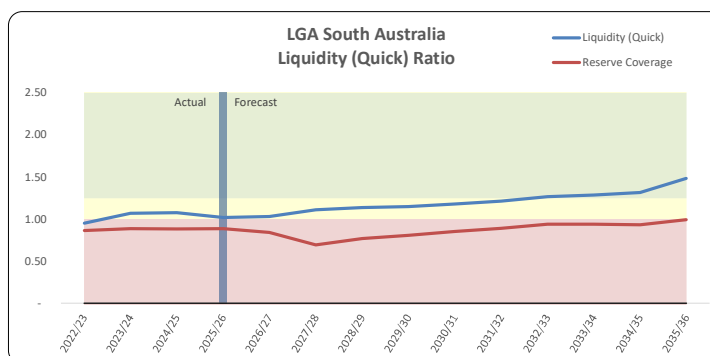
The Liquidity (Quick) Ratio indicates LGA's ability to meet short-term liabilities using liquid assets. That is, whether LGA can pay its liabilities as and when they fall due. A ratio below 1.0 indicates potential liquidity risk, with a ratio of 1.25 – 2.5 indicating an acceptable to strong liquidity position.

Target

1.25 – 2.5

Measure

Cash and Cash
Equivalents / Current
Liabilities



The ratios shows that LGA holds sufficient liquid assets to cover short term liabilities and that this gradually improves over the forecast period, however the additional detail relating to project reserves shows that for some time, LGA has in the past borrowed against project grant fund reserves for LGA Activities (indicated by the red line) to the tune of approximately \$3 million.

At the current rate of operating surplus, this internal borrowing will take 10 years to be repaid (eliminated) and may need further Board consideration as other Strategic Plan initiatives are considered, particularly if further borrowings are being contemplated. The dip in the reserve coverage ratio in 2027-28 is a result of the internal borrowing (difference) remaining the same whilst significant project funds are planned to be allocated, thus reducing the base from which the ratio is calculated.

Net Financial Liabilities Ratio

The Net Financial Liabilities ratio measures long term financial capacity by assessing the level of LGA's net debt, including project reserves, as a percentage of annual operating revenue. A negative result indicates a very strong position with financial

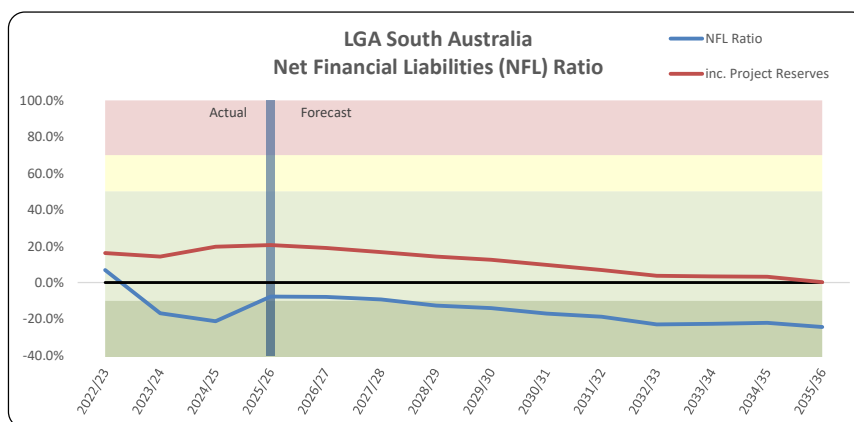
assets exceeding liabilities although there is a point at which this can indicate an ineffective use of financial capacity.

Target

< 50% of LGA Operating Revenue

Measure

Net financial liabilities / total operating revenue



The LTFP does not currently forecast the use of additional borrowings across the life of the plan, however this may be reconsidered in future iterations of the plan as the implementation of the Strategic Plan is considered in more detail, or as shared service opportunities arise for the benefit of the sector. The ratio indicates that LGA has financial capacity to consider these opportunities providing borrowings are accompanied by sufficient additional operating revenue.

Subscription Reliance Ratio

The Subscription Reliance Ratio measures the percentage of operating expenditure that is funded by membership subscriptions, that is, the level of reliance on membership subscriptions to deliver LGA member services. The red line indicates the ratio including scheme revenue.

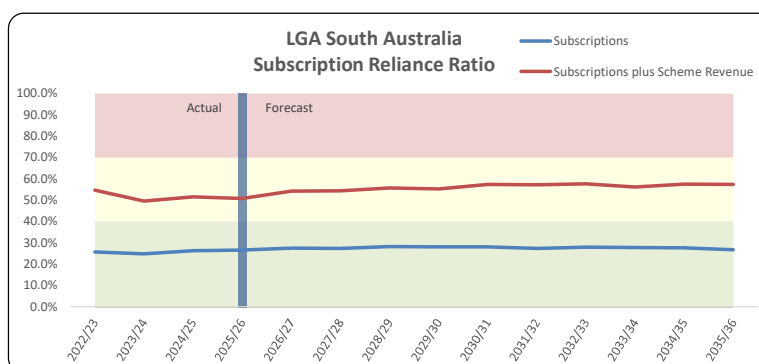
Target

< 40%

(<70% including scheme revenue)

Measure

Subscription Revenue / Expenditure on LGA Operations



Member subscriptions are forecast to fund between 25% and 30% of LGA Operations expenditure across the forecast period.

Project Reserve Coverage Ratio

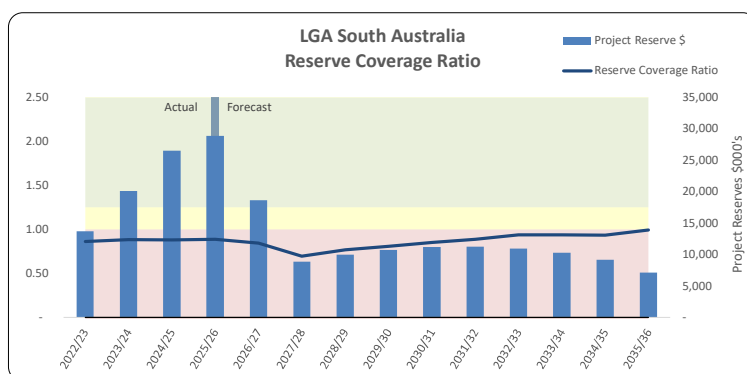
The Project Reserve Coverage Ratio compares the value of project reserves (funding that LGA holds for distribution) with LGA cash and Cash equivalents. LGA Cash and Cash equivalents should always be greater or equal to project reserves. To the extent that this isn't the case, LGA has internally borrowed against these reserves and this will need to be redressed (repaid) prior to the project reserves being allocated / called on.

Target

>1.0

Measure

Cash and Cash
Equivalents / Project
Reserves (Including
CWMS)



The current shortfall between cash held and project reserves funds is \$2.9 million. This would effectively become borrowings should the project reserve funds be allocated or called on in their entirety, or should the funding programs cease operation. The ratio indicates this internal borrowing is repaid over 10 years, at the current rate of operating surpluses. This will require monitoring and may require intervention as part of the regular planned review of the LTFP, and in response to Strategic Plan decisions or changing economic environment.

Asset Sustainability Ratio

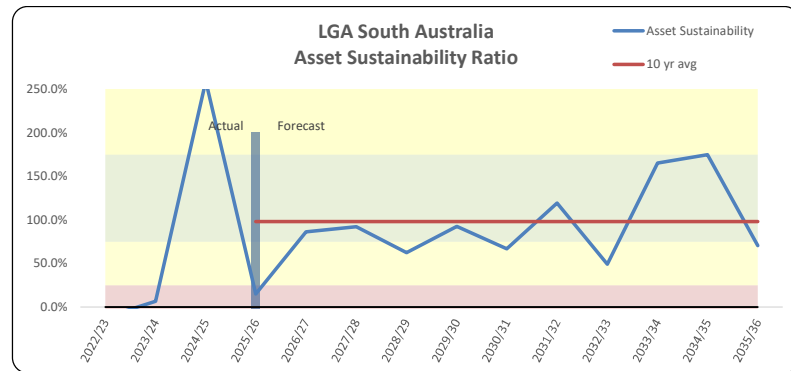
Unlike its member councils, the Asset Sustainability Ratio (based on depreciation) is not as crucial for LGA given the low number of assets it manages and the fluctuations in expenditure year to year. Once a revised and condition-based capital works plan is in place, using this as the basis for the ratio will be a much more informative measure of asset sustainability over the forward projections.

Target

75% - 175%

Measure

Capital
Expenditure/Depreciation



The ratio shows recent large investment in 2024/25 related to building upgrade works and shows an average spend (dashed line) of 98% of depreciation across the 10-year projections, driven by increased expenditure in years 8-10. Once the condition based asset management plan is completed this ratio will be updated to use that as the base, in addition to tracking against depreciation.

Appendix 1: Forecast Financial Statements

Local Government Association of SA - Long Term Financial Plan Forecast Income Statement

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2025/26 Forecast Result \$000	2026/27 Budget \$000	2027/28 Forecast \$000	2028/29 Forecast \$000	2029/30 Forecast \$000	2030/31 Forecast \$000	2031/32 Forecast \$000	2032/33 Forecast \$000	2033/34 Forecast \$000	2034/35 Forecast \$000	2035/36 Forecast \$000
REVENUE											
LGA Operations											
Subscriptions	2,961	3,106	3,206	3,284	3,365	3,448	3,533	3,621	3,711	3,803	3,898
Scheme Revenue	3,115	3,199	3,302	3,406	3,513	3,623	3,737	3,854	3,974	4,099	4,227
Fees and Service Charges	1,579	1,630	2,129	1,738	1,787	1,838	2,339	1,956	2,011	2,068	2,577
Rebates Received	315	300	309	318	327	336	345	355	365	375	386
Grants, subsidies and contributions	20	20	21	21	22	23	23	24	25	25	26
Rental & Property Income	1,495	1,589	1,636	1,685	1,727	1,769	1,813	1,858	1,904	1,952	2,000
Interest	347	246	94	82	95	108	127	148	160	159	171
Other Income	1,393	1,199	1,235	1,270	1,305	1,342	1,380	1,419	1,459	1,501	1,544
LGA Operations Revenue	11,225	11,290	11,931	11,805	12,140	12,487	13,297	13,233	13,609	13,983	14,830
LGA Projects											
Fees and Service Charges	5	5	5	5	6	6	6	6	6	6	7
Grants, subsidies and contributions	4,404	4,145	4,270	4,389	4,512	4,639	4,770	4,905	5,044	5,188	5,336
Other Income	70	70	72	74	77	79	82	84	87	89	92
LGA Projects Revenue	4,479	4,220	4,347	4,469	4,595	4,724	4,858	4,995	5,137	5,284	5,435
Total Operating Revenue	15,704	15,510	16,278	16,274	16,735	17,211	18,155	18,229	18,747	19,266	20,264
EXPENDITURE											
LGA Operations											
Employee Costs	6,016	6,582	6,793	7,003	7,223	7,450	7,683	7,923	8,172	8,428	8,692
Administration Costs	1,402	1,472	1,516	1,559	1,603	1,648	1,694	1,742	1,792	1,843	1,895
Contractors and Consultants	1,888	1,571	1,847	1,553	1,597	1,642	2,033	1,746	1,795	1,846	2,244
Property Expenses	911	845	870	894	920	945	972	1,000	1,028	1,057	1,087
Depreciation and amortisation	597	597	585	511	539	441	397	438	447	445	495
Interest and Finance Costs	219	127	24	-	-	-	-	-	-	-	-
Other Expenses	646	641	660	678	697	717	737	758	780	802	825
Overhead Allocations	(510)	(509)	(526)	(539)	(553)	(567)	(581)	(596)	(611)	(626)	(642)
LGA Operations Expenditure	11,168	11,325	11,769	11,660	12,025	12,276	12,935	13,011	13,402	13,794	14,596
LGA Projects											
Employee Costs	1,620	1,280	1,321	1,362	1,405	1,449	1,494	1,541	1,590	1,639	1,691
Administration Costs	23	44	45	46	48	49	50	52	53	55	56
Contractors and Consultants	1,748	610	628	646	664	683	702	722	742	763	785
Property Expenses	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions	2,489	2,210	1,788	1,835	1,883	1,932	1,983	2,036	2,090	2,146	2,204
Interest and Finance Costs	1	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Other Expenses	242	321	331	340	349	359	369	380	391	402	413
Overhead Allocations	265	226	234	240	246	252	258	265	272	278	285
LGA Projects Expenditure	6,387	4,692	4,347	4,469	4,595	4,724	4,858	4,995	5,137	5,284	5,435
Total Operating Expenses	17,556	16,017	16,116	16,129	16,620	17,000	17,793	18,006	18,539	19,078	20,030
Operating Surplus / (Deficit)	(1,851)	(507)	162	145	116	211	362	222	207	188	234
Comprising:											
LGA Operations Surplus / (Deficit)	57	(35)	162	145	116	211	362	222	207	188	234
LGA Projects Surplus / (Deficit)	(1,908)	(471)	-	-	-	-	-	-	-	-	-
Non-Operating Items											
Net gain / (loss) on Sale of Assets	-	(100)	(100)	-	-	-	-	-	-	-	-
Gain / (loss) on Revaluation of Investments	-	395	407	421	434	448	462	475	489	511	526
Total Non Operating Items	-	295	307	421	434	448	462	475	489	511	526
Net Surplus / (Deficit)	(1,851)	(211)	469	565	549	659	824	698	696	699	760
Other Comprehensive Income											
Revaluation / (Devaluation) of Operating Land & Buildings	-	312	315	321	325	330	334	338	341	349	353
Total other comprehensive income	-	312	315	321	325	330	334	338	341	349	353
Total Comprehensive Surplus (Deficit)	(1,851)	101	784	886	874	990	1,159	1,036	1,038	1,049	1,112

Local Government Association of SA - Long Term Financial Plan Forecast Balance Sheet

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2025/26 Forecast Result \$000	2026/27 Forecast \$000	2027/28 Forecast \$000	2028/29 Forecast \$000	2029/30 Forecast \$000	2030/31 Forecast \$000	2031/32 Forecast \$000	2032/33 Forecast \$000	2033/34 Forecast \$000	2034/35 Forecast \$000	2035/36 Forecast \$000
Current assets											
Cash and cash equivalents	23,712	13,851	4,219	5,691	6,659	7,481	7,915	8,132	7,445	6,313	4,787
Trade and other receivables	4,015	4,212	4,347	4,453	4,562	4,675	4,790	4,909	5,031	5,157	5,285
Prepayments	400	414	426	439	452	466	480	495	510	525	541
Other financial assets	2,698	2,792	-	-	-	-	-	-	-	-	-
Total Current Assets	30,825	21,268	8,992	10,583	11,674	12,622	13,186	13,536	12,985	11,995	10,614
Non-current assets											
Office Equip & Fitout	902	801	767	616	538	498	686	665	643	1,103	1,015
Motor Vehicles	89	100	60	79	106	106	125	114	82	86	106
Intangible & Other	322	281	168	143	117	92	66	41	15	-	-
Land & Building (LG House)	12,333	12,598	12,837	13,007	13,212	13,379	13,515	13,644	13,975	14,105	14,255
Investment Property	15,818	16,277	16,823	17,341	17,928	18,484	19,017	19,561	20,432	21,029	21,681
Financial assets	2,792	0	0	-	-	-	-	-	-	-	-
Total Non-current Assets	32,255	30,058	30,655	31,186	31,901	32,559	33,409	34,024	35,148	36,323	37,056
Total Assets	63,080	51,326	39,647	41,769	43,575	45,181	46,594	47,560	48,133	48,317	47,670
Current Liabilities											
Trade and other payables	2,315	2,391	2,463	2,532	2,603	2,676	2,752	2,830	2,910	2,993	3,078
Borrowings	2,698	2,792	-	-	-	-	-	-	-	-	-
Employee Provisions	710	735	758	782	806	832	858	885	912	941	970
Other current liabilities	24,074	14,318	4,522	5,643	6,420	6,857	6,932	6,631	5,940	4,843	2,810
Total Current Liabilities	29,797	20,235	7,743	8,957	9,829	10,365	10,542	10,345	9,762	8,776	6,858
Non-current Liabilities											
Borrowings	2,792	0	0	-	-	-	-	-	-	-	-
Employee Provisions	169	175	181	186	192	198	204	211	217	224	231
Total Non-current Liabilities	2,961	175	181	186	192	198	204	211	217	224	231
Total Liabilities	32,758	20,410	7,924	9,143	10,021	10,563	10,746	10,556	9,980	9,000	7,089
Net Assets	30,323	30,916	31,724	32,627	33,554	34,618	35,848	37,004	38,153	39,317	40,581
Equity											
Retained Earnings	13,377	13,821	13,983	14,128	14,244	14,455	14,817	15,040	15,247	15,435	15,669
Asset revaluation reserve	12,179	12,799	13,445	14,204	15,015	15,868	16,736	17,670	18,611	19,587	20,617
Other reserves	4,766	4,295	4,295	4,295	4,295	4,295	4,295	4,295	4,295	4,295	4,295
Total Equity	30,323	30,916	31,724	32,627	33,554	34,618	35,848	37,004	38,153	39,317	40,581

**Local Government Association of SA - Long Term Financial Plan
Forecast Cash Flow Statement**

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	Forecast Result	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities											
Receipts											
Operating receipts	10,933	11,098	11,894	11,781	12,106	12,441	13,235	13,152	13,518	13,894	14,732
Receipts from grants (inc AASB 1058 CWMS)	11,246	12,092	12,149	9,425	9,704	9,990	10,260	10,518	10,768	11,005	11,218
Investment receipts	347	234	74	73	100	127	163	205	230	229	251
Payments											
Finance payments	219	127	24	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Grants payments (inc. AASB 1058 CWMS)	4,082	17,210	16,788	5,835	6,383	6,932	7,483	8,036	8,590	9,146	10,204
Operating payments to suppliers and employees	15,433	12,961	13,606	13,672	14,083	14,509	15,291	15,407	15,873	16,353	17,194
Net cash flows from operating activities	2,792	(6,875)	(6,300)	1,772	1,443	1,117	884	432	53	(371)	(1,196)
Cash flows from investing activities											
Receipts											
Sale of assets	-	30	-	20	25	-	25	-	-	20	20
Capital Grants & Contributions	-	-	-	-	-	-	-	-	-	-	-
Payments											
Asset Renewal / Purchase	89	516	540	320	500	295	475	215	740	780	350
Net cash flows from investing activities	(89)	(486)	(540)	(300)	(475)	(295)	(450)	(215)	(740)	(760)	(330)
Cash flows from financing activities											
Receipts											
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-
Payments											
Repayments of borrowings	2,608	2,698	2,792	-	-	-	-	-	-	-	-
Net cash flows from financing activities	(2,608)	(2,698)	(2,792)	-	-	-	-	-	-	-	-
Net increase / (decrease) in cash held	95	(10,059)	(9,632)	1,472	968	822	434	217	(687)	(1,131)	(1,526)
Cash at beginning of reporting period	23,815	23,910	13,851	4,219	5,691	6,659	7,481	7,915	8,132	7,445	6,313
Cash at end of reporting period	23,910	13,851	4,219	5,691	6,659	7,481	7,915	8,132	7,445	6,313	4,787

Appendix 2: Capital Expenditure

Local Government Association of SA - Long Term Financial Plan Forecast Capital Expenditure

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2025/26 Forecast Result \$000	2026/27 Budget \$000	2027/28 Forecast \$000	2028/29 Forecast \$000	2029/30 Forecast \$000	2030/31 Forecast \$000	2031/32 Forecast \$000	2032/33 Forecast \$000	2033/34 Forecast \$000	2034/35 Forecast \$000	2035/36 Forecast \$000
Capital Expenditure											
Furniture & Equipment	5	15	5	10	5	10	5	10	5	10	5
IT Equipment	-	50	50	50	50	50	50	50	50	50	50
Motor Vehicles	-	70	-	50	50	-	70	-	-	50	50
Building Works	-	255	475	210	395	225	350	155	675	670	245
Other	84	126	10	-	-	10	-	-	10	-	-
Total Capital Expenditure	89	516	540	320	500	295	475	215	740	780	350
Sale Proceeds & Capital Grants	-	30	-	20	25	-	25	-	-	20	20
Net Capital Expenditure	89	486	540	300	475	295	450	215	740	760	330

Building Works Detail

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2025/26 Forecast Result \$000	2026/27 Budget \$000	2027/28 Forecast \$000	2028/29 Forecast \$000	2029/30 Forecast \$000	2030/31 Forecast \$000	2031/32 Forecast \$000	2032/33 Forecast \$000	2033/34 Forecast \$000	2034/35 Forecast \$000	2035/36 Forecast \$000
Building Works											
Building Management System	-	40	40	40							40
External Cladding Works	-	150	150								
End of Trip Facilities	-			10			20			40	
Bathrooms	-		15			15			75		
AED's	-	10									
Exit Lighting	-	5	5								
Carpark / RollerDoor	-			20		30			20		50
Lifts	-	10	40			40			40		
Fitout Works	-	10	100	10	100	10	200	10	10	500	10
Cooling Tower Works	-	15			15			15			15
Mechanical Works (provision)	-		100	100	250	100	100	100	500	100	100
Safety Works (provision)	-	15	25	30	30	30	30	30	30	30	30
Net Capital Expenditure	-	255	475	210	395	225	350	155	675	670	245

Appendix 3: Detailed Assumptions

Local Government Association of SA - Long Term Forecast Economic Indicators

EXPENSES	Driven by	Basis	Year 1 2026/27	Year 2 2027/28	Year 3 2028/29	Year 4 2029/30	Year 5 2030/31	Year 6 2031/32	Year 7 2032/33	Year 8 2033/34	Year 9 2034/35	Year 10 2035/36
Employee Costs	Wage Index	Year 1 based on Higher of Mercer Market Advice and Underlying CPI. Year 2 and 3 based on RBA wage index forecast - March Qtr. Future years based on previous 3yr avg	3.50%	3.20%	3.10%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%	3.13%
Employee Costs - Superannuation (Change)	Superannuation Guarantee	Superannuation Guarantee Levy - Change from previous year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Employee Costs		Calculated	3.50%	3.20%	3.10%	3.13%	3.14%	3.13%	3.13%	3.13%	3.13%	3.13%
Administration Expenses	Local Government Price Index (LGPI) Recurrent	Year 1 - Based on March Qtr data, year 2 and 3 Based on RBA CPI forecast, (future years based on trending to mid of RBA band by year 10)	3.30%	3.00%	2.80%	2.81%	2.81%	2.82%	2.83%	2.84%	2.84%	2.85%
Contractual Services, Property Expenses, Other Expenses.	Local Government Price Index (LGPI) Recurrent	Year 1 - 3 LGPI Recurrent forecast. Future Years movement in line with relative CPI movement	3.30%	3.00%	2.80%	2.81%	2.81%	2.82%	2.83%	2.84%	2.84%	2.85%
Long term loan interest expenses	Loan interest rate - fixed term	Year 1 advised per LGFA (including bonus). Future years based on relative movement in cash rate forecasts	5.98%	6.43%	6.48%	6.30%	6.40%	6.39%	6.36%	6.39%	6.38%	6.38%
Cash advance (adventure interest expense)	Loan interest rate - variable	Year 1 advised per LGFA (including bonus). Future years based on relative movement in cash rate forecasts	5.45%	5.90%	5.95%	5.77%	5.87%	5.86%	5.83%	5.86%	5.85%	5.85%
Capital Expenditure, Depreciation, Asset Revaluation	Local Government Price Index (LGPI) Capital	Year 1 - 3 LGPI Capital forecast. Future Years movement in line with relative CPI movement	3.50%	3.00%	3.00%	3.01%	3.01%	3.02%	3.03%	3.04%	3.04%	3.05%
REVENUE	Driven by	Basis	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Member Subscriptions	Consumer Price Index (CPI)	Adel March Qtr Year 1. RBA Forecast years 2 & 3. Future Years normalise to midpoint of RBA target band over remainder of forecast.	4.90%	3.20%	2.45%	2.46%	2.46%	2.47%	2.48%	2.49%	2.49%	2.50%
Scheme Revenue	Wage Index	Average of Previous 3 Years - Dec Qtr	2.75%	3.00%	3.17%	3.13%	3.14%	3.13%	3.13%	3.13%	3.13%	3.13%
Fees and Services Charges	Local Government Price Index (LGPI) Recurrent	Year 1 - 3 LGPI Recurrent forecast. Future Years movement in line with relative CPI movement	3.30%	3.00%	2.80%	2.81%	2.81%	2.82%	2.83%	2.84%	2.84%	2.85%
Rebates	Local Government Price Index (LGPI) Recurrent	Year 1 - 3 LGPI Recurrent forecast. Future Years movement in line with relative CPI movement	3.30%	3.00%	2.80%	2.81%	2.81%	2.82%	2.83%	2.84%	2.84%	2.85%
Other Income	Local Government Price Index (LGPI) Recurrent	Year 1 - 3 LGPI Recurrent forecast. Future Years movement in line with relative CPI movement	3.30%	3.00%	2.80%	2.81%	2.81%	2.82%	2.83%	2.84%	2.84%	2.85%
Rental and Property Income	Agreements / CPI	As per current agreement to 2028/29 Future years based on CPI	3.00%	3.00%	3.00%	2.46%	2.46%	2.47%	2.48%	2.49%	2.49%	2.50%
Interest Income	Investment interest rate	Year 1 advised per LGFA (including bonus). Future years based on relative movement in cash rate forecasts	4.65%	5.10%	5.15%	4.97%	5.07%	5.06%	5.03%	5.06%	5.05%	5.05%

(08) 8224 2000

lgasa@lga.sa.gov.au

148 Frome St Adelaide SA 5000

GPO Box 2693 Adelaide SA 5001

lga.sa.gov.au