



Long-term Financial Plan 2023–2024 to 2033–2034



City of
Norwood
Payneham
& St Peters

A nighttime photograph of a historic building, likely a city hall or council chamber, featuring a prominent clock tower. The building is illuminated with a combination of warm yellow and vibrant purple lights. The sky is a deep twilight blue. The text is overlaid on the upper portion of the image.

Long-term Financial Plan

2023–2024 to 2033–2034

The City of Norwood Payneham & St Peters 2024–2034 Long-term Financial Plan is a key document in the Council's Strategic Planning Framework. Covering a period of ten years, it provides an indication of the Council's direction and financial capacity.

The Long-term Financial Plan (the LTFP) is designed to meet the legislative requirements under the *Local Government Act 1999*.



Contents

Introduction	3
City Snapshot	4
Strategic Direction	6
Strategic Planning Framework	7
Chief Executive Officers Statement on Financial Sustainability	8
Key Influences and Assumptions	10
Strategic Projects	12
Future Projects	15
Our Financial Goal	16
Summary	22
Appendix A: Financial Projections	23

Introduction

The City of Norwood Payneham & St Peters is driven by the need to deliver programs and services to our citizens through the most efficient and effective means possible. The ability to deliver on this and the strategic directions outlined in the Council's Strategic Management Plan *CityPlan 2030: Shaping Our Future*, is dependent on the Council's responsible management of its financial resources over the long-term.

The Local Government Act 1999, requires Councils to prepare a Long-term Financial Plan (LTFP) covering a period of at least ten years.

The LTFP is a key document in the Council's Strategic Planning Framework. It is the primary financial management tool which links the Council's Strategic Plan, *CityPlan 2030*, 'Whole-of-Life' Asset Management Plans and the Annual Business Plan and Budget.

Adopted in 2008, *CityPlan 2030*, is focused on the concept that as a community, we can shape, model and influence our future by the actions we take today. *CityPlan 2030* captures the community's vision and aspirations for our City up to 2030 and establishes broad directions which will shape our City's future, with the overall aim of achieving Community Well-being.

The foundation of *CityPlan 2030* is based on four strategic outcome areas which the Council refers to as the Quadruple Bottom Line. The use of a Quadruple Bottom Line (QBL) approach is to ensure that the Council's sustainability principles are embedded across all of its operations. The QBL is about achieving social, cultural, economic and environmental sustainability.

Adding the fourth Pillar of Culture to the traditional Triple Bottom Line approach of environmental, social and economic sustainability, highlights the importance which the Council and the community has placed on protecting and enhancing the City's unique character, heritage and 'sense of place'.

In line with *CityPlan 2030*, the LTFP focuses on these four strategic outcomes.

The LTFP is an important planning tool for the Council as it:

- reflects the future financial position based on delivering the services, activities, programs and initiatives undertaken by the Council;
- allows the costs of long-term strategic decisions to be quantified and debated; and
- assesses the financial sustainability of service levels.

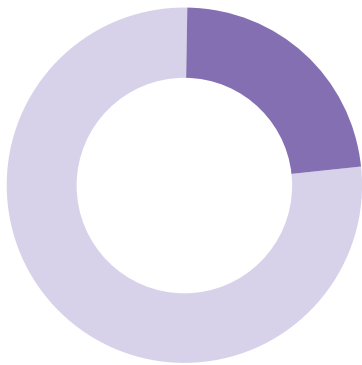
The City is challenged by growing community demands and expectations. It is also important to recognise the importance of growth, prosperity, sustainability and lifestyle and in meeting these challenges, the Council is committed to effective governance and providing infrastructure, services and facilities that satisfy all user groups.

The LTFP has been prepared on the basis of a number of objectives and assumptions that are outlined in this document. Strategies, priorities, issues and risks, are all dynamic influences which impact upon forward planning and as such, the LTFP is reviewed and adjusted annually, following the adoption of the Annual Business Plan and Budget to reflect material changes.

The financial projections contained within this LTFP, provide an indication of the Council's direction and financial capacity, rather than predicting the future financial performance and position of the Council. The LTFP should be viewed as a guide to future actions or opportunities which encourages the Council to think about the future impacts of decisions made today on the Council's long-term financial sustainability.

City Snapshot

The City of Norwood Payneham & St Peters enjoys a reputation as one of Adelaide's most desirable places to live, work and visit.

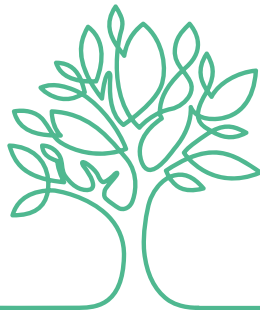


34.5%

of citizens residing in the City of Norwood Payneham & St Peters were born overseas, compared with 28.5% in Greater Adelaide.

341km
of footpaths

363km
of kerbing



171km of roads

20,000+ street trees

Local Businesses

8,117*

Our business community values the City's unique and diverse business mix with strong connections and ability to work together.



2 Swimming Centres



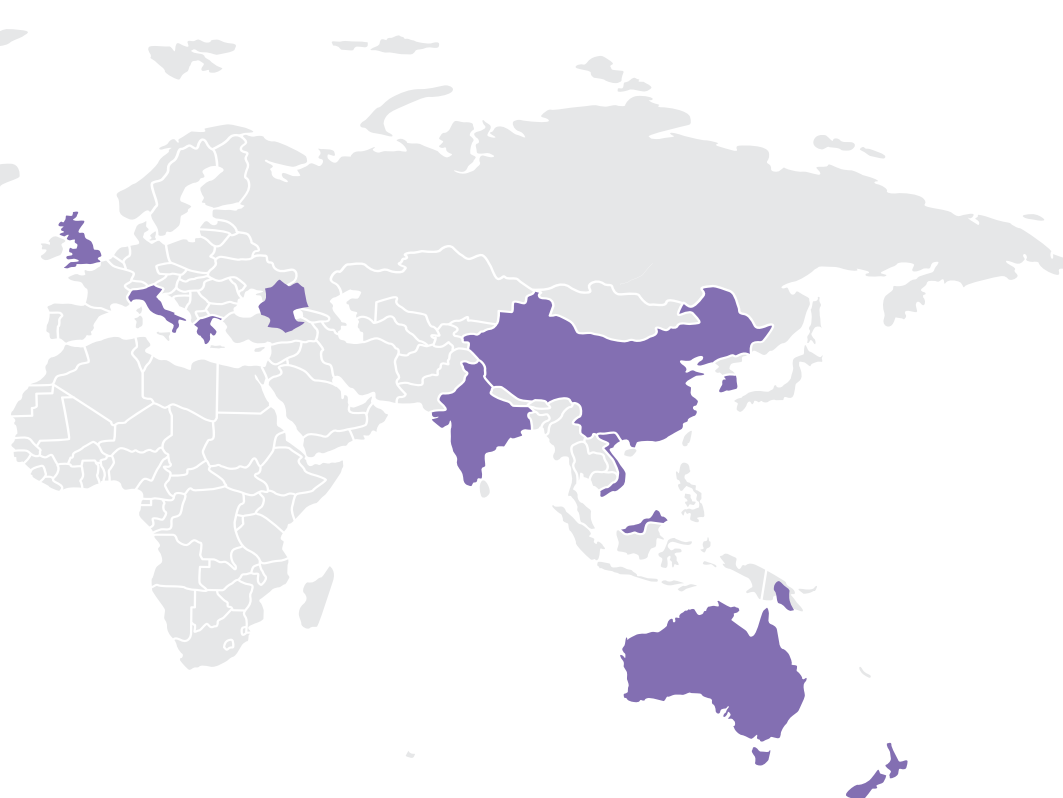
1 Child Care Centre & Pre-School



3 Libraries

Source: Australian Bureau of Statistics 2019 Estimated Resident Population

* Approximate figure



Top 5 origins of birth in the City

65.5%

Australia

4.2%

China

4.0%

England

3.5%

Italy

3.5%

India

Residents

37,487#

The median age of people is 41 years.
Children aged 0–14 years make up 18.2% of the population and people aged over 65 years make up 17.2%.

Volunteers

220

Volunteers play an integral role in our City's community life and make a valuable contribution by giving their time and skills for the benefit of others.



29 playgrounds



72 parks and reserves



180 hectares of open space

Strategic Direction

The Council’s strategic direction is guided by four Outcomes or Pillars which contribute to the realisation of the Council’s Vision and are based on the four Pillars of the Quadruple Bottom Line (QBL) framework. The four outcomes are Social Equity, Cultural Vitality, Economic Prosperity and Environmental Sustainability.

We exist to improve the Well-being of our citizens and our community, through:

- Social Equity**
- Cultural Vitality**
- Economic Prosperity**
- Environmental Sustainability**



The objectives set out in *CityPlan 2030*, which outline the priorities for what needs to happen to achieve the four outcomes, reflect the community’s aspirations, the policy commitments of the Council and the likely trends and issues which our City will face over the course of *CityPlan 2030*.

CityPlan 2030 plays a pivotal role in guiding the City of Norwood Payneham & St Peters towards the community’s vision for the future. Achieving the

strategies contained in *CityPlan 2030* requires transparent and accountable governance structures and processes which are both flexible and responsive to the future opportunities and challenges that will present themselves.

It will also require a positive can-do attitude and approach to ensure that we realise the future which we want for ourselves and the next generation, rather than just 'letting things happen'.

Strategic Planning Framework

In working towards our vision, all of the programs, projects and services which the Council delivers are structured into four key outcome areas, referred to as the 'Four Pillars' of Community Well-being.



Chief Executive Officer's *Statement on Financial Sustainability*

This Long-term Financial Plan (LTFP) not only provides the future financial projections, as shown on the following pages, it also demonstrates how the Council has performed against the financial outcomes it has developed to measure its financial sustainability.

The LTFP has been developed on the principle of financial sustainability and sets out the Council's financial strategies and commitments over the long term. It explains how the organisation will meet its obligations now and in the future, taking into account the services, our workforce, our finances and our assets.

Financial sustainability means having a financial position capable of meeting long-term service and infrastructure levels and standards that are acceptable to the community, without substantial increases in rates or cuts to services.

The Council's long-term sustainability is dependent upon ensuring that, on average over time, the operating expenses are less than the associated revenues.

Financial sustainability implies equity between generations, to ensure that today's ratepayers pay only for their share of the City's assets. Intergenerational equity is primarily achieved by funding the cost of renewing and replacing assets through revenue sources including rates. This means the cost of replacing assets which benefit existing ratepayers are being funded by those ratepayers.

The LTFP is driven by the need to deliver enhanced and improved services to our citizens, through the most efficient and effective means possible.

Key financial indicators used to assess the Council's long-term financial sustainability, as set out in the LTFP, are in line with the Council's established benchmarks to ensure the sustainability of the Council's long-term financial performance and position.

Continuously improving our Asset Management Plans to ensure that we are appropriately maintaining our City's infrastructure and facilities, using debt where appropriate and applying rate revenue increases that are reflective of

the service levels provided to the community, will ensure that the Council has the financial capacity to meet the needs of our community in a financially sustainable way.

The LTFP proposes that the Council will undertake a number of new projects to the value of \$111 million over the life of the LTFP. Due to the nature of these projects and in line with the Council's Treasury Management Policy, these projects will be funded through long-term borrowings.

While the decision to increase loan borrowings carries inherent risks, the Council has identified and will implement several mitigation strategies such as enhanced oversight and governance measures to monitor the progress of projects and financial performance, conducting a comprehensive review of its recurrent operational costs, assessing inefficiencies, budgeted costs, disposal of non-performing assets and other income generating activities.

The objective of the Council's Treasury Management Policy is to ensure that the Council mitigates the risks associated with increased loan borrowings.

The Council's Operating Result since 2013–2014, as shown in Figure 1, demonstrates how the Council has been able to achieve financial sustainability over the last ten years and how it will continue to maintain this into the future.

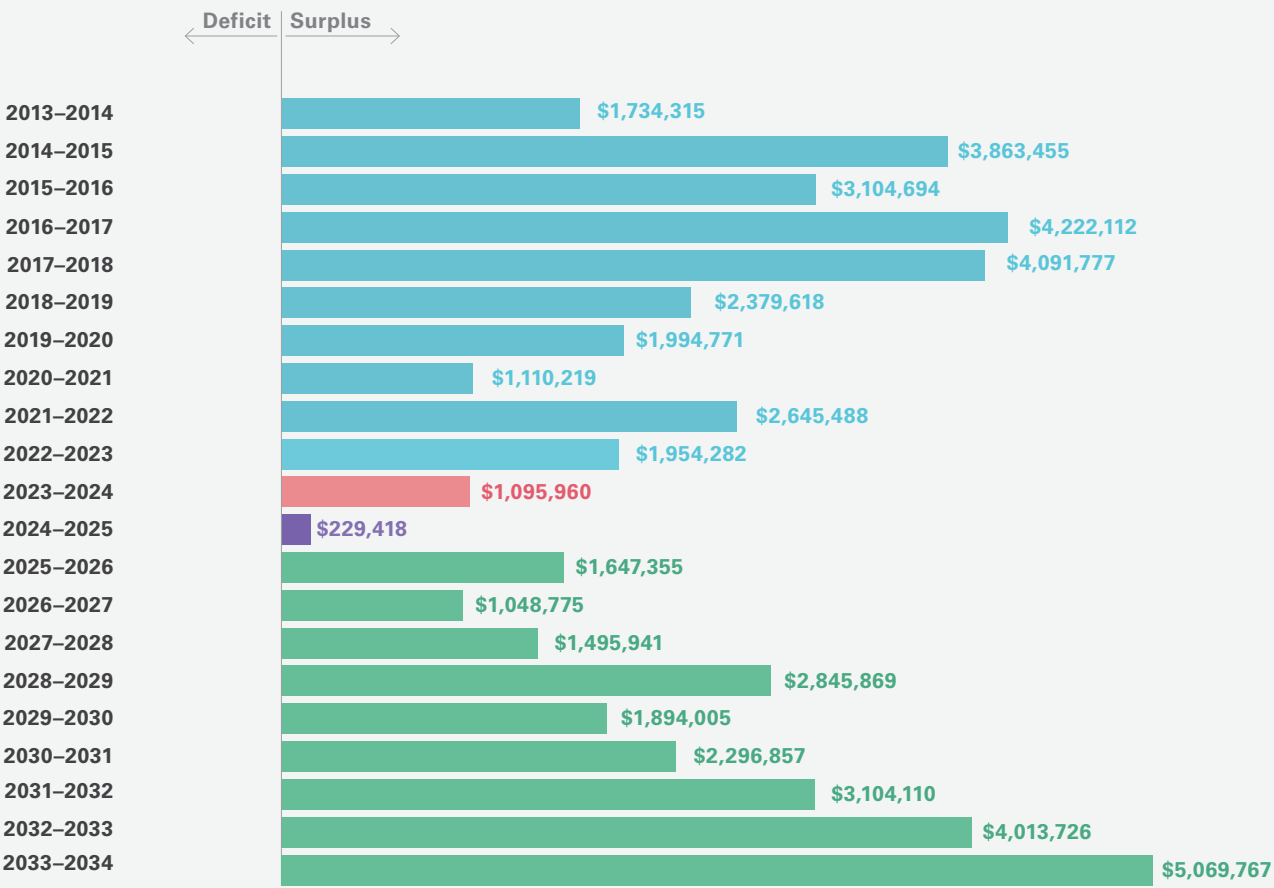
The Financial Goal and Outcomes that the Council will use to measure the Council's Financial Sustainability are set out on the following pages.

Mario Barone PSM
Chief Executive Officer

Figure 1

**Operating Surplus/Deficit
2013–2014 to 2033–2034**

Actual 2023–2024 3rd Budget Review
Forecast Budget



Key Influences and Assumptions

The City of Norwood Payneham & St Peters provides an extensive range of services, programs and facilities. The provision of these services, programs and facilities are in response to the responsibilities of Councils as set out in the *Local Government Act 1999* and other relevant legislation in addition to community needs and expectations and are in line with the objectives set out in *City Plan 2023*.

Within this context, a number of significant factors have influenced the preparation of the LTFP, namely;

- maintenance and ongoing renewal program for the City's existing infrastructure assets, including roads, footpaths, Council owned facilities, open spaces and reserves;
- upgrading and building of new infrastructure based on the Council's Infrastructure & Asset Management Plans and strategies which identify future infrastructure requirements;
- commitment to major projects which span more than one year;
- initiatives and major projects that are undertaken and which contribute to the well-being of our City and its citizens; and
- prudent financial management to ensure financial sustainability over the long term.

The financial projections contained within this LTFP, are meant to provide an indication of the Council's direction and financial capacity, rather than predicting the future financial performance and position of the Council.

Long-term financial planning is an iterative process and the assumptions that are applied in this process are reviewed annually using updated information, such as interest rates, inflation (CPI) and other factors such as the cost of materials and labour. This ensures that the Council continually reviews its financial performance and remains firmly focused on maintaining its long-term financial sustainability.

As such, the assumptions used in the preparation of this LTFP, can significantly influence the outcome. Some information regarding the major financial assumptions has been included to provide context around how the LTFP has been developed.

While the LTFP uses specific assumptions to calculate future estimated operating income and expenditure, it will not remove the need for the Council to continue to achieve operational efficiencies and prudent management of its expenditure.

As our City grows an increase in expenditure will be required to ensure that service levels are maintained across the City.

The key assumptions underlying the LTFP are as follows:

Maintaining existing services at current service standards

The LTFP is based on a 'business as usual' assumption, which means that the Council will continue to provide the existing range of services at the current service levels.

The 'business as usual' assumption does not take into account any change in direction or service level in response to community expectations, legislative requirements or changing economic conditions. For example, the issues that were experienced during the COVID-19 Pandemic.

It is recognised that the adoption of a 'business as usual' assumption, is somewhat unrealistic for a planning timeframe of ten years, given changes in the National and the World economic climate, community expectations and needs which may require investment in new assets and new service initiatives.

Cost Escalation

The Reserve Bank of Australia has an inflationary target of between 2% and 3% per annum. Based on the ten year average, CPI increases have been set from 3% to 2.90% for the life of this LTFP. This is a number that the Council cannot control or influence.

Increases in employment expenses have three main elements. These are:

- increases contained in the Enterprise Agreements;
- salary adjustments to meet the requirements of industry awards; and
- additional staff that are required to meet the strategic direction of the Council, growth of the community, increases in expectations etc.

The financial projections have assumed that, following wages alignment in 2024–2027, costs will increase by 3.0% per annum. The Council's Enterprise Agreements cover periods of up to three years.

It should be noted however, as these agreements will be renegotiated during the Long-term Financial Planning timeframe of this LTFP, the potential for unforeseen variations in the financial projections may arise. These will however be managed prudently by the Council.

Inflation

Consumer Price Index (CPI)

The CPI measures quarterly historic changes in the cost of a typical metropolitan 'basket' of goods and services that are purchased by households, in eleven categories including, food, alcohol and tobacco, clothing and footwear, housing, household contents and services, health, transport, communication, recreation, education and financial and insurance services. It is measured either at the State or National level.

CPI is not a complete measure of the capacity of this group, as it does not take into account other benefits (e.g. additional State electricity concessions) and the fact that some recipients of these benefits receive other income and may be affected by changes to income tax rates and thresholds. While it is relevant to the capacity of some ratepayers, the cost of living expenses, it is not an accurate reflection of changes to items relevant to Council expenditure.

For example, the items that are purchased by the Council to delivery its services, including maintenance of the City's infrastructure and community facilities, can have different cost pressures that extend beyond CPI. For further information on the CPI visit the ABS website www.abs.gov.au

Local Government Price Index (LGPI)

Unlike most households, local Councils spend a large proportion of their budgets on road construction materials; other construction costs (e.g. stormwater drains, environmental projects, footpaths, etc.); salaries for staff who are required to provide services; contractors; Subsidiaries (i.e East Waste, ERA Water, Eastern Health Authority and Highbury Landfill Authority); and on governance/administration. The prices of these items are driven by different pressures to that of average household costs and this is reflected in Council budgets, together with changes in standards, efficiency gains, and expansion of services, cuts in services, new services, and major projects.

In considering whether to use the LGPI or CPI, this LTFP must ultimately use the index which has the most significant, relevant and direct impact on the Council Budget. Forecast of the Adelaide CPI and Local Government Price Index was released by the Local Government Association of South Australia in June 2024.

A combination of both the CPI and LGPI was used in preparation for this LTFP as shown in Table 1 below.

Table 1

Annual Local Government Price Index versus Consumer Price Index (Historic and Forecast)

Year	LGPI	Adelaide CPI (June)	Variance LGPI vs. CPI	Average LGPI & CPI	Inflation used in LTFP
2023–2024	4.4	4.7	-0.3	4.6	Budget 3.0%
2024–2025	3.2	3.1	0.1	3.2	Budget 3.5%
2025–2026	3.1	2.8	0.3	3.0	3.0
2026–2027	3.0	2.8	0.2	2.9	2.9
2027–2028	3.0	2.8	0.2	2.9	2.9
2028–2029	3.0	2.8	0.2	2.9	2.9
2029–2030	3.0	2.8	0.2	2.9	2.9
2030–2031	3.0	2.8	0.2	2.9	2.9
2031–2032	3.0	2.8	0.2	2.9	2.9
2032–2033	3.0	2.8	0.2	2.9	2.9
2033–2034	3.0	2.8	0.2	2.9	2.9

■ LGPI forecast ■ Assumption

Rate Revenue Increases

The LTFP assumes an average Rate Revenue indexation of 5.60% which is equivalent to the ten year average to fund normal operations. Rate Revenue growth resulting from new developments also has been factored into this LTFP.

Local Government sets property rates in response to various factors including, general price inflation affecting Local Government, policy decisions regarding changes in the level of services and infrastructure that is provided by the Council, changes to demand for particular services and changes in financial support provided by other levels of government (i.e State and Federal) and finally the level of new initiatives or projects.

Of these factors, relatively stronger general price inflation for Local Government compared to households (reflecting differences in the mix of goods, services and other expenses incurred by both) would in part explain why property rates tend to grow at a faster pace than the overall CPI.

Grants and Subsidies

The Council receives grants and subsidies from both the State and Federal Governments to fund the development of services and programs. For the purpose of this LTFP, it has been assumed that existing Operating Grants will continue to be provided in the future and have been indexed by 2.43% per annum.

The Council will endeavor to seek Capital Grant income to assist in funding specific new capital projects. However, as this revenue is dependent on the pool of Government funding that is made available, it is difficult to predict how successful the Council will be in securing funds in the future. Therefore, no Capital Grant Funding, other than funding that has already been secured, has been included within this LTFP. In this context, the Council may defer the timing of some projects set out in this LTFP, with the view of the project progressing, subject to grant funding being secured.

Other Fees and Charges

Revenue generated from fees and charges are separated between statutory charges that are set by legislation and user charges, that are set by the Council. As part of the South Australian Government Budget, Fees and Charges relevant to specific Acts are levied, which apply to Council services.

Table 2

Projected Rates Increase

Year	CPI Used in LTFP	+	Growth (new development)	+	Wages growth*	+	Project Contribution	=	Projected Rate revenue increase
2024–2025	3.5		0.5		1.1		3.4		8.5
2025–2026	3.0		0.5		0.5		4.0		8.0
2026–2027	2.9		0.5		0.1		3.5		7.0
2027–2028	2.9		0.5		0.1		3.0		6.5
2028–2029	2.9		0.5		0.1		2.5		6.0
2029–2030	2.9		0.5		0.1		0.5		4.0
2030–2031	2.9		0.5		0.1		0.5		4.0
2031–2032	2.9		0.5		0.1		0.5		4.0
2032–2033	2.9		0.5		0.1		0.5		4.0
2033–2034	2.9		0.5		0.1		0.5		4.0

* in line with EB Agreements and legislative Superannuation increase

For user charges, the Council applies the principle of 'user pays' and where possible, recovers the full cost of operating or providing a service or good. Where it can be demonstrated that it is unfeasible to recover the full cost, concessions may apply.

Statutory and user charges represent 3.1% to 10.5% of the Council's Total Revenue and have been indexed by 2.08% per annum.

Asset Renewal and Replacement

The Council has in place 'Whole-of-Life' Asset Management Plans for each major class of assets (i.e. roads, footpaths, stormwater drainage and kerbing). The Asset Management Plan is expected to be reviewed in 2024–2025. The financial projections included in this LTFP, are based on the asset renewal and replacement programs as outlined in the 2024–2025 budget and the renewal spend at 100% Asset Renewal Funding Ratio. The LTFP will be updated to reflect the proposed timing of the asset renewals and upgrades as set out in the Council's suite of Infrastructure and Asset Management Plans and other relevant Strategies.

Due to the unique nature of the Council's asset base, the input costs to renew and replace the existing asset base, can be subject to cost escalations that are greater than CPI. The financial projections have assumed that construction costs will increase by 2.20% on average.

Funding

The LTFP assumes that the Council will borrow to fund new and upgraded assets. Loan repayments are calculated on loan schedules that are currently in existence and the estimation of any future loan borrowings.

Interest rates on new borrowings and cash advance are forecast at 5.67% and 6.93% per annum. For the purpose of this LTFP interest rate on investment income is forecast at 4.5% on average.

Cash and cash equivalents projections, where possible, are based on an ideal closing cash balance equivalent to one month's working capital requirements.

Depreciation

Depreciation is an allowance that represents the consumption of an assets service potential, or put simply, its wear and tear. Depreciation is based on the written down replacement value of an asset. The Council undertakes an independent valuation of its major asset classes every five years. In the interim years, a review and update of the replacement cost is undertaken based on the annual average movement in value of like assets verified by the Council's Valuer.

The escalation rates to reflect asset revaluations applied in the financial projections is between 1% and 3% across the life of the LTFP, dependent upon the asset class.

Payneham Memorial Swimming Centre Operational Costs Assumptions

The Payneham Memorial Swimming Centre is currently undergoing major redevelopment. This Long-term Financial Plan assumes an approximate annual operating deficit of \$1m when the Centre reopens in 2026.

The operating cost assumptions in this LTFP are based on the current model of operation, reflecting the existing model of expenses and processes and assumed operational requirements when the Centre opens. The operating cost projections are based on the assumption that operations will increase incrementally and will reach full capacity by the fourth year after the Centre's opening.

It is important to note that these assumptions are preliminary and may change following a revision of the Centre's operational strategy. This could lead to adjustments in the budget and LTFP to better align with any updated operational goals and efficiencies.

Strategic Projects

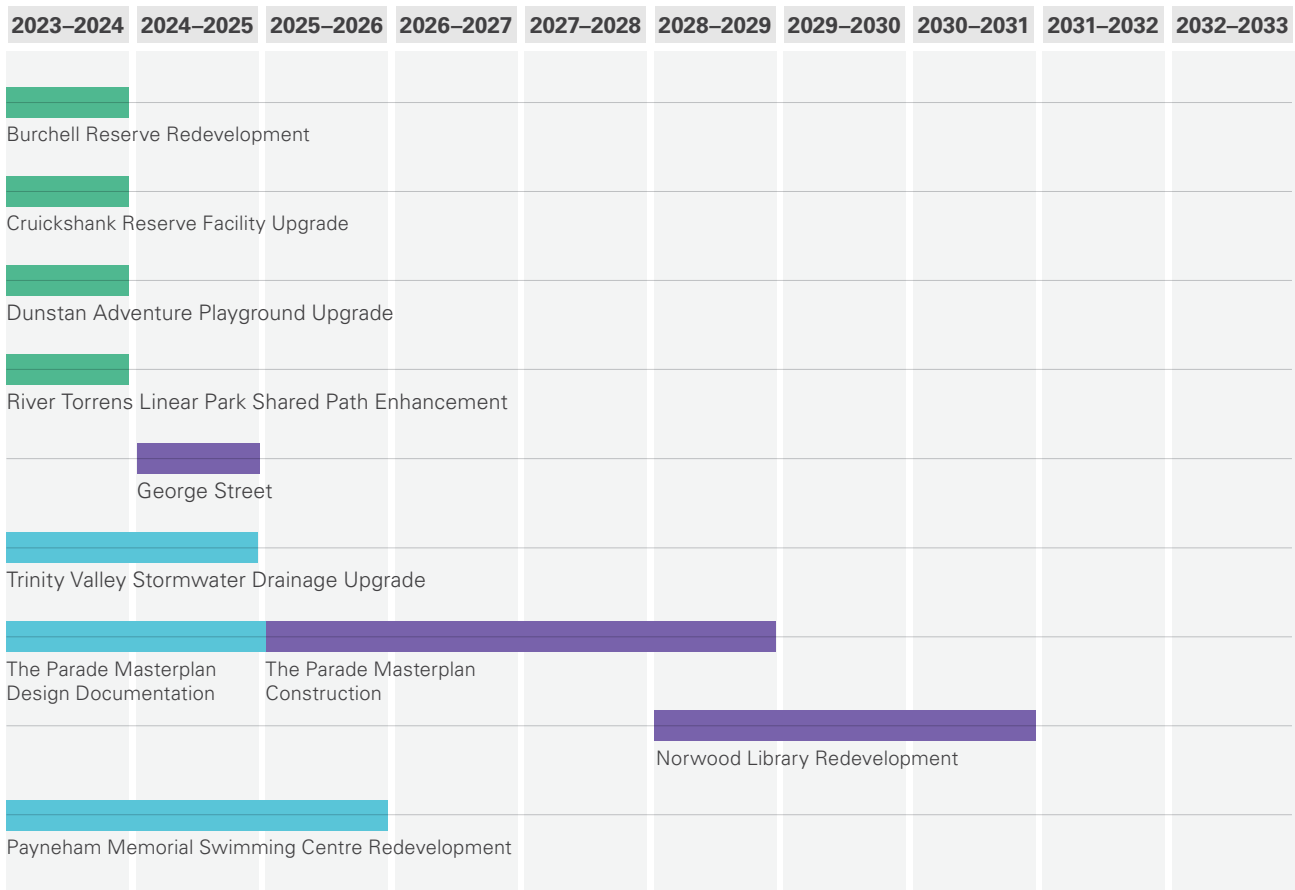
The Long-term Financial Plan has been developed to ensure that the Council has the financial resources to deliver on its strategic objectives outlined in *CityPlan 2030*.

CityPlan 2030 captures the community’s vision and aspirations for our City over the next 20 years and establishes broad directions which will shape our City’s future, with the overall aim of achieving Community Well-being. The LTFP includes a number of major projects and initiatives which are planned to be undertaken over the life of the LTFP which will contribute to the achievement of *CityPlan 2030*.

While included, the LTFP does not assume that all strategic projects will automatically be funded. The commitment of funds to specific projects is made through the Annual Business Plan and Budget process. Projects are only included in the LTFP when the Council has provided in-principle commitment to the project through the adoption of a Corporate Strategy, policy or Council resolution.

The inclusion of strategic projects within the LTFP establishes a picture of what the Council can afford and deliver with reasonable certainty over the forecast period. The proposed timing of the strategic projects set out in the LTFP, have been prioritised with reference to the renewal requirements set out in the Council’s Infrastructure and Asset Management Plans to ensure resource efficiency and maximisation of asset utilisation.

Capital Projects Timeline



■ Completed
 ■ In Progress
 ■ Scheduled

Major Projects completed in 2023–2024



Cruickshank Reserve Facility Upgrade

Project Timeline: 2023–2024

Located in Phillis Street, Maylands, the Cruickshank Reserve Facility has been upgraded to include a new clubroom, canteen, changeroom, and toilets.



Burchell Reserve Redevelopment

Project Timeline: 2023–2024

Burchell Reserve, located in Sixth Avenue St Peters, is undergoing a \$4.2 million redevelopment, which will ensure its longevity and enjoyment of the whole community. The upgrade includes multipurpose courts, new public toilets, playground and facilities.



Dunstan Adventure Playground Upgrade

Project Timeline: 2023–2024

Dunstan Adventure Playground has been upgraded whilst retaining its adventure themed experience for children of all ages, and includes new adventure themed equipment, toilets, barbeque and picnic facilities.



River Torrens Linear Park Shared Path Enhancement

Project Timeline: 2023–2024

The River Torrens Linear Park Shared Path follows the River Torrens from Athelstone to the outlet at Henley Beach South and is used by pedestrians and cyclists.

The City of Norwood Payneham & St Peters is responsible for the maintenance and improvement of the path, that is located within its boundaries.



Trinity Valley Stormwater Drainage Upgrade (Stage 2)

Major Projects over the life of the LTFP



Trinity Valley Stormwater Drainage Upgrade

Project Timeline: 2023–2025

The Trinity Valley Stormwater Drainage Upgrade will mitigate flood risks in the suburbs of St Morris, Trinity Gardens, Maylands, and Stepney. This four-stage project involves installing new stormwater drainage infrastructure in key areas, including Gage Street and Green Street, St Morris, and redeveloping St Morris Reserve which will incorporate a stormwater detention basin.



Payneham Memorial Swimming Centre Redevelopment

Project Timeline: 2023–2026

As part of the Council's Swimming Centres Long-term Strategy, the Council resolved to retain both Payneham Memorial Swimming Centre and Norwood Swimming Centre. Construction commenced in February 2024.



The Parade Masterplan

Project Timeline: 2023–2029

The Parade Masterplan, forms the long-term strategic framework for the planning, redevelopment and activation of The Parade. More specifically, the Masterplan focuses on protecting the identity and appeal of The Parade, and how this significant economic, social and cultural asset can contribute to the experience of those people who choose to live, work and play on The Parade.



George Street Upgrade

Project Timeline: 2024–2025

As part of Stage 1 of The Parade Masterplan, the section of George Street between The Parade and Webbe Street, will be upgraded. These changes will enhance pedestrian movement, provide shade, and improve safety. Additionally, new stormwater drainage will be installed as part of the Council's Long Term Stormwater Drainage Program.



Norwood Library Redevelopment

Project Timeline: 2028–2031

The Norwood Library is proposed to be redeveloped in accordance with the Council's decision to retain three Libraries.

Our Financial Goal

A City that delivers on our Strategic Outcomes by managing our financial resources in a sustainable and equitable manner.

To ensure that we deliver on our financial goal, the Council has committed to achieving the financial outcomes set out below.

Outcome 1:

A Balanced Budget

Council services and programs, including depreciation of infrastructure and assets, are fully funded and the costs are shared equitably between current and future ratepayers.

The benchmark target is an Operating Ratio between 0% and 10%.

The Council will measure its performance in achieving this outcome through the Operating Ratio.

The Operating Ratio measures the Council's ability to cover its operational costs and have surplus revenue available for capital funding and other purposes.

A positive ratio indicates the percentage of total own source revenue (principally rates) is available to assist in funding proposed capital expenditure, to meet loan repayments or to reduce debt. A negative ratio indicates the percentage increase in total own source revenue that would have been required to achieve a break-even operating result.

The Council's objective is to have a Long-term Financial Plan based on consistently achieving an Operating Surplus, having regard to asset management and service level needs.

Outcome 2:

Rate Stability

Annual rate collections are fair and equitable for our residents and ratepayers with the aim to keep rate revenue increases stable over the medium term.

The benchmark target is rate revenue increases between 4% and 8%.

Rate revenue is a major component of the Council's revenue base. In determining future rate increases, the Council considers its strategic management plan, *CityPlan 2030*, the economic climate, the need to maintain and improve the Council's physical infrastructure and improve Community Well-being through its services, programs and facilities and an assessment of the community's capacity to pay rates.

The Council's objective is to have a Long-term Financial Plan based on consistent rate revenue increases which meet the increased cost of the base level services and programs but also reflect new assessment growth and increased service levels.



Outcome 3:

Infrastructure and Asset Management

Maintain Infrastructure and Assets in line with the Council's 'Whole-of-Life' Infrastructure framework to achieve the outcomes and objectives, as set out in CityPlan 2030.

The benchmark target is an Asset Renewal Funding Ratio between 90% and 110% on a three year rolling average.

The Council will measure its performance in achieving this outcome through the Asset Renewal Funding Ratio.

The Asset Renewal Funding Ratio measures the ability of the Council to fund projected asset renewals/replacements in the future. Ideally, physical assets should be renewed or replaced at the same rate the stock of assets is wearing out, however it is recognised that there may be some instances that require the Council to either accelerate or decelerate the renewal or replacement of its existing asset base. It is for this reason, the target ratio is calculated based on a three year rolling basis. The ratio is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the planned spend outlined in the Council's Asset Management Plans.

Outcome 4:

Debt Management

Prudent use of debt to invest in new long-term assets to ensure intergenerational equity between current and future users.

The benchmark target is a Net Financial Liabilities ratio of less than 100%

Prudent debt management is the process of establishing and executing a strategy for managing a Council debt in order to raise the required amount of funding to achieve its capital investment objectives. It is important that the use of debt is balanced with other funding sources, such as grants and cash reserves, to ensure citizens that receive the benefits from the investment, share the cost. In addition, the Council must ensure that it has the capacity to service its debt.

The Council will measure its performance in achieving this outcome through the Net Financial Liabilities Ratio and the Interest Cover Ratio, with the Net Financial Liabilities measuring the extent of indebtedness of the Council as a percentage of operating revenue and the interest cover ratio measuring how easily Council can pay interest on its outstanding debt. If the net financial liability ratio falls, over time, this indicates that the Council's capacity to meet its financial obligations from operating income is strengthening.

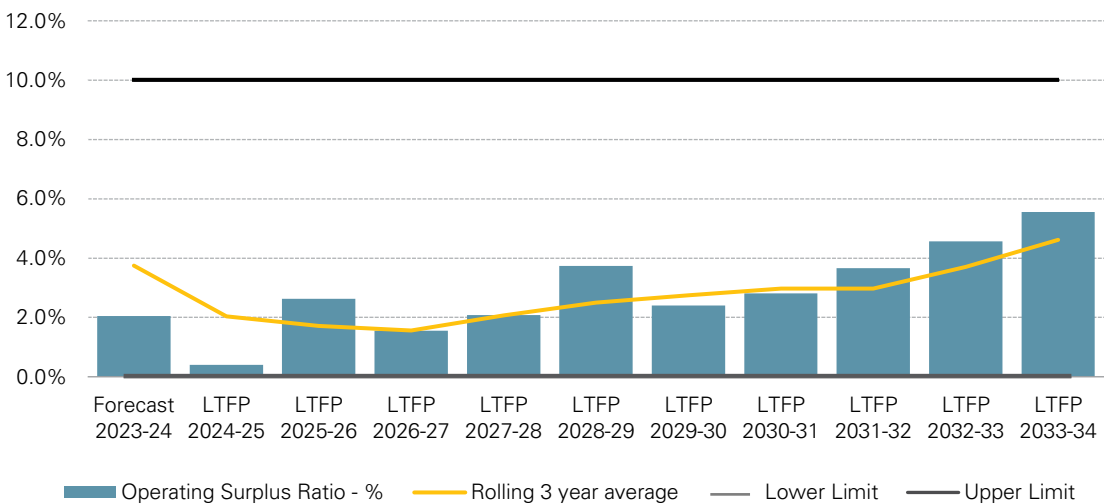
Outcome 1: A Balanced Budget

The Council’s services and programs, including depreciation of infrastructure and assets, are fully funded and the costs are shared equitably between current and future ratepayers.

As detailed within this Plan, the Council’s main source of income is generated from rates, and user charges and fees applied to services and programs provided either in response to community desires and expectations or resulting from the provision of services required by legislation. The revenue which is collected is used to fund the cost of providing services and maintenance of infrastructure and facilities, with surplus revenue being available to fund capital works and the repayment of debt.

The Council’s long term sustainability is dependent upon ensuring that, on average over time, the operating expenses are less than the associated revenues, with the measure being the Operating Surplus ratio, which measures operating surplus/ (deficit) as a percentage of operating revenue. Ideally, at a minimum, the operating surplus should be at a minimum equal to the annual principal loan repayments.

Operating Surplus Ratio Target between 0% and 10%



Outcome 2: Rate Stability

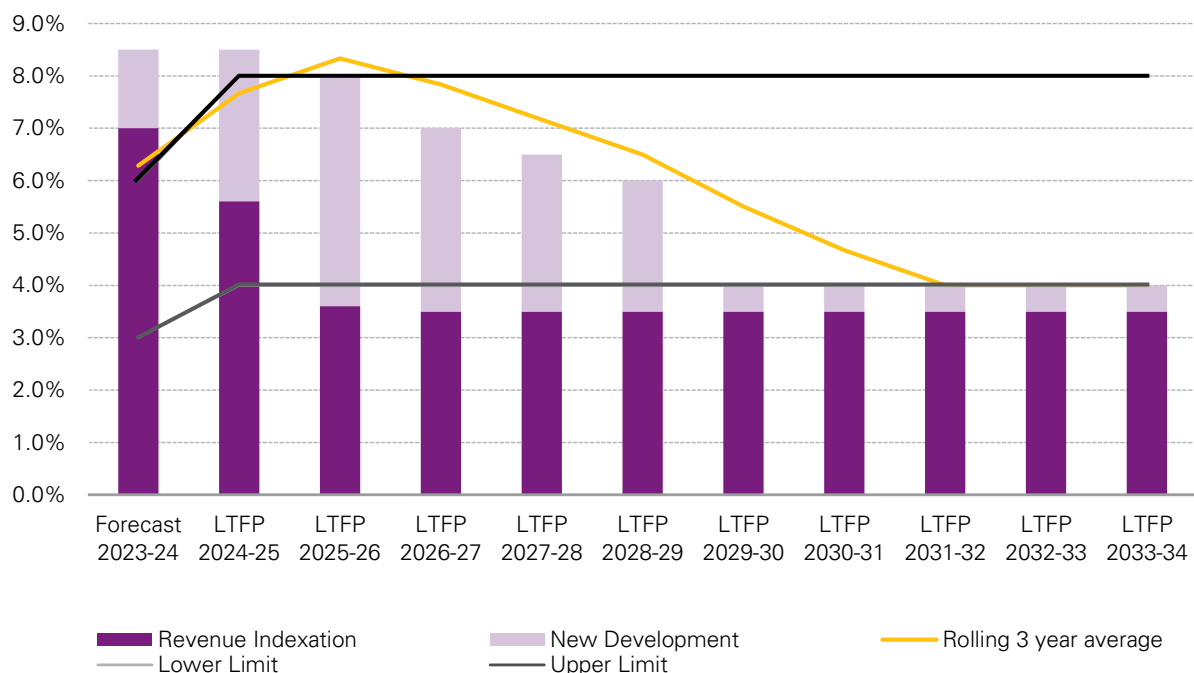
Annual rate collections are fair and equitable for our residents and ratepayers with the aim to keep rate revenue increases stable over the medium term.

In determining future rate revenue increases, the Council considers its strategic management plan, *CityPlan 2030*, the economic climate, the need to maintain and improve the Council’s physical infrastructure and improve Community Well-being through its services, programs and facilities. The 2020–2021 Rating Strategy forms the basis for the future impact of rate revenue increases on sectors of the community where we collect rates.

The LTFP assumes an average rate revenue increase of 5.60% which takes into account CPI and the Local Government Price Index. Other elements of the proposed rate revenue increase includes growth in new assessments and a factor for the future financial impacts of new and upgraded infrastructure investment set out in the LTFP.

In determining future rate revenue increases, the key is to ensure the community does not experience 'rate shock' from year to year, and as such, the target range for rate revenue increases is between 4% and 8%.

Rate Revenue Increase Target between 4% and 8%



Outcome 3:

Infrastructure and Asset Management

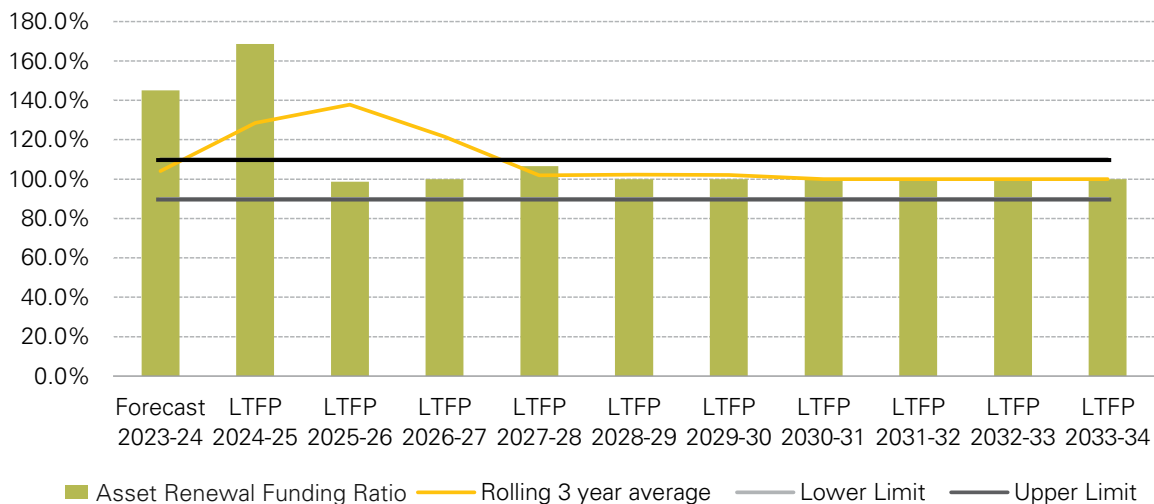
Maintain Infrastructure and Assets in line with the Council’s ‘Whole-of-Life’ Infrastructure framework to achieve the outcomes and objectives, as set out in *CityPlan 2030*.

Infrastructure and asset management is the combination of management, financial, economic, engineering, and other practices applied to the management of the City’s physical assets such as roads, stormwater drainage, kerbing, footpaths and buildings, with the objective of providing the required level of service in the most cost-effective manner. As part of the Council’s planning framework, the Council has developed asset management plans for each of our major asset classes, including, but not limited to, roads, buildings, stormwater drainage and open space and recreation infrastructure.

The Council’s Infrastructure & Asset Management Plans contain information about the City’s infrastructure assets, including the actions that are required to provide an agreed level of service in the most cost efficient manner. The Infrastructure & Asset Management Plans defines the service level that will be provided and what funds are required to provide the set service level.

The Asset Renewal Funding Ratio measures how well the Council is performing in respect to the renewal or replacement of existing physical assets, such as roads, footpaths, kerbing, buildings and Council plant. Ideally, physical assets should be renewed or replaced at the same rate at which the stock of assets is wearing out. However, it is recognised that there may be some situations that require the Council to either accelerate or decelerate the renewal or replacement of its existing asset base. As such, the target ratio is based on a three year rolling basis. The Ratio is calculated by measuring capital expenditure on the renewal or replacement of assets, relative to the planned expenditure outlined in the Council’s Infrastructure & Asset Management Plans, with the target being an Asset Renewal Funding Ratio between 90% and 110%.

Asset Renewal Funding Ratio Target between 90% and 110%



Outcome 4: Debt Management

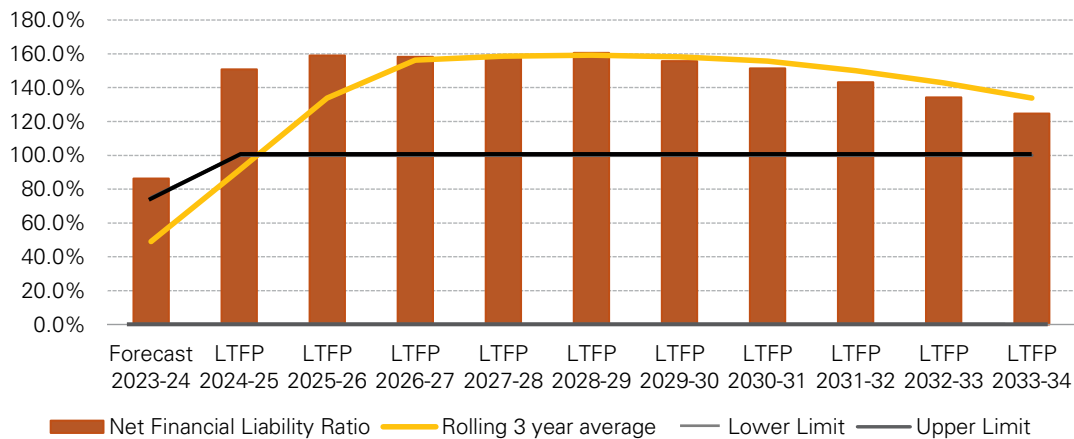
Debt management involves the prudent use of borrowed funds (debt) to invest in new long term assets to ensure intergenerational equity between current and future users.

A Council's indebtedness must be managed to ensure that its liabilities and associated costs, are met without impinging on the long-term financial sustainability of a Council. The Net Financial Liabilities Ratio measures the extent of what is owed by the Council, less any liquid assets (i.e. cash or receivables), against its operating revenue. Net financial liabilities is a broader and more appropriate measure of indebtedness than the level of borrowings, because it includes items such as employee leave entitlements and other amounts that are payable in the future as well as taking account of a Council's cash holdings and invested funds.

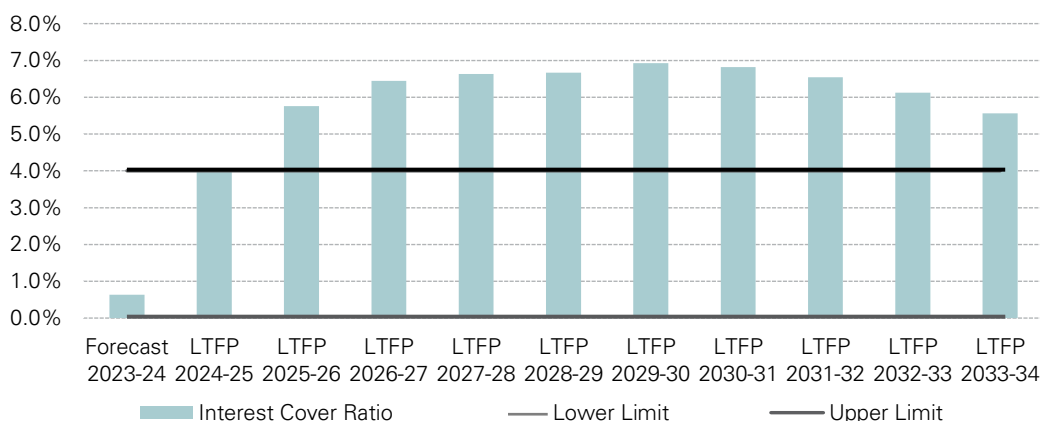
While it is ideal that the Net Financial Liabilities Ratio, does not exceed 100% of operating income, subject to the Council's ability to service its financial obligations, the indebtedness can exceed 100% in order to provide additional services such as new or upgraded facilities, to its community through acquisition of additional assets without detracting from its financial sustainability.

The LTFP proposes that the Council will undertake a number of new projects to the value of \$111 million over the life of the LTFP. Due to the nature of these projects and in line with the Council's Treasury Management Policy, these projects will be funded through long-term borrowings.

Net Financial Liability Ratio



Interest Cover Ratio



Strategy to reduce debt

Debt and risk reduction involves a strategic approach to managing financial liabilities and mitigating various risks that could impact upon the Council's operations, financial health and reputation. To address an increased Net Liabilities Ratio and level of debt, the Council will focus on a strategic and robust debt reduction strategy that involves a multi-faceted approach focused on improving cash flow, renegotiating the terms of debt and improving operational efficiency. This includes but is not limited to:

- conducting comprehensive reviews of operating expenses and identifying areas to eliminate inefficiencies, reduce costs and streamline operations without impacting productivity and the services that are required to be delivered to the Community;
- maintaining strict cost control and investing in areas that drive long-term profitability to ensure sustained financial health and facilitate faster reduction of debt;
- increase in income via expanding the potential for user revenue such as the Council owned Swimming Centres, St Peters Child Care & Preschool etc, as well as increase opportunities for grants/funding and other sources of revenue;
- establish new loans and/or renegotiate the terms of existing loans to obtain more favourable conditions, such as lower interest rates or extended repayment periods (where relevant);
- reviewing and assessing the Council's assets to potentially identify and sell non-performing assets;
- enhancing the efficiency of receivables and payables; and
- ensuring that budgets to be in line with the LTFP. Given the levels of debt that are identified in this plan, it is crucial to align budgets with the LTFP. This alignment will necessitate a disciplined approach to expenditure, and the focus will need to shift from pursuing new initiatives and projects to prioritising debt reduction and financial stability. By restraining the appetite for new expenditure, the Council can allocate more resources towards repaying debt, thus reducing interest costs and improving cash flow. This strategic approach to expenditure not only strengthens the Balance Sheet but also ensures that future growth is built on a solid financial foundation. Ultimately, while it may be challenging to defer new opportunities, maintaining fiscal discipline is essential for achieving long-term sustainability and financial health.

Implementing these comprehensive debt reduction strategies, will assist the Council in achieving its goal of reducing debt over the next ten years and continue to be financially stable. Through refinancing, increasing operational efficiencies, asset liquidation, improved cash flow management and strict monitoring, the organisation will enhance its financial stability and support sustainable growth for the future.

Sensitivity analysis on possible borrowing interest rate fluctuations

Conducting a sensitivity analysis around interest rate fluctuations on borrowings, is a vital exercise for managing financial risk and planning for various economic scenarios. This analysis involves assessing how changes in interest rates—both increases and decreases—affect the Council's debt servicing costs and overall financial health.

Table 3

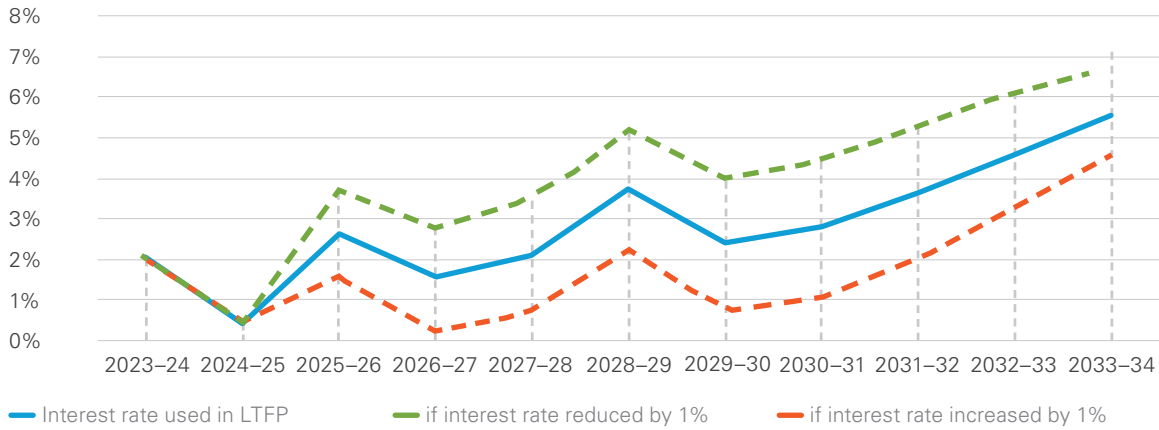
Borrowing rates used in the current LTFP

LTFP Interest rates	Cash Advance Debenture (CAD)	External Loan
2024/2025	6.15%	5.67%
2025/2026	5.91%	5.67%
2026/2027	6.05%	5.67%
2027/2028	6.12%	5.67%
2028/2029	6.27%	5.67%
2029/2030	6.61%	5.67%
2030/2031	6.93%	5.67%
2031/2032	6.89%	5.67%
2032/2033	6.87%	5.67%
2033/2034	6.65%	5.67%

The following graphs are a representation of the Operating Surplus, Net Financial Liabilities and a level of debt, if borrowings interest rate fluctuated by 1% up or down from the current CAD and Loan interest rates in the LTFP.

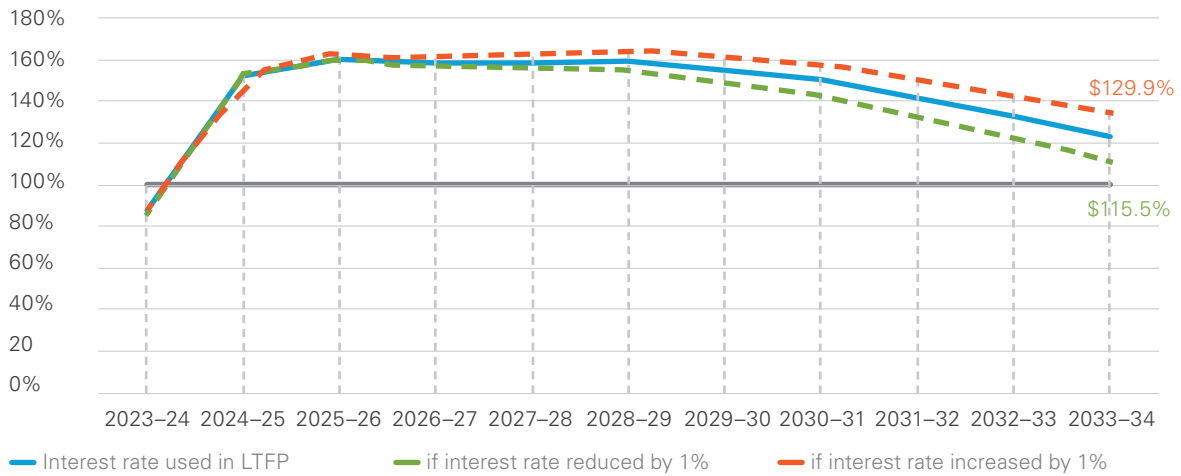
Operating Surplus if Borrowings Interest Rate Fluctuated by 1% (up or down)

Increase in borrowing interest rate will lead to an increase in finance costs which will result in Operating surplus reduction.



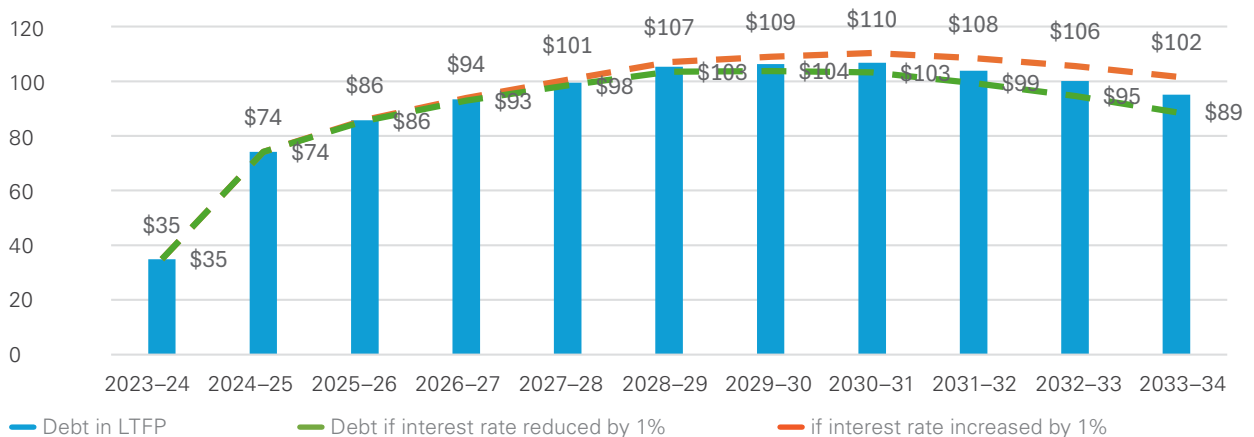
Net Financial Liabilities position if Borrowings Interest Rate Fluctuates by 1% (up or down)

Increase in borrowing interest rate will lead to an increase in debt liability which will result in higher Net Financial Liability ratio.



Debt Level (\$m)

Increase in borrowing interest rate will lead to an increase in debt liability due to lower Operating surplus and reduced capacity to repay debt



Summary

Based on the underlying assumptions contained within this LTFP, the financial projections indicate that the Council is in a position to achieve its financial goal of being a City which delivers on its Strategic Outcomes by managing financial resources in a sustainable and equitable manner.

The Council's Operating Surplus Ratio over the period (2024–2025 to 2033–2034), is forecast to grow from 0.4% in 2024–2025 to 5.6% by 2033–2034, with the annual Operating Surplus for the life of the LTFP ranging from \$0.229m to \$5.07 million. The Council plans to invest an average of \$15.08 million each year to deliver annual asset renewal programs outlined in the Council's Infrastructure and Asset Management Plans.

These renewal programs will be complemented by \$150 million of planned expenditure on major asset upgrades and enhancements.

Increases in Rate Revenue while at the higher end of the target range, reflect the extent of investment that the Council plans to undertake over the life of the LTFP.

The financial projections contained within this LTFP provide an indication of the Council's direction and financial capacity, rather than predicting the future financial performance and position of the Council.

This LTFP should be viewed as a guide to future actions or opportunities which will encourage the Council to think about the future impact of decisions made today on the Council's long-term financial sustainability.

To this end, reference will be made each year to the LTFP, when preparing Annual Budgets to ensure that the broad financial outcomes of the Council are continuing to be met.

As with all plans, there are at times changes in circumstances over the life of the LTFP. Therefore, the underlying assumptions are regularly reviewed by the Council to ensure the City's strategic directions and objectives can continue to be delivered on in the future and importantly financial impacts on the ratepayers of the City are ameliorated.

In line with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, the projected financial statements, in the prescribed form are contained in the following pages.

Appendix 1: Financial Projections

Financial Projections

The financial projections contained in this Long-term Financial Plan, have been developed in a format that conforms to the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. This format allows projections to feed into the statutory format of the Annual Budget and key performance measures in the LTFP to be compared with annual budgets and annual financial reports.

The Statutory schedules include:

- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Uniform Presentation of Finances.

The Statement of Comprehensive Income shows what is expected to occur during the year in terms of revenue, expenses and other adjustments from all activities. While Operating Surpluses are being forecast, the surplus is insufficient to meet the Council's loan repayments, therefore, cash reserves and short term financing will be required to meet loan repayments.

The Statement of Financial Position is a snapshot of the expected financial position of the Council at the end of the financial year. It reports what is expected to be owned (assets) and what is expected to be owed (liabilities). The bottom line Net Assets represents the net worth of the Council.

The assets and liabilities are separated into Current and Non-current. Current means those assets or liabilities which will fall due in the next 12 months. Non-current refers to assets and liabilities that are recoverable or which fall due over a longer period than 12 months.

The Net Assets of the Council are forecast to grow at rate between 1.9% per annum and 3.4% per annum, primarily due to the Council's Capital Works Program, however, to fund the new asset investment, the borrowings are forecast to grow to \$95 million by the end of the ten year period. Necessary grants which the Council could receive for implementation of major projects capitalised in the LTFP.

The Statement of Cash Flows shows what is expected to occur during the year in terms of cash. The net cash provided by operating activities shows how much cash is expected to remain after paying for the services provided to the community. Ideally, funds from operating activities should be sufficient to fund asset and infrastructure renewal works and the annual repayment of loan borrowings. The information in this statement assists in the assessment of the ability to generate cash flows and meet financial commitments as they fall due, including debt repayments. For the first half of the LTFP (2023–2024 to 2028–2029), cash provided by operating activities is insufficient to meet asset renewals and debt repayment. The shortfall will be met through the utilisation of cash reserves and short term borrowings.

City of Norwood Payneham & St Peters
10 Year Financial Plan for the Years ending 30 June 2034

STATEMENT OF COMPREHENSIVE INCOME - GENERAL FUND

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Income											
Rates	43,421,455	47,195,360	50,970,988	54,538,956	58,083,989	61,569,028	64,031,790	66,593,061	69,256,784	72,027,054	74,908,136
Statutory Charges	2,100,000	2,180,953	2,224,636	2,269,194	2,314,645	2,361,005	2,408,295	2,456,532	2,505,735	2,555,923	2,607,116
User Charges	3,836,788	4,006,554	5,004,556	6,927,486	7,554,745	8,240,728	8,971,028	9,305,571	9,651,753	10,009,964	10,380,604
Grants, Subsidies and Contributions - operating	2,654,672	2,676,675	2,676,675	2,676,675	2,676,675	2,676,675	2,676,675	2,676,675	2,676,675	2,676,675	2,676,675
Grants, Subsidies and Contributions - capital	444,393	444,393	1,275,294	637,647	637,647	637,647	-	-	-	-	-
Investment Income	120,000	77,965	81,052	84,373	87,891	91,688	95,962	100,745	105,721	110,918	116,126
Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Other Income	802,766	496,163	506,094	517,463	529,088	540,974	553,127	565,553	578,258	591,249	604,531
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-
Total Income	53,380,074	57,078,063	62,739,295	67,651,794	71,884,681	76,117,745	78,736,877	81,698,137	84,774,926	87,971,763	91,293,188
Expenses											
Employee Costs	17,346,968	19,485,196	21,056,784	22,850,350	24,116,837	25,203,064	26,347,046	27,259,966	28,204,765	29,182,720	30,195,091
Materials, Contracts & Other Expenses	21,756,978	21,646,858	22,563,570	24,170,693	25,738,664	26,678,479	28,119,105	29,132,777	29,941,615	30,888,960	31,918,655
Depreciation, Amortisation & Impairment	12,461,601	13,078,887	13,522,072	14,883,129	15,418,920	15,967,777	16,573,758	17,080,117	17,614,070	18,129,001	18,658,905
Finance Costs	455,901	2,375,037	3,686,849	4,436,180	4,851,653	5,159,891	5,540,297	5,665,754	5,647,700	5,494,710	5,188,103
Net loss - Equity Accounted Council Businesses	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666
Total Expenses	52,284,114	56,848,645	61,091,941	66,603,019	70,388,740	73,271,876	76,842,872	79,401,279	81,670,815	83,958,057	86,223,421
Operating Surplus / (Deficit)	1,095,960	229,418	1,647,355	1,048,775	1,495,941	2,845,869	1,894,005	2,296,857	3,104,110	4,013,726	5,069,767
Asset Disposal & Fair Value Adjustments	25,000	36,000	36,792	35,601	36,365	37,185	38,003	38,839	39,694	40,567	41,459
Amounts Received Specifically for New or Upgraded Assets	6,625,908	5,924,000	2,800,000	-	-	-	-	-	-	-	-
Physical Resources Received Free of Charge	-	-	-	-	-	-	-	-	-	-	-
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	7,746,868	6,189,418	4,484,147	1,084,377	1,532,326	2,883,054	1,932,008	2,335,697	3,143,804	4,054,293	5,111,226
Other Comprehensive Income											
Amounts which will not be reclassified subsequently to operating result											
Changes in Revaluation Surplus - I,PP&E	7,243,777	-	-	-	-	-	-	-	-	-	-
Share of Other Comprehensive Income - Equity Accounted Council Business	-	-	-	-	-	-	-	-	-	-	-
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Revalued I,PP&E	-	-	-	-	-	-	-	-	-	-	-
Net assets transferred - Council restructure	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Amounts which will be reclassified subsequently to operating result											
Available-for-Sale Financial Instruments - Change in Fair Value	-	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Available-for-Sale Financial Instruments	-	-	-	-	-	-	-	-	-	-	-
Movements in Other Reserves	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	7,243,777	5,508,000	5,736,000	9,810,000	6,231,000	6,501,000	6,866,000	6,678,000	6,824,916	6,975,064	7,128,516
Total Comprehensive Income	14,990,645	11,697,418	10,220,147	10,894,377	7,763,326	9,384,054	8,798,008	9,013,697	9,968,720	11,029,357	12,239,742

City of Norwood Payneham & St Peters
 10 Year Financial Plan for the Years ending 30 June 2034
 STATEMENT OF FINANCIAL POSITION - GENERAL FUND

	Current Year 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
ASSETS											
Current Assets											
Cash & Cash Equivalents	150,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Trade & Other Receivables	2,425,407	2,499,314	2,600,302	2,600,302	2,763,706	2,919,204	3,055,966	3,166,635	3,277,811	3,394,886	3,517,143
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	2,575,407	2,999,314	3,100,302	3,263,706	3,419,204	3,419,204	3,555,966	3,666,635	3,777,811	3,894,886	4,017,143
Non-Current Assets											
Financial Assets	120,789	131,288	151,716	161,577	171,272	178,123	185,248	192,658	200,364	208,379	208,379
Equity Accounted Investments in Council Businesses	734,555	471,889	209,223	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	641,809,978	718,158,711	735,670,943	750,479,896	767,877,417	777,162,777	787,233,419	794,904,949	802,692,422	810,598,381	810,598,381
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	5,706,000	5,706,000	5,706,000	5,706,000	5,706,000	5,706,000	5,706,000	5,706,000	5,706,000	5,706,000	5,706,000
Total Non-Current Assets	648,371,322	724,215,725	741,528,659	756,347,474	773,754,690	783,046,900	793,124,667	800,803,607	808,598,786	816,512,759	820,529,902
TOTAL ASSETS	650,946,729	727,215,039	744,628,961	759,611,180	777,173,893	786,466,104	796,680,633	804,581,418	812,493,672	820,529,902	820,529,902
LIABILITIES											
Current Liabilities											
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	10,414,833	11,803,036	12,688,140	13,402,759	14,239,270	14,804,709	15,263,583	15,678,044	16,134,992	16,610,506	17,100,000
Borrowings	1,033,879	3,268,508	3,366,692	3,536,640	5,025,530	5,290,801	5,571,046	5,867,122	6,179,937	6,510,448	6,850,000
Provisions	3,199,147	3,199,147	3,199,147	3,199,147	3,199,147	3,199,147	3,199,147	3,199,147	3,199,147	3,199,147	3,199,147
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	14,647,859	18,270,691	19,253,979	20,138,546	22,463,947	23,294,658	24,033,776	24,744,314	25,514,077	26,330,101	27,149,147
Non-Current Liabilities											
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	27,261,527	37,339,289	31,015,795	40,451,094	20,894,216	25,549,604	31,120,605	33,662,920	35,520,325	36,575,570	37,630,815
Borrowings	6,596,236	47,246,387	59,052,696	55,689,056	80,836,526	75,718,725	70,320,679	64,626,557	58,619,620	52,282,172	46,337,000
Provisions	960,241	960,241	960,241	960,241	960,241	960,241	960,241	960,241	960,241	960,241	960,241
Liability - Equity Accounted Council Businesses	-	-	53,443	316,109	578,775	841,441	1,104,107	1,366,773	1,629,439	1,892,105	2,154,771
Other Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	34,818,004	85,545,917	91,082,174	97,416,500	103,269,758	103,070,012	103,505,632	100,616,490	96,729,625	91,710,088	86,932,126
TOTAL LIABILITIES	49,465,863	103,816,608	110,336,153	117,555,046	125,733,705	126,364,670	127,539,408	125,360,804	122,243,702	118,040,190	114,072,274
Net Assets	601,480,866	623,398,432	634,292,808	642,056,134	651,440,188	660,101,430	669,141,225	679,220,614	690,249,970	702,489,712	706,457,628
EQUITY											
Accumulated Surplus	71,535,868	82,209,434	83,293,810	84,826,136	87,709,190	89,641,199	91,976,896	95,120,700	99,174,992	104,286,219	109,402,448
Asset Revaluation Reserves	529,944,998	541,188,998	550,998,998	557,229,998	563,730,998	570,596,998	577,274,998	584,099,914	591,074,978	598,203,494	604,855,174
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-
Total Equity	601,480,866	623,398,432	634,292,808	642,056,134	651,440,188	660,101,430	669,141,225	679,220,614	690,249,970	702,489,712	706,457,628

**City of Norwood Payneham & St Peters
10 Year Financial Plan for the Years ending 30 June 2034
STATEMENT OF CHANGES IN EQUITY - GENERAL FUND**

	Current Year 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	586,490,221	601,480,866	613,178,285	623,398,432	634,292,808	642,056,134	651,440,188	660,238,197	669,251,894	679,220,614	690,249,971
Net Surplus / (Deficit) for Year	7,746,868	6,189,418	4,484,147	1,084,377	1,532,326	2,883,054	1,932,008	2,335,697	3,143,804	4,054,293	5,111,226
Other Comprehensive Income	7,243,777	5,508,000	5,736,000	9,810,000	6,231,000	6,501,000	6,866,000	6,678,000	6,824,916	6,975,064	7,128,516
- Gain (Loss) on Revaluation of I,PP&E	-	-	-	-	-	-	-	-	-	-	-
- Available for Sale Financial Instruments: change in fair value	-	-	-	-	-	-	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	-	-	-	-	-	-	-	-	-	-	-
- Transfer to Accumulated Surplus on Sale of I,PP&E	-	-	-	-	-	-	-	-	-	-	-
- Transfer to Acc. Surplus on Sale of AFS Financial Instruments	-	-	-	-	-	-	-	-	-	-	-
- Share of OCI - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-
- Other Equity Adjustments - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-
- Other Movements	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	7,243,777	5,508,000	5,736,000	9,810,000	6,231,000	6,501,000	6,866,000	6,678,000	6,824,916	6,975,064	7,128,516
Total Comprehensive Income	14,990,645	11,697,418	10,220,147	10,894,377	7,763,326	9,384,054	8,798,008	9,013,697	9,968,720	11,029,357	12,239,742
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	601,480,866	613,178,285	623,398,432	634,292,808	642,056,134	651,440,188	660,238,197	669,251,894	679,220,614	690,249,971	702,489,713

City of Norwood Payneham & St Peters
 10 Year Financial Plan for the Years ending 30 June 2034
 UNIFORM PRESENTATION OF FINANCES - GENERAL FUND

	Current Year	Projected Years									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income											
Rates	43,421,455	50,970,988	54,538,956	58,083,989	61,569,028	64,031,790	66,593,061	69,256,784	72,027,054	74,908,136	
Statutory Charges	2,100,000	2,180,953	2,224,636	2,314,645	2,361,005	2,408,295	2,456,532	2,505,735	2,555,923	2,607,116	
User Charges	3,836,788	4,006,554	5,004,556	6,927,486	7,554,745	8,971,028	9,305,571	9,651,753	10,009,964	10,380,604	
Grants, Subsidies and Contributions - operating	2,654,672	2,676,675	2,676,675	2,676,675	2,676,675	2,676,675	2,676,675	2,676,675	2,676,675	2,676,675	
Grants, Subsidies and Contributions - capital	444,393	444,393	637,647	637,647	637,647	637,647	637,647	637,647	637,647	637,647	
Investment Income	120,000	81,052	84,373	87,891	91,688	95,962	100,745	105,721	110,918	116,126	
Reimbursements	-	-	-	-	-	-	-	-	-	-	
Other Income	802,766	506,094	517,463	529,088	540,974	553,127	565,553	578,258	591,249	604,531	
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	
Total Income	53,380,074	62,739,295	67,651,794	71,884,681	76,117,745	78,736,877	81,698,137	84,774,926	87,971,783	91,293,188	
Expenses											
Employee Costs	17,346,968	21,056,784	22,850,350	24,116,837	25,203,064	26,347,046	27,259,966	28,204,765	29,182,720	30,195,091	
Materials, Contracts & Other Expenses	21,756,978	22,563,570	24,170,693	25,738,664	26,678,479	28,119,105	29,132,777	29,941,615	30,888,960	31,918,655	
Depreciation, Amortisation & Impairment	12,461,601	13,078,887	14,883,129	15,419,920	15,967,777	16,573,758	17,080,117	17,614,070	18,129,001	18,658,905	
Finance Costs	455,901	3,686,849	4,436,180	4,851,653	5,159,891	5,540,297	5,665,754	5,647,700	5,494,710	5,188,103	
Net loss - Equity Accounted Council Businesses	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	262,666	
Total Expenses	52,284,114	61,091,941	66,603,019	70,388,740	73,271,876	76,842,872	79,401,279	81,670,815	83,958,057	86,223,421	
Operating Surplus / (Deficit)	1,095,960	1,647,355	1,048,775	1,495,941	2,845,869	1,894,005	2,296,857	3,104,110	4,013,726	5,069,767	
Timing adjustment for grant revenue	-	-	-	-	-	-	-	-	-	-	
Adjusted Operating Surplus / (Deficit)	1,095,960	1,647,355	1,048,775	1,495,941	2,845,869	1,894,005	2,296,857	3,104,110	4,013,726	5,069,767	
Net Outlays on Existing Assets											
Capital Expenditure on Renewal and Replacement of Existing Assets	(18,574,483)	(12,270,404)	(13,088,387)	(14,418,256)	(13,972,439)	(14,481,360)	(14,902,565)	(15,331,086)	(15,753,231)	(16,187,938)	
add back Depreciation, Amortisation and Impairment	12,461,601	13,522,072	14,883,129	15,419,920	15,967,777	16,573,758	17,080,117	17,614,070	18,129,001	18,658,905	
add back Proceeds from Sale of Replaced Assets	25,000	36,792	35,601	36,385	37,185	38,003	38,839	39,694	40,567	41,459	
Total Net Outlays on Existing Assets	(6,087,882)	(1,288,460)	(1,850,344)	(1,037,049)	(2,032,523)	(2,130,401)	(2,216,391)	(2,322,677)	(2,416,337)	(2,512,427)	
Net Outlays on New and Upgraded Assets											
Capital Expenditure on New and Upgraded Assets	(33,682,319)	(19,643,184)	(9,516,974)	(9,578,617)	(12,891,859)	(4,511,757)	(5,570,194)	(3,129,598)	(3,188,178)	(3,248,411)	
(including Investment Property & Real Estate Developments)											
add back Amounts Received Specifically for New and Upgraded Assets	6,335,878	2,975,674	157,455	157,455	-	-	-	-	-	-	
add back Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-	
(including Investment Property, Real Estate Developments & non-current assets held for sale)											
Total Net Outlays on New and Upgraded Assets	(27,346,441)	(16,667,510)	(9,359,519)	(9,578,617)	(12,891,859)	(4,511,757)	(5,570,194)	(3,129,598)	(3,188,178)	(3,248,411)	
Annual Net Impact to Financing Activities (surplus / (deficit))	(32,338,363)	(13,731,695)	(6,460,400)	(7,045,627)	(8,013,467)	(487,351)	(1,056,946)	2,297,190	3,241,885	4,333,783	

**City of Norwood Payneham & St Peters
10 Year Financial Plan for the Years ending 30 June 2034
FINANCIAL PERFORMANCE INDICATORS - GENERAL FUND**

	Current Year 2023/24	Projected Years									
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Operating Surplus Ratio	2.1%	0.4%	2.6%	1.6%	2.1%	3.7%	2.4%	2.8%	3.7%	4.6%	5.6%
Net Financial Liabilities Ratio	86.3%	150.9%	160.5%	158.2%	158.3%	159.7%	154.7%	150.0%	141.6%	132.5%	122.6%
Asset Renewal Funding Ratio	145.1%	168.6%	98.7%	100.0%	106.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest Cover Ratio	0.6%	4.0%	5.8%	6.4%	6.6%	6.7%	6.9%	6.8%	6.5%	6.1%	5.6%
Debt Servicing Ratio	3.3%	7.2%	8.5%	13.6%	13.9%	13.4%	16.3%	16.3%	16.0%	15.6%	15.0%

Council Facilities

The Council's Principal Office is located at:

Norwood Town Hall
175 The Parade, Norwood

Additional sites of operation include:

Glynde Depot
30 Davis Street, Glynde

Norwood Library
110 The Parade, Norwood

St Peters Library
101 Payneham Road, St Peters

**Payneham Library & Community
Facilities Complex (Tirkandi)**
2 Turner Street, Felixstow

Payneham Community Centre
374 Payneham Road, Payneham

Cultural Heritage Centre
101 Payneham Road, St Peters

Norwood Swimming Centre
Phillips Street, Kensington

Payneham Memorial Swimming Centre
OG Road, Felixstow

The Council also owns and operates:

St Peters Child Care Centre and Preschool
42-44 Henry Street, Stepney

Norwood Concert Hall
175 The Parade, Norwood

Additional Copies



The 2023–2024 to 2033–2034 Long-term Financial Plan can be viewed online at www.npsp.sa.gov.au

Further information

For more information on the Council's 2023–2024 to 2033–2034 Long-term Financial Plan, please visit www.npsp.sa.gov.au or phone 8366 4555.

The Council's website at www.npsp.sa.gov.au provides further details about the Council's activities, policies and plans for the future.

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au
Socials  /cityofnpsp  @cityofnpsp



City of
**Norwood
Payneham
& St Peters**