



Long-Term Financial Plan

2027-36

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MAYOR'S MESSAGE



A handwritten signature in black ink that reads "C Boan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized.

Claire Boan
Mayor, City of PAE

The Long-Term Financial Plan is an essential part of our Strategic Management Framework. This plan helps us ensure that we have a sound financial basis from which to deliver the services, programs and projects that form the goals and objectives within our City Vision. It ensures that we are creating a welcoming, liveable city: made by people.

In planning for the city over the coming decade, this Long-Term Financial Plan ensures we balance intergenerational equity with financial sustainability, and our commitment to provide value for money and affordability for ratepayers. It outlines how we can responsibly fund major projects and improvements while maintaining the services our community relies on. A key focus over this period is the staged commencement of the Semaphore Foreshore upgrade from 2026–27, alongside other place-based investments across our city and renewal of existing infrastructure. These initiatives will be delivered in a way that supports long-term outcomes without placing undue pressure on current ratepayers. Through this approach, we continue investing in places where people can connect, play, celebrate and share.

The Long-Term Financial Plan is our commitment to ensuring that our services continue to provide value for money and align with community expectations. The plan helps us ensure that our financial sustainability is secure, not just this year, but over the long term.



KAURNA ACKNOWLEDGMENT

We would like to acknowledge and pay respect to the Traditional Owners of the land on which we stand, the Kurna People of the Adelaide Plains. It is upon their ancestral lands that the Port Adelaide Enfield Council meets. It is also The Place of the Kardi, the Emu, whose story travels from the coast inland. We pay respect to Elders past and present. We respect their spiritual beliefs and connections to land which are of continuing importance to the living Kurna people of today. We further acknowledge the contributions and important role that Aboriginal people continue to play within our shared community.

Artist credit: NHARLA, Colleen Raven, 2024.
Ngapartji Ngapartji roughly translates to 'I give, you give'.

CITY VISION

In mid-2024, the City of Port Adelaide Enfield (PAE) adopted the City Vision, which focuses firmly on the community and speaks to the future of the city and what we do. The City Vision sets our long-term strategic direction. It identifies the key goals and objectives that we aim to deliver over 10 years.

The City Vision informs other more detailed strategies and plans, including the Four Year Business Plan (4YBP) which shows how we intend to deliver the City Vision in the medium term. Our Asset Management Plans (AMPs) and our Long- Term Financial Plan (LTFP) outline how we will resource our strategies and plans.

In addition, we develop an Annual Business Plan each financial year. This sets out the priorities, activities and budget for that year to demonstrate how your rates contribute to the services and programs that we deliver to benefit the whole community.

VISION

A welcoming, liveable City: *made by people.*

GUIDING PRINCIPLES

- Equity and belonging** • Building a better future for all
- Participation** • Listening to the community and involving them in our decision making
- Sustainability** • Managing our environment responsibly and sustainably
- Integrity** • Making informed decisions honestly, transparently and accountably
- Transformative** • Showing courage, foresight and innovation

GOALS



Thriving Community

A city where people have the opportunity to connect and flourish



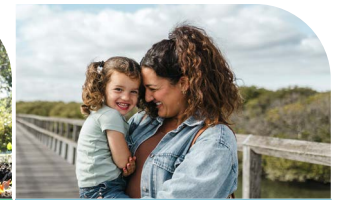
Prosperous Economy

A city with a thriving economy that enriches its local community



Clean And Green City

A city that values its natural environment



Places For People

An accessible city where people love to be

OBJECTIVES

We promote community capacity, connection and participation in civic life

We encourage cultural expression and recognise people's history, stories and connection to place

We support and encourage people to live healthy and active lives

We participate in the economy with the community in mind

We support local businesses, big and small, to grow, innovate and succeed

We invest in our local economy to benefit current and future generations

We reduce the city's adverse environmental impact and participate in a circular economy

We shape the city to tackle the challenges of a changing climate

We protect and enhance the city's natural environment

We walk together on Kaurna country

We shape the city to be attractive and liveable and care for our cultural and built heritage

We bring places to life through community events, culture, design and the arts

ENABLERS

Organisational Capability

- Our diverse workforce is resourced to deliver meaningful outcomes
- Our systems, processes and tools are contemporary and reflect leading practice
- Our assets and finances are managed with good stewardship

STRATEGIC MANAGEMENT FRAMEWORK

City Vision

Thriving Community • Places for People • Clean and Green City • Prosperous Economy

Other Council Strategies and Plans

Four Year Business Plan

Asset Management Plans



Long-Term Financial Plan

Annual Business Plan

Operational Plans

Monitoring and Reporting

CEO FINANCIAL SUSTAINABILITY STATEMENT



At PAE, we are dedicated to managing our financial resources responsibly while also servicing the needs of our community. By building and maintaining a resilient financial foundation, we can continue to provide essential services locally and adapt to emerging challenges. In addition to a diverse range of community programs and services, PAE currently manages an asset base worth \$2.1 billion, comprising mostly infrastructure, land and buildings.

Our Asset Management Plans (AMP) aim to predict infrastructure consumption and renewal needs and to consider infrastructure requirements to meet future community service expectations. The AMPs set out the forecast capital, maintenance and operating requirements of the council for the next 10 years, while the LTFP reflects associated expenditure requirements to ensure that we can accommodate projected investment in infrastructure without affecting our financial sustainability.

The LTFP 2027–36 is compliant with legislative requirements. It reflects our key strategic priorities, as outlined in the City Vision.

Intergenerational equity is the most critical factor for us to consider when building the LTFP. This represents the principle that each generation of ratepayers should pay for the services they consume. It also means that future generations should not have to pay for the neglect of earlier generations to maintain and renew their assets appropriately. Likewise, future ratepayers should not benefit at the expense of the current generation of ratepayers. Borrowings (and how we subsequently service our borrowings) are a very effective tool to deliver intergenerational equity across long-lived community assets and infrastructure.

We are currently in a sustainable financial position, with the capacity to upgrade and renew our assets, as outlined in this plan. We use a number of Key Financial Indicators to monitor and manage financial sustainability. Over the next 10 years we will remain on track against the Council approved target range for these Key Financial Indicators. We will have the capacity to accumulate higher average debt levels in the latter part of the 10-year plan if we need to. We will also be able to fund additional strategic priorities as they emerge.

A handwritten signature in black ink, appearing to read 'Mark Withers'.

Mark Withers
CEO, City of PAE

LONG-TERM FINANCIAL PLAN SUMMARY

Under the Local Government Act 1999, PAE must develop and adopt an LTFP that covers a period of 10 years. This, in conjunction with the City Vision and AMPs, is integral to our Strategic Management Framework.

The LTFP provides an indication of the financial sustainability of PAE's projected activities. We have updated and adjusted our projections for operational and capital cash flows over the next 10 years, to reflect changes to our operating environment and strategic objectives.

PAE plans to spend a total of \$669 million replacing and renewing assets as well as providing new and upgraded assets over the next 10 years. This expenditure is embedded in the relevant AMPs and incorporates high-level construction estimates for the Semaphore Foreshore Master Plan as well as Inclusive Sport Facility investments in, among others, E P Nazer, John Hart and Port Adelaide Reserves.

KEY ASSUMPTIONS

LTFP Component	Base Assumption
General Rates	Adelaide CPI*
General Rates – Upgrade of Intergenerational Community Infrastructure	+1.5%
Rateable Property Growth	+1% per annum
Employee Costs	EBA** then WPI^
Other Income and Expenses	Adelaide CPI forecast
Operating Grants (including Roads to Recovery)	Adelaide CPI forecast
Amounts received for New Assets or Upgraded Assets	\$4.2 million per annum (adjusted for inflation)
Borrowings	5.3% – 4.9% variable interest rate

* CPI = Consumer Price Index

** EBA = Enterprise Bargaining Agreement

^ WPI – Wage Price Index

Inflation

The CPI used in the LTFP is based on data projected by Deloitte Forecast Economics, December 2025 release. This forecasts a rate of 2.8% inflation for 2026–27, through to 2.6% by Year 10 of the LTFP.

Interest Cost

Interest costs are based on projected debt levels. Existing interest rates are applied to current debt and it is assumed that all debt will be managed via variable loan facilities. Forecast interest rates across the 10 years are derived from Deloitte Forecast Economics, December 2025 release.

Salaries and Wages

For salaries, Year 1 of this plan is based on the following:

- Current staffing levels
- Wage adjustments in accordance with our enterprise agreements
- The transition of contracted labour to council employees which has resulted in lower contracting costs and improved service outcomes
- Increased service provision to match city growth

Years 2–10 are based on the WPI from the Deloitte Forecast Economics December 2025 release of between 3.2% and 3.0% per annum.

Rate Revenue

The council's Rating Policy is applied consistently across the LTFP. The council has set annual rate revenue increases at the level required to deliver an operating surplus that falls within the target range set by the council for the Operating Surplus Ratio. This rating approach delivers on our objective of remaining financially sustainable over the medium to longer term while covering cost pressures and increase in service delivery. To ensure an operating surplus over the life of the plan the rate increase for Years 2–10 of the plan averages 4%.

PAE's average residential rates are significantly lower than the rates of neighbouring councils and the metropolitan Adelaide average. To fund the renewal and upgrade of intergenerational community infrastructure and facilities as required to a similar standard, this historical imbalance needs to be addressed. The LTFP assumes an additional 1.5% rate increase to start bridging this gap (included in the average rate of 4% above).

The LTFP assumes that the council will continue to experience growth in new rateable properties, on the basis that this will increase council's costs to service those new ratepayers. It is assumed that there will be on average 1% growth per annum across the full 10 years.

KEY ASSUMPTIONS

Infrastructure Costs

The LTFP includes assumptions for the ongoing investment in new infrastructure and for the renewal of assets across the full 10-year horizon. There is a reasonable expectation for State and Federal co-funding towards upgrades to community sporting, cultural and infrastructure assets. We base this expectation on recent history and experience.

Summary of Key Indicators	2026-27
Adelaide CPI	2.80%
Rates increase (including additional 1.5% rate)	5.80%
Wage Increase	3.00%
Variable Interest Rate	5.30%

The table below shows the long term forecast for key indicators:

Summary of Key Indicators	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Adelaide* CPI	2.60%	2.60%	2.50%	2.50%	2.60%	2.70%	2.60%	2.60%	2.60%
Rates increase (including additional 1.5% rate)	4.10%	4.10%	4.00%	4.00%	4.10%	4.20%	4.10%	4.10%	4.10%
Wage Price Index	3.20%	3.20%	3.10%	3.10%	3.20%	3.10%	3.00%	3.10%	3.20%
Variable Interest Rate	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%

*forecast

Cost Efficiencies

The 2026–27 budget incorporates cost savings of \$5.9M. These savings have been derived from the following:

- Electricity contract for renewable energy
- Investment in IT infrastructure
- Use of internal resources rather than consultants
- Efficiencies in the delivery of maintenance services
- Exploring alternative sources of revenue other than rates

Council has an annual cycle for undertaking service reviews. The focus of a service review is to improve the efficiency and effectiveness of Council's service delivery.

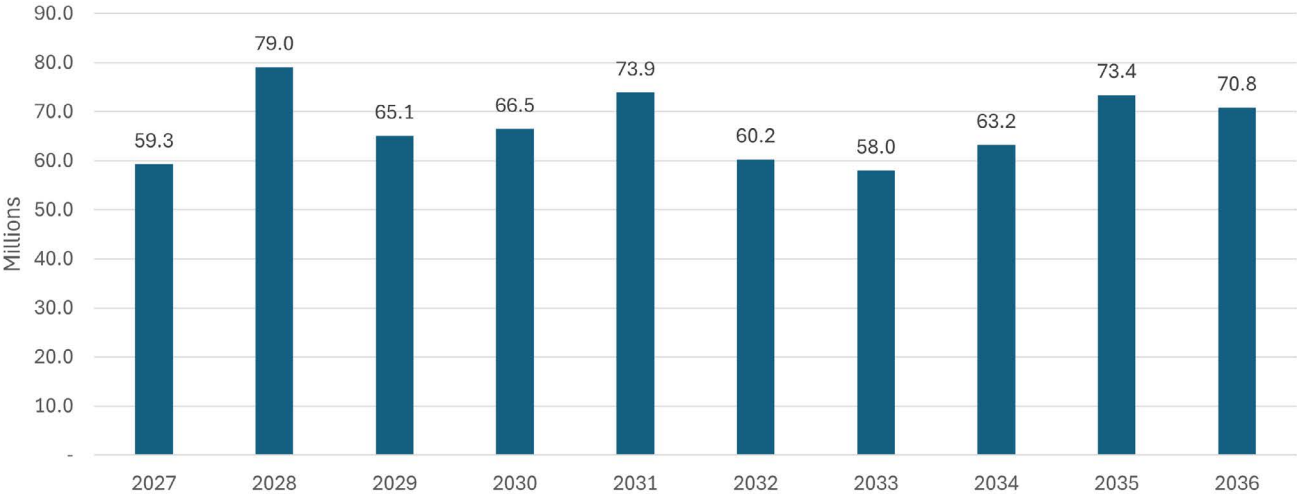
UNIFORM PRESENTATION OF FINANCES

Uniform Presentation of Finances	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000	2035-36 \$'000
Operating Surplus/(Deficit) before Capital Amounts										
Operating Revenues										
Rates	160,865	168,974	177,525	186,331	195,668	205,677	216,226	227,255	238,808	250,930
Statutory Charges	5,251	5,386	5,526	5,664	5,808	5,962	6,121	6,282	6,446	6,614
User Charges	4,598	4,716	4,838	4,959	5,085	5,220	5,359	5,500	5,644	5,791
Grants, Subsidies and Contributions - operating	10,116	9,454	9,700	9,941	10,194	10,464	10,743	11,025	11,313	11,608
Grants, Subsidies and Contributions - capital	2,603	2,670	2,739	2,807	2,878	2,954	3,033	3,113	3,194	3,277
Investment Income	100	100	100	100	100	100	100	100	100	100
Reimbursements & Other Income	2,776	2,848	2,922	2,995	3,071	3,152	3,236	3,321	3,408	3,497
Net gain - equity accounted Council businesses	-	-	-	57	164	328	252	434	628	2
Total Operating Revenues	186,309	194,148	203,350	212,854	222,968	233,857	245,070	257,030	269,541	281,819
Less: Operating Expenses										
Employee Costs	(68,984)	(71,203)	(73,469)	(75,755)	(78,116)	(80,578)	(83,090)	(85,622)	(88,294)	(91,127)
Materials, Contracts and Other expenses	(63,889)	(63,986)	(66,105)	(68,711)	(72,711)	(74,412)	(77,354)	(80,335)	(84,989)	(86,784)
Depreciation	(46,076)	(49,003)	(51,635)	(54,120)	(56,863)	(59,311)	(61,574)	(62,792)	(66,526)	(67,482)
Finance Cost	(4,965)	(4,684)	(5,021)	(4,899)	(4,737)	(4,283)	(3,044)	(1,465)	(197)	(19)
Net Loss - Equity Accounted Council Business	(987)	(679)	(98)	-	-	-	-	-	-	-
Total Operating Expenses	(184,901)	(189,555)	(196,328)	(203,485)	(212,427)	(218,584)	(225,062)	(230,214)	(240,006)	(245,412)
Operating Surplus/(Deficit) before Capital Amounts	1,408	4,593	7,022	9,369	10,541	15,273	20,008	26,816	29,535	36,407
Timing adjustment for grant revenue	-	-	-	-	-	-	-	-	-	-
Less: Grants, subsidies and contributions – Capital	(2,603)	(2,670)	(2,739)	(2,807)	(2,878)	(2,954)	(3,033)	(3,113)	(3,194)	(3,277)
Add back: Roads to Recovery funding	2,603	2,670	2,739	2,807	2,878	2,954	3,033	3,113	3,194	3,277
Operating Surplus / (Deficit)	1,408	4,593	7,022	9,369	10,541	15,273	20,008	26,816	29,535	36,407
Net Outlays on Existing Assets										
Capital Expenditure on Renewal and Replacement of Existing Assets	(35,025)	(42,198)	(35,981)	(35,199)	(39,119)	(38,020)	(40,145)	(37,082)	(43,612)	(43,352)
add back Depreciation, Amortisation and Impairment	46,076	49,003	51,636	54,121	56,863	59,311	61,574	62,792	66,526	67,482
add back Grants, subsidies and contributions – Capital Renewal	2,603	2,670	2,739	2,807	2,878	2,954	3,033	3,113	3,194	3,277
add back Proceeds from Sale of Replaced Assets	1,500	1,539	1,579	1,618	1,659	1,703	1,748	1,794	1,841	1,889
	15,154	11,014	19,973	23,347	22,281	25,948	26,210	30,617	27,949	29,296
Net Outlays on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets	(24,235)	(36,848)	(29,080)	(31,255)	(34,751)	(22,215)	(17,846)	(26,141)	(29,791)	(27,466)
add back Amounts Received Specifically for New and Upgraded Assets	3,686	4,359	4,472	4,583	4,700	4,825	4,953	5,084	5,217	5,353
add back Proceeds from Sale of Surplus Assets	9,000	5,000	-	-	-	-	-	-	-	-
	(11,549)	(27,489)	(24,608)	(26,672)	(30,051)	(17,390)	(12,893)	(21,057)	(24,574)	(22,113)
Net Impact to Financing Activities (Surplus /(Deficit))	5,013	(11,882)	2,387	6,044	2,771	23,831	33,325	36,376	32,910	43,590

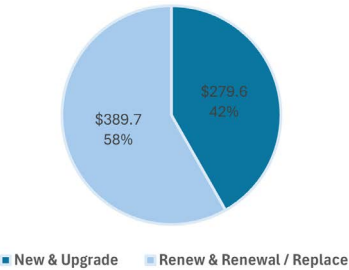
SUMMARY OF KEY CAPITAL INVESTMENTS

The LTFP incorporates capital investments totalling \$669 million over the next 10 years (adjusted for future inflation). We will fund this through a combination of annual operating surplus and external borrowings.

Capital Investment (\$ million)
Adjusted For Future Inflation



Replace v New (\$ million)
Adjusted For Future Inflation



Across the 10 year plan, Council is forecast to invest \$280 million in new and upgraded assets. In addition, to \$390 million in renewing its existing assets so the community can continue to enjoy and use the infrastructure as intended.



MAJOR PLACE INVESTMENTS AND INCLUSIVE SPORTS FACILITIES



Semaphore Foreshore Master Plan (Total budget: \$25.8 million)

The LTFP includes the remaining budget of \$24.4 million for the Semaphore Foreshore Master Plan and replacement of the railway, with detailed design work having begun in 2024–25. We plan to start construction in 2027 and complete work in 2027–28.

E P Nazer and John Hart Reserves (Total budget: \$33.4 million)

The LTFP includes the remaining budget of \$30.1million for the Inclusive Sport Facilities that we are planning at E P Nazer and John Hart Reserves. We plan to construct the E P Nazer buildings and facilities in 2028–29 and 2029–30 and we are planning the second phase of the project at John Hart Reserve for the latter part of the LTFP.

Port Adelaide Reserve (Total budget: \$10.4 million)

We plan to complete a detailed design of Inclusive Sport Facilities at Port Adelaide Reserve facilities in 2026–27. Construction will then occur during the 2027–28 and 2028–29 financial years.

Thomas Turner Reserve (Total budget: \$10.6 million)

The LTFP includes the remaining budget of \$8.3 million to develop improved community facilities at Thomas Turner Reserve. We will then construct new sporting facilities in the 2029–30 and 2030–31 financial years.

Klemzig Reserve (Total budget: \$9.9 million) and Ray Guscott Reserve (Total budget: \$6.8 million)

We expect to design and construct these facilities between the 2027–28 and 2031–32 financial years, and to complete the Ray Guscott Reserve (formerly Largs North Reserve) in the 2030–31 financial year.

SIGNIFIGANT RISKS AND OPPORTUNITIES

We update the LTFP annually to recognise any relevant risks, opportunities and mitigation strategies. In developing the new LTFP, we have identified the following risks:

- Lower than projected new development growth
- Climate change impacts (e.g. extra flood mitigation infrastructure)
- Reduced State Government grants and/or slowed co-funding commitments
- Unplanned infrastructure failure mitigated by routine condition assessments
- Renewal SA land transfers and associated unplanned costs
- Government funding cuts/cost shifting
- Long-term cost escalation above CPI forecasts, along with supply chain constraints
- Increases in the cost of living and prolonged higher interest rates
- A need for additional investment to meet the long-term financial needs of the Central Adelaide Waste Management Authority (CAWRA), a joint venture with the City of Charles Sturt

We have also identified the following potential opportunities:

- Higher than projected increase in rateable properties
- Additional government co-funding
- Alternative rating and commercial revenue streams
- Disposal of surplus property and assets
- Optimising service delivery and reviews
- Low debt/responsible use of borrowings



KEY FINANCIAL INDICATORS

To focus attention on factors that are key to securing long- term financial sustainability, we monitor and report on the following specific indicators:

- Operating Surplus
- Operating Surplus Ratio
- Net Financial Liabilities Ratio
- Asset Renewal Funding Ratio
- Interest Cover

Ratios	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Target Range
Operating Surplus Ratio	0.8%	2.4%	3.5%	4.4%	4.7%	6.5%	8.2%	10.4%	11.0%	12.9%	0%-10%
Net Financial Liabilities Ratio	68.2%	72.6%	69.4%	64.9%	62.0%	50.4%	35.8%	21.4%	9.6%	-5.1%	35%-100%
Asset Renewal Funding Ratio	101.4%	109.6%	105.5%	100.9%	102.4%	103.2%	102.8%	101.4%	100.8%	100.0%	90%-110%
Interest Cover Ratio (*)	2.6%	2.4%	2.4%	2.3%	2.1%	1.8%	1.2%	0.5%	0.0%	0.0%	1%-5%

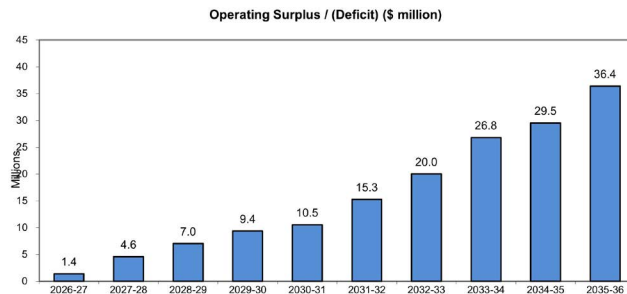
(*) Target as per Treasury Management Policy

For each indicator, we have developed appropriate target ranges to enable meaningful performance measurement, which will ensure PAE's sustainability over the long term. These indicators are consistent with industry standards or PAE's adopted Treasury Management Policy.

KEY FINANCIAL INDICATORS

Operating Surplus

In the interests of intergenerational equity, it is important that current ratepayers meet the cost of the services they consume combined with the cost of maintaining assets. We measure this by looking at the surplus/deficit. Our long-term financial sustainability is dependent upon ensuring that on average, over time, our operating expenses are less than our operating revenues, so that we can repay our debt.

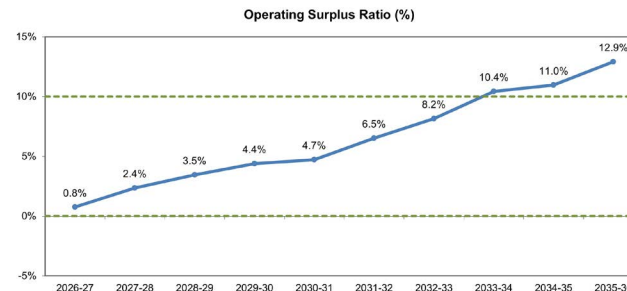


Operating Surplus Ratio

The Operating Surplus Ratio (Operating Surplus divided by Total Operating Revenue) is the primary indicator of financial sustainability. A positive ratio means that the current generation of ratepayers is meeting the costs of services that they are consuming. The larger the ratio, the more revenue we have available to fund infrastructure expenditure as well as repay debt. PAE remains on track against the target range of 0% to 10% for these indicators over most of the life of the plan. It is expected that the outer years will fall back in to the target range once current uncoded strategic plans are coded and included in the LTFP financial forecasts.

The planned Operating Surplus generated from 2030 and beyond is specifically earmarked to:

- Pay back debt and
- Create adequate capacity to fund emerging and strategic community infrastructure investments in future years

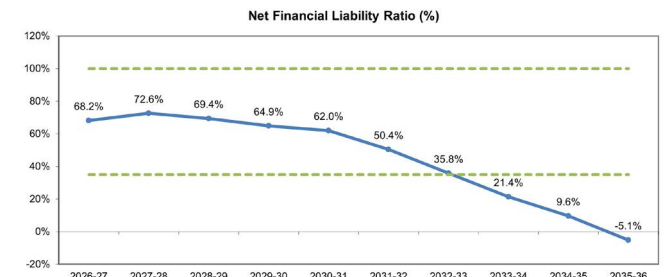


Net Financial Liabilities Ratio

The Net Financial Liabilities Ratio (Net Financial Liabilities divided by Total Operating Revenue) indicates the extent to which a council can meet its net financial liabilities from a single year's operating revenue. Where the ratio falls over time, this indicates that a council's capacity to meet its financial obligations from operating revenues is strengthening. Over the next four to five years, PAE expects to have a higher level of borrowings than it has traditionally carried. This is necessary so that we can finance a generational renewal of community infrastructure aligned with PAE's strategic priorities while maintaining intergenerational equity for ratepayers.

We expect borrowings to reduce across the second half of the 10-year period, as revenue growth and lower average capital expenditure allow us to repay our borrowings.

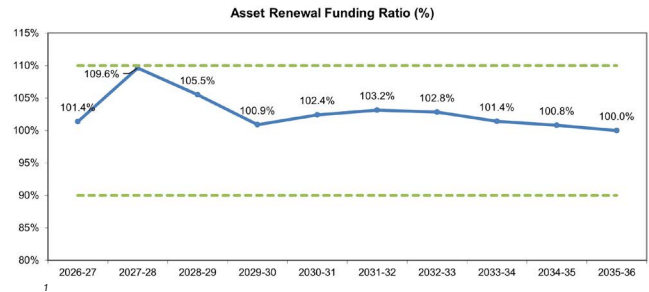
Net Financial Liabilities will remain well within the prudent ceiling level of 100%, with capacity to fund additional emerging priorities of strategic importance in the latter part of the LTFP period.



KEY FINANCIAL INDICATORS

Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio (Asset Renewal Expenditure divided by Asset Management Plan Renewal Expenditure) indicates the extent to which we are renewing infrastructure assets in line with the AMPs, thereby maintaining our service levels to the desired standard. A ratio of 100% means that PAE is budgeting to renew assets as initially planned.

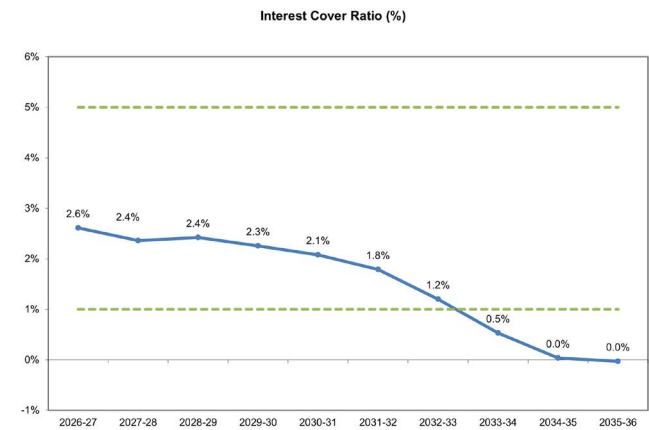


The AMPs detail the optimal timing for the renewal and replacement of assets based on up-to-date assessments. The AMP Addendum provides an update since the previous adoption of the Asset Management Plans during November 2024. PAE has expressed a strong commitment to asset renewal and sustainability for current and future generations. The concurrent review of our AMPs as part of the LTFP process ensures that there is very strong alignment with the LTFP renewal funding, at between 90% to 110% over the life of the plan.

¹ Asset Management Plan for plant & equipment was adjusted for changes in forecast costs.

Interest Cover

Interest Cover (Annual Interest Payments/Annual Operating Income) ensures that a council only borrows to a level that results in interest costs that are reasonably manageable in relation to the level of its operating income.



As with the Operating Ratios and Net Financial Liability Ratio, the LTFP intentionally plans for capacity in the last four to five years of the plan. This will accommodate any community priorities that emerge or evolve, requiring us to make investments in infrastructure that are of strategic importance.



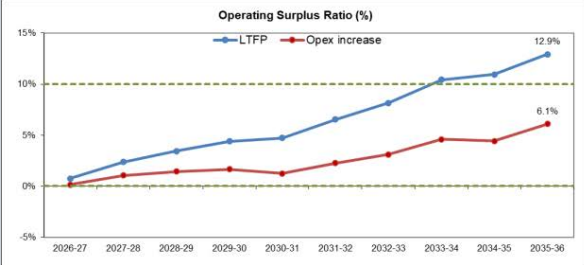
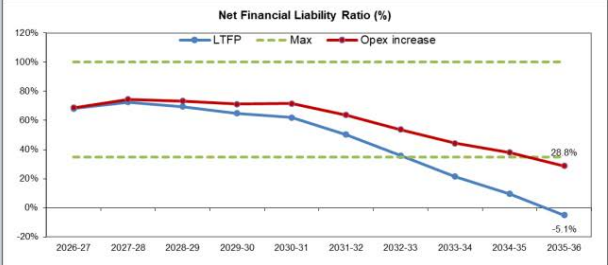
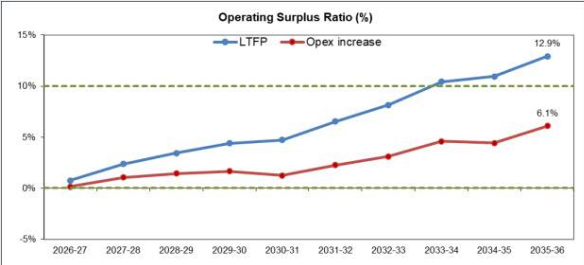
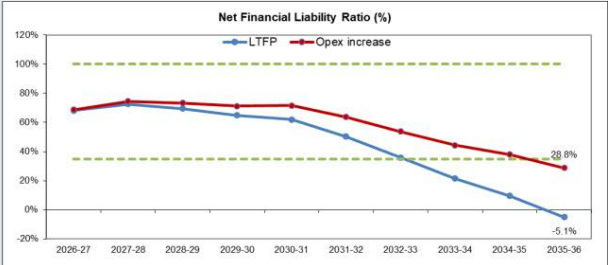
SUMMARY OF MATERIAL CHANGES

LTFP Component	\$ Change (Cumulative Between 2026–27 to 2034–35)	Reason for Change
General rates	\$34.1M increase	Amended assumption for rates in 2026–27 and over 10-year plan
Statutory and user charges	\$6.0M increase	Additional Income in 2026–27, which is expected to continue across the 10-year plan
Employee costs	\$32.0M increase	Increased costs associated with Council growth
Materials, contract and other expenses	\$25.7M increase	Increased costs caused by cost pressures and growth
Operating result	\$17.3M decrease	Net income and expenses changes
Changes in revaluation surplus	\$32.1M	Compounding impact of the estimated revaluation of land, buildings, pumps and bridges
Capital expenditure - Renewal/replacement - New/upgrades	\$26.5M increase	Cost escalations and new projects

SENSITIVITY ANALYSIS

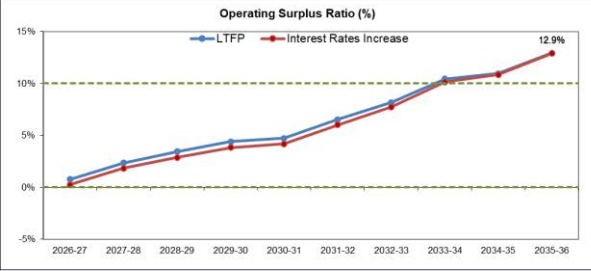
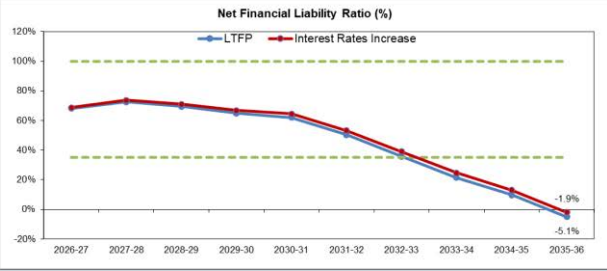
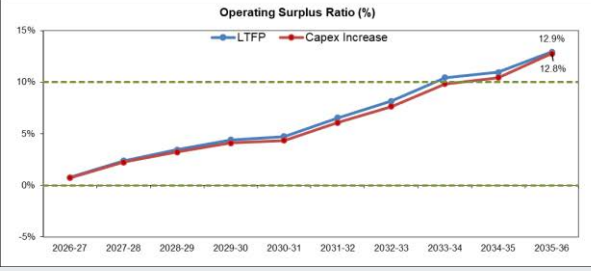
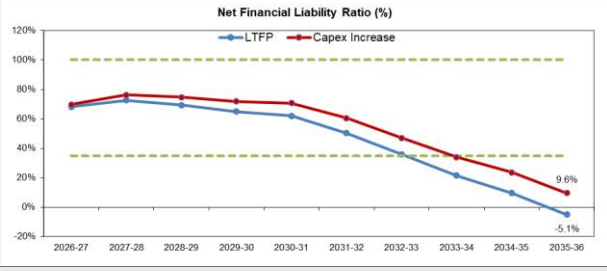
While we base the LTFP on the best information currently available, the assumptions we use in modelling our 10-year financial plans remain predictive in nature. This means that they are subject to change over the short, medium and long term.

The following table illustrates the potential impact of changes to factors or assumptions that are most likely to affect our long-term financial sustainability. This assumes that we do not take any other mitigation action or implement any additional interventions.

LTFP Component		Sensitivity (Mutually Exclusive)	Cumulative Operating Surplus Impact	Change in Debt Balance 30 June 2036*	Impact on Operating Surplus and Net Financial Liabilities Ratios	
1	Rate increase capped at CPI Only	CPI only (retaining 1% property growth)	\$185.8M decrease	\$146.4M increase	 	
2	Above budget Operating Cost Increases	+1% increase per annum	\$95.5M decrease	\$55.3M increase	 	

* Change in debt balance after first utilising surplus cash resources of \$39.2M in 2035-36

SENSITIVITY ANALYSIS

LTFP Component		Sensitivity (Mutually Exclusive)	Cumulative Operating Surplus Impact	Change in Debt Balance 30 June 2036*	Impact on Operating Surplus and Net Financial Liabilities Ratios	
3	Interest Rate Risk	+1% increase	\$8.8M decrease	None	 	
4	Capital Investment Increases	5% above annual budget	\$8.0M decrease	\$2.3M increase	 	

* Change in debt balance after first utilising surplus cash resources of \$39.2M in 2035-36

STATEMENT OF COMPREHENSIVE INCOME

Statement of Comprehensive Income	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000	2035-36 \$'000
Income										
Rates	160,865	168,974	177,525	186,331	195,668	205,677	216,226	227,255	238,808	250,930
Statutory Charges	5,251	5,386	5,526	5,664	5,808	5,962	6,121	6,282	6,446	6,614
User Charges	4,598	4,716	4,838	4,959	5,085	5,220	5,359	5,500	5,644	5,791
Grants, Subsidies and Contributions - operating	10,116	9,454	9,700	9,941	10,194	10,464	10,743	11,025	11,313	11,608
Grants, Subsidies and Contributions - capital	2,603	2,670	2,739	2,807	2,878	2,954	3,033	3,113	3,194	3,277
Investment Income	100	100	100	100	100	100	100	100	100	100
Reimbursements & Other Income	2,776	2,848	2,922	2,995	3,071	3,152	3,236	3,321	3,408	3,497
Net gain - equity accounted Council businesses	-	-	-	57	164	328	252	434	628	2
	186,309	194,148	203,350	212,854	222,968	233,857	245,070	257,030	269,541	281,819
Expenses										
Employee Costs	68,984	71,203	73,469	75,755	78,116	80,578	83,090	85,622	88,294	91,127
Materials, Contracts and Other expenses	63,889	63,986	66,105	68,711	72,711	74,412	77,354	80,335	84,989	86,784
Depreciation	46,076	49,003	51,635	54,120	56,863	59,311	61,574	62,792	66,526	67,482
Finance Cost	4,965	4,684	5,021	4,899	4,737	4,283	3,044	1,465	197	19
Net Loss - Equity Accounted Council Business	987	679	98	-	-	-	-	-	-	-
	184,901	189,555	196,328	203,485	212,427	218,584	225,062	230,214	240,006	245,412
Operating Surplus / (Deficit)	1,408	4,593	7,022	9,369	10,541	15,273	20,008	26,816	29,535	36,407
Asset Disposal & Fair Value Adjustments	(2,500)	(2,564)	(2,631)	(2,697)	(2,766)	(2,839)	(2,915)	(2,992)	(3,070)	(3,150)
Amounts Received Specifically for New or Upgraded Assets	4,235	4,344	4,457	4,568	4,684	4,808	4,936	5,066	5,199	5,335
Physical Resources Received Free of Charge	9,500	9,742	9,985	10,219	10,464	10,725	11,002	11,287	11,578	11,578
Net Surplus / (Deficit)	12,643	16,115	18,833	21,459	22,923	27,967	33,031	40,177	43,242	50,170
Other Comprehensive Income	54,862	52,475	55,055	54,564	57,431	61,878	63,920	64,895	66,237	68,030
Total Comprehensive Income	67,505	68,590	73,888	76,023	80,354	89,845	96,951	105,072	109,479	118,200

STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000	2035-36 \$'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Trade and Other Receivables	4,400	4,437	4,589	4,754	4,960	5,114	5,305	5,501	5,744	5,918
Inventories	351	352	364	378	400	409	425	442	467	477
Other Current Assets	70	70	70	70	70	70	70	70	70	39,252
	6,621	6,659	6,823	7,002	7,230	7,393	7,600	7,813	8,081	47,447
Non-Current Assets										
Financial Assets	28	29	30	32	34	35	37	39	41	24
Equity Accounted Investments in Council Businesses	488	-	-	-	-	260	512	946	1,574	1,576
Infrastructure, Property, Plant and Equipment	2,067,759	2,144,387	2,223,256	2,295,598	2,373,627	2,447,112	2,514,529	2,584,629	2,661,051	2,739,810
Other Non-Current Assets	19,556	26,085	21,470	21,930	24,377	19,878	19,137	20,864	24,223	23,370
Total Non-Current Assets	2,087,831	2,170,501	2,244,756	2,317,560	2,398,038	2,467,285	2,534,215	2,606,478	2,686,889	2,764,780
TOTAL ASSETS	2,094,452	2,177,160	2,251,579	2,324,562	2,405,268	2,474,678	2,541,815	2,614,291	2,694,970	2,812,227
LIABILITIES										
Current Liabilities										
Trade & Other Payables	13,087	13,137	13,555	14,056	14,789	15,146	15,711	16,284	17,135	17,517
Provisions	11,901	12,124	12,351	12,582	12,817	13,048	13,279	13,511	13,742	13,973
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-
	24,988	25,261	25,906	26,638	27,606	28,194	28,990	29,795	30,877	31,490
Non-Current Liabilities										
Long-Term Borrowings	107,297	120,933	120,702	116,969	116,498	95,524	64,895	31,476	1,575	-
Long-Term Provisions	963	981	1,000	1,018	1,037	1,056	1,075	1,093	1,112	1,131
Liability - Equity Accounted Council Businesses	-	191	289	232	68	-	-	-	-	-
	108,260	122,105	121,991	118,219	117,603	96,580	65,970	32,569	2,687	1,131
Total Liabilities	133,248	147,366	147,897	144,857	145,209	124,774	94,960	62,364	33,564	32,621
Net Assets	1,961,204	2,029,794	2,103,682	2,179,705	2,260,059	2,349,904	2,446,855	2,551,927	2,661,406	2,779,606
Equity										
Accumulated Surplus	931,404	947,519	966,352	987,811	1,010,734	1,038,701	1,071,732	1,111,909	1,155,151	1,205,321
Asset Revaluation Reserve	1,014,248	1,066,723	1,121,778	1,176,342	1,233,773	1,295,651	1,359,571	1,424,466	1,490,703	1,558,793
Other Reserves	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552
Total Equity	1,961,204	2,029,794	2,103,682	2,179,705	2,260,059	2,349,904	2,446,855	2,551,927	2,661,406	2,779,606

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000	2035-36 \$'000
Accumulated Surplus										
Opening Balance	918,761	931,404	947,519	966,352	987,811	1,010,734	1,038,701	1,071,732	1,111,909	1,155,151
Net Surplus / (Deficit) for the year	12,643	16,115	18,833	21,459	22,923	27,967	33,031	40,177	43,242	50,170
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Transfer between Reserves	-	-	-	-	-	-	-	-	-	-
Balance at end of period	931,404	947,519	966,352	987,811	1,010,734	1,038,701	1,071,732	1,111,909	1,155,151	1,205,321
Asset Revaluation Reserve										
Opening Balance	959,386	1,014,248	1,066,723	1,121,778	1,176,342	1,233,773	1,295,651	1,359,571	1,424,466	1,490,703
Other Comprehensive Income	54,862	52,475	55,055	54,564	57,431	61,878	63,920	64,895	66,237	68,030
Transfer between Reserves	-	-	-	-	-	-	-	-	-	-
Balance at end of period	1,014,248	1,066,723	1,121,778	1,176,342	1,233,773	1,295,651	1,359,571	1,424,466	1,490,703	1,558,733
Other Reserves										
Opening Balance	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Transfer between Reserves	-	-	-	-	-	-	-	-	-	-
Balance at end of period	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552
Total Equity										
Opening Balance	1,893,699	1,961,204	2,029,794	2,103,682	2,179,705	2,260,059	2,349,904	2,446,855	2,551,927	2,661,406
Net Surplus / (Deficit) for the year	12,643	16,115	18,833	21,459	22,923	27,967	33,031	40,177	43,242	50,170
Other Comprehensive Income	54,862	52,475	55,055	54,564	57,431	61,878	63,920	64,895	66,237	68,030
Transfer between Reserves	-	-	-	-	-	-	-	-	-	-
Balance at end of period	1,961,204	2,029,794	2,103,682	2,179,705	2,260,059	2,349,904	2,446,855	2,551,927	2,661,406	2,779,606

STATEMENT OF CASH FLOWS

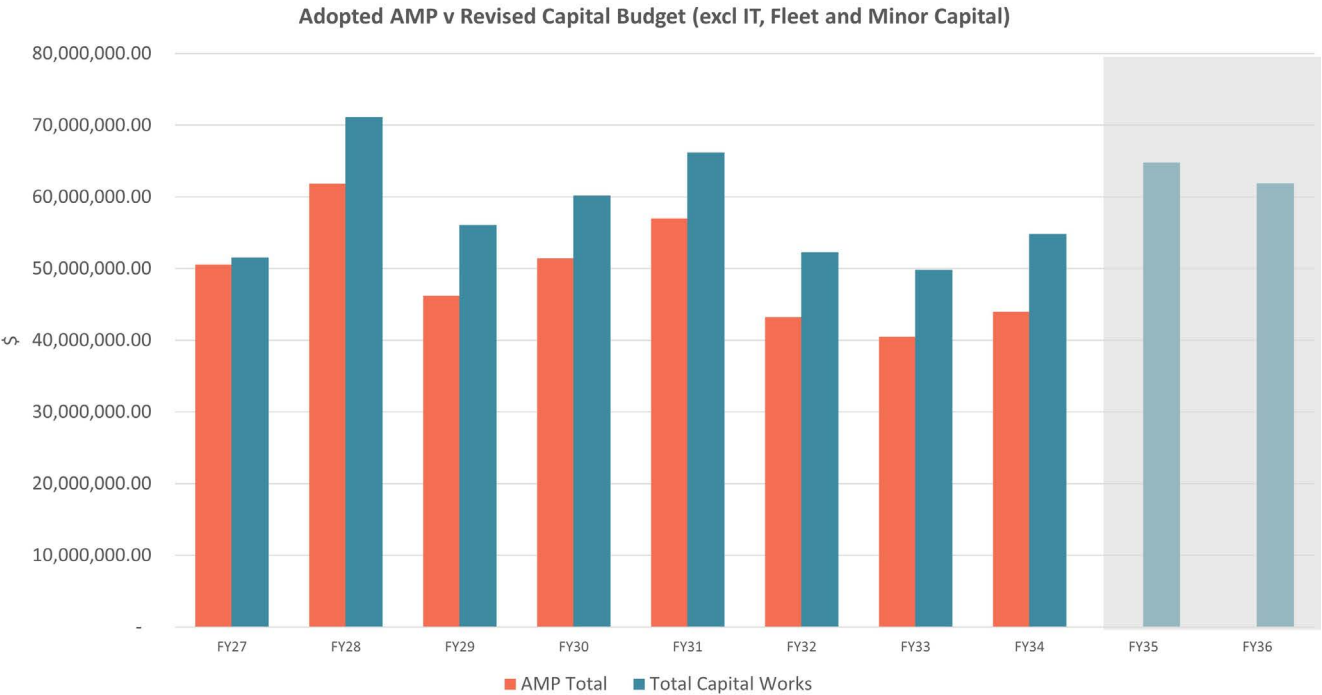
Statement of Cash Flows	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000	2035-36 \$'000
Cash Flows from Operating Activities										
Receipts										
Operating Receipts	183,477	191,327	200,434	209,811	219,743	230,386	241,592	253,287	265,519	278,336
Investment Income	101	100	100	100	100	100	100	100	100	100
Payments										
Operating Payments to Suppliers and Employees	(132,155)	(134,910)	(139,020)	(143,842)	(150,012)	(154,486)	(159,773)	(165,281)	(172,382)	(177,391)
Finance Payments	(4,965)	(4,684)	(5,021)	(4,899)	(4,737)	(4,283)	(3,044)	(1,465)	(197)	(19)
	46,458	51,833	56,493	61,170	65,094	71,717	78,875	86,641	93,040	101,026
Cash Flows from Investing Activities										
Receipts										
Amounts Received Specifically for New/Upgraded Assets	3,686	4,359	4,472	4,583	4,700	4,825	4,953	5,084	5,217	5,353
Grants utilised for capital purposes	2,647	2,679	2,748	2,816	2,888	2,964	3,044	3,124	3,205	3,288
Sale of Replaced Assets	1,500	1,539	1,579	1,618	1,659	1,703	1,748	1,794	1,841	1,889
Sale of Surplus Assets	9,000	5,000	-	-	-	-	-	-	-	-
Other Cash Flows from Investing Activities	-	-	-	-	-	-	-	-	-	-
Payments										
Expenditure on Renewal/Replacement of Assets	(35,025)	(42,198)	(35,981)	(35,199)	(39,119)	(38,020)	(40,145)	(37,082)	(43,612)	(43,352)
Expenditure on New/Upgraded Assets	(24,235)	(36,848)	(29,080)	(31,255)	(34,751)	(22,215)	(17,846)	(26,141)	(29,791)	(27,466)
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	(39,163)
	(42,427)	(65,469)	(56,262)	(57,437)	(64,623)	(50,743)	(48,246)	(53,221)	(63,140)	(99,451)
Cash Flows from Financing Activities										
Receipts										
Proceeds from Borrowings	-	13,636	-	-	-	-	-	-	-	-
Payments										
Repayments of Borrowings	(4,031)	-	(231)	(3,733)	(471)	(20,974)	(30,629)	(33,420)	(29,900)	(1,575)
	(4,031)	13,636	(231)	(3,733)	(471)	(20,974)	(30,629)	(33,420)	(29,900)	(1,575)
Net Increase (Decrease) in Cash Held	-	-	-	-	-	-	-	-	-	-
Cash and Cash Equivalents at Beginning of Period	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Cash and Cash Equivalents at End of the Period	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800

APPENDIX: 2026-27 REVISION OF CAPITAL WORKS BUDGETS

Council adopted Asset Management Plans (AMPs) for all major asset classes in November 2024. These AMPs outline the funding requirements needed to maintain and invest in Council’s asset portfolio now and into the future.

The funding requirements identified in the AMPs represent a point in time and are Council’s best estimate based on the information available at that time. As projects evolve and more information is obtained, these budgets are expected to require revision.

The following revision of the capital works budget represents Council’s known funding requirements as of June 2026.



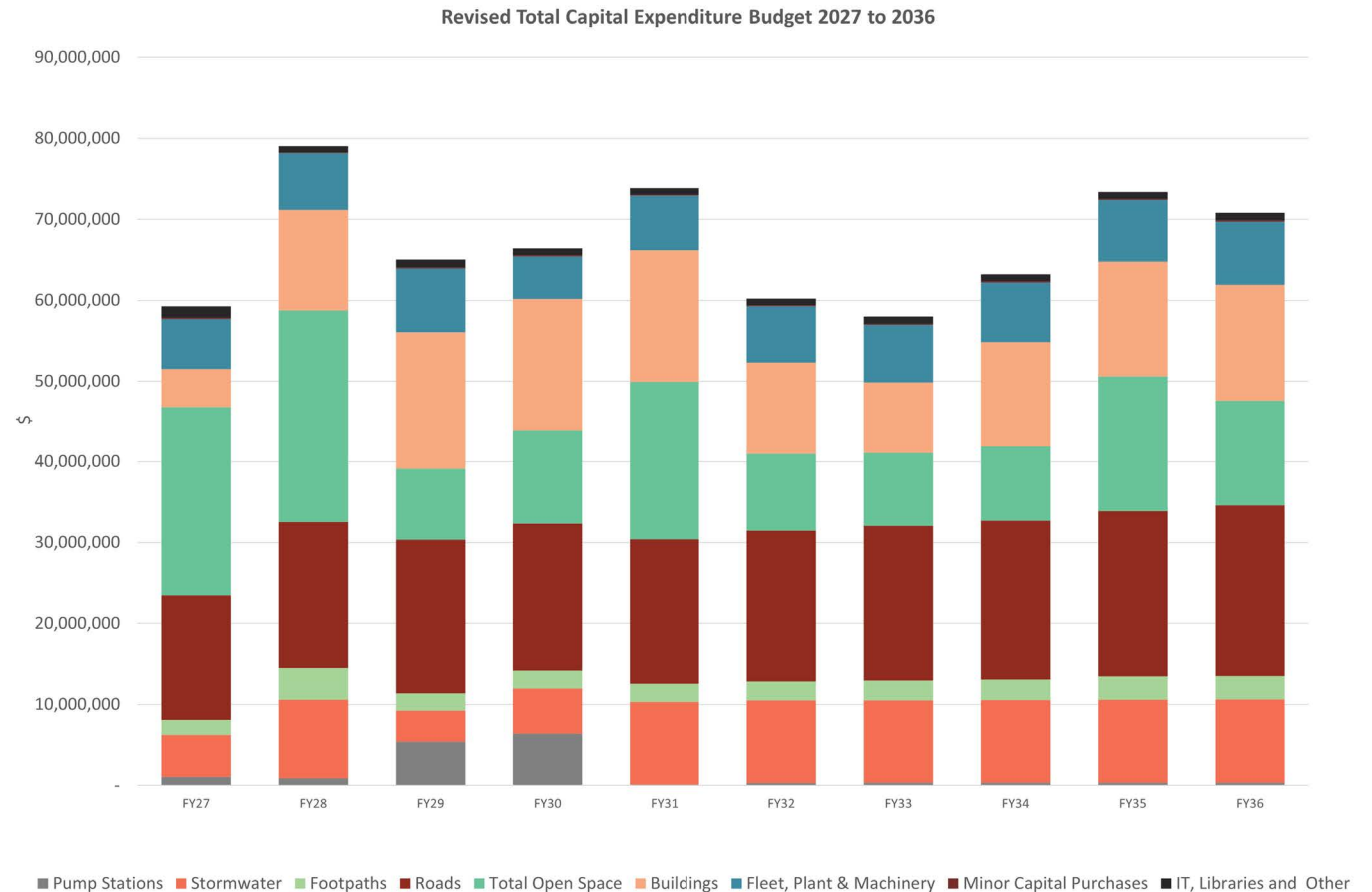
APPENDIX

It should be noted that the forecast expenditure of the AMPs is not indexed, whereas the capital works budgets shown in the Long-Term Financial Plan are at current cost for 2027 and indexed for 2028 to 2036. Also, the life of the current AMPs is 2024 to 2034 and have not been developed to 2036 at this time.

The variance between forecast expenditure of the AMPs and the Long-Term Financial Plan is due to changes in project timing and scope. Material changes have occurred in the following projects:

- Wellington St Pump Station Upgrade - deferred to 2028-29 \$4.6m and 2029-30 \$5m
- Semaphore Foreshore - phasing updated for delivery 2026-27 \$9m and 2027-28 \$15m
- Grand Junction/Northcote Open Channel Upgrade - delivery now budgeted 2027-28 \$1m
- Wauwa Street Upgrade - deferred to 2028-29 \$1m
- Klemzig Linear Park Upgrade - increased scope due to grant funding \$1m in 2026-27

Therefore, the difference between the two plans reflects (1) escalation/indexation applied in the Long-Term Financial Plan and (2) changes in project timing and scope across the 10-year program.



This graph shows the expected breakdown of expenditure across all asset classes for the life of the Long-Term Financial Plan 2027 to 2036.