



CLARE & GILBERT
VALLEYS COUNCIL

Long Term Financial Plan 2026-2027 to 2035-2036

**We acknowledge we come together on Ngadjuri Country,
learning and walking side by side,
to ensure the continuance of Country and Culture.**

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COUNCIL'S AREA

With vineyard covered landscapes set in rolling golden hills of fertile agricultural lands, the Clare & Gilbert Valleys district is made up of a collection of historic towns with thriving communities. A tapestry of towns, villages and rural landscapes, the Clare & Gilbert Valleys are home to an estimate population of over 9,400 people.

Forming part of the traditional lands of the Ngadjuri people, their rich connection and association with this country is acknowledged.

The fertile agricultural lands within the district are the cornerstones of the region's economy. Combined with favourable climate conditions, the region boasts premium vineyards and broad acre cropping opportunities as well as quality livestock production.

As well as a holiday destination, the region is where people live and thrive in a location close to the outer metropolitan area of South Australia's capital, Adelaide. The Clare & Gilbert Valleys enjoy the advantages of proximity and accessibility with an enviable rural lifestyle.

The service towns of Clare, Riverton, Saddleworth and Auburn through to the villages of Stockport, Tarlee, Rhynie, Manoora, Mintaro, Watervale, Sevenhill, Armagh, Waterloo, Hilltown, Leasingham, Penwortham, Stanley Flat and Marrabel, all have a proud history, great stories and present a vibrant future for the Clare & Gilbert Valleys community.



CEO FINANCIAL SUSTAINABILITY STATEMENT

The following definition of financial sustainability represents the industry standard for Local Government:

A Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

Council must also consider the financial effects of future generations. Meeting these expectations has become more difficult in recent years with extreme volatility in annual property valuations, a key factor in the determination of rates.

Long term financial planning allows councils to assess how their financial decisions today will impact its future financial position and ability to meet community needs. This planning considers known or anticipated influences that shapes the Council's financial sustainability in future years.

Financial planning is a guiding framework and as such is an essential tool for responsible financial management. The importance is recognised in that long term financial plans are a requirement of the [Local Government Act, 1999](#).

The preparation of this *Long Term Financial Plan* (LTFP) forms the basis for identifying and quantifying service level standards and the future investment requirements to adequately maintain Council's infrastructure and asset portfolio.

While the plan outlines Council's priorities, it does not constitute a commitment to undertake specific projects; rather, it identifies items for consideration in the development of each year's Annual Business Plan.

The Funding Plan and Financial Indicator results presented in this LTFP highlight the need for continued review of current operational and infrastructure service levels to identify potential cost savings which may bolster Council's overall financial health. The revised draft LTFP continues to reflect the significant financial commitment required to maintain existing Council assets, despite sustained cost increases, presenting the real challenge faced in ensuring adequate levels of funding are available to facilitate this task.

While the forecasts in the revised draft LTFP provide for Council's asset renewal requirements over the ten-year period, they rely on sustained progress in implementing the improvement actions identified in Council's Strategic Asset Management Plan. The forecasts also require Council to continue identifying appropriate opportunities to increase income and reduce the cost of delivering operational and infrastructure services.

The key challenges in ensuring the financial sustainability of Council operations arising from within this LTFP are:

- Meeting community expectations regarding service delivery;
- Operating in a challenging and volatile economic environment;
- Managing compounding inflationary pressures on the costs of materials, labour, and contract services;
- Managing ongoing supply chain issues, contractor availability and under-supply of raw materials;
- Balancing service delivery and affordability for ratepayers;
- Implementing and funding of appropriate asset management principles to ensure cost effective management of all Council's assets;
- Managing the impact of cost shifting from other levels of government.

LEGISLATIVE REQUIREMENTS

The [Local Government Act, 1999](#) requires Council to develop and adopt a *Long Term Financial Plan* (LTFP) covering a period of at least ten years. This forms part of Council's suite of strategic plans that also include the [Strategic Plan 2023-2033](#) and the adopted [Infrastructure Asset Management Plans](#), including Transport, Community Waste Water, Stormwater and Buildings & Structures.

Council is required to review the *Long Term Financial Plan* annually as soon as possible after the adoption of its *Annual Business Plan* and undertake a comprehensive review of its strategic management plans including the Asset Management Plans within 18 months of Council elections. Council will update the LTFP twice each year, once after the financial statements have been finalised and later in the financial year during the preparation of the *Annual Business Plan & Budget*.

ESCOSA ADVICE

Following amendments to the [Local Government Act, 1999](#) in 2022, the Essential Services Commission of South Australia (ESCOSA) was appointed the designated authority to conduct the Local Government Advice Scheme. The aim of the Scheme is to provide independent, risk-based advice to assist councils when making long-term financial and investment decisions for the benefit of ratepayers.

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

In February 2024, Council received ESCOSA's [Local Government Advice](#). From the Review, ESCOSA found Council's current and projected financial performance potentially unsustainable taking into account the forecast of moderate expense growth increase over the next 10 years, and the planned average rate increases over this period. The Review also stated that there were a number of factors impacting sustainability, which included:

- Out of date asset management plans, asset valuations and condition grading,
- Over-estimation of asset useful lives and conditions,
- Uncertainty around depreciation expenses,
- Under-estimation of asset future repair, renewal and replacement costs.

The recommendations made by ESCOSA and our responses are listed on the following pages.

ESCOSA RECOMMENDATIONS AND COUNCIL'S RESPONSE

ESCOSA Recommendation	Council's Response 2026-2027
2.2.1 Advice on material plan amendments in 2023-24	
1. Review and provide greater transparency, on the annual inflation and other relevant macro-economic assumptions as inputs to its projected revenue and spending.	Council's assumptions in preparing the Annual Business Plan and Long Term Financial Plan are included in the table 'Economic Assumptions' below. Council notes that several areas of expenditure are increasing at a significantly higher rate than CPI.
2. Consider reporting its operating efficiency aims or cost reduction challenges in its long-term financial plan and annual business plans, as appropriate.	The 2026-2027 Annual Business Plan provides for additional staffing resources to strengthen Council's capacity to undertake detailed cost and pricing analysis. This will assist Council to identify potential operating efficiencies and report relevant findings in future Long-Term Financial Plans and Annual Business Plans.
3. Ensure its long-term financial plans and annual business plans include more information on its proposed capital works program to better inform the community about its expenditure priorities.	Council will include additional information on its proposed capital works program in the Annual Business Plan and Long-Term Financial Plan, where appropriate, to better inform the community of its expenditure priorities. The level of detail provided will balance transparency with the need for Council to retain flexibility in its decision-making.
2.2.2 Advice on financial sustainability	
4. Focus on constraining cost growth, where possible, including related to 'materials, contracts and other' expenses; and report its actual and projected cost savings in its annual budget and long-term financial plan, as appropriate.	Council will continue to review its operating expenditure, including materials, contracts and other expenses, to identify opportunities to constrain cost growth. Additional staffing resources provided in 2026-2027 will strengthen Council's capacity to monitor expenditure, undertake more detailed analysis and report relevant efficiencies and cost savings in future Annual Business Plans and Long-Term Financial Plans.

ESCOSA Recommendation	Council's Response 2026-2027
5. Continue to review its capital expenditure program annually in its asset management plans and consider options to better align the assumptions underpinning the expenditure allocations (and timing) with its long-term financial plan.	Council will undertake an annual review of its capital expenditure program to better align the assumptions and timing of expenditure allocations in its Asset Management Plans and Long-Term Financial Plan. Renewal expenditure projections will continue to be informed by asset-life analysis and visual condition assessments, with completed works recorded in the Tonkin Conquest asset management system at the end of each financial year. New and upgraded asset proposals, including grant-funded projects, will be assessed separately through Council's annual planning and budget processes.
6. Review the estimates of asset lives and valuations informing its forecast rate of asset consumption and depreciation expenses in its long-term financial plan and need for asset renewals in its asset management plans, with a particular focus on the appropriateness of the estimated value of depreciation expenses in the context of asset renewal expenditure requirements.	Updated Asset Management Plans, informed by asset condition assessments, were adopted by Council in May 2025. Asset lives, consumption rates and valuations will continue to be reviewed annually, with updated data incorporated into the Long-Term Financial Plan. Council will also consider the relationship between forecast depreciation expenses and projected asset renewal requirements.
7. Complete the planned reviews of its asset management plans, following a revaluation of its assets, with consideration of desired service levels, as appropriate.	Council has completed asset condition assessments and adopted updated Asset Management Plans. Following the revaluation of its assets, Council will review the plans to ensure that the underlying assumptions remain appropriate and that the identified renewal requirements are aligned with Council's desired service levels.
2.2.3 Advice on current and projected rate levels	
8. Continue to review and consider options in limiting future increases in rates to no more than expected inflation, to help reduce any emerging affordability risk in the community.	Council will continue to review its rating requirements annually and consider options to limit future rate increases to no more than expected inflation, where practicable. This will be balanced against community affordability, the cost of maintaining service levels and Council's obligation to meet its legislative responsibilities.

METHODOLOGY AND UNDERLYING ASSUMPTIONS

The focus of this updated *LTFP* has been to attain and maintain a budget surplus and provide a foundation for effective asset management so Council can continue to deliver on the community's vision in an efficient and sustainable way.

Council's *LTFP* is prepared consistent with the principles, targets and priorities set out within its adopted [Strategic Plan](#), [Infrastructure Asset Management Plans](#), and its *Budget Policy*. Projects and initiatives are evaluated and prioritised based upon the following criteria:

Alignment to Strategic Plan	Projects that contribute directly to strategies detailed within Council's Strategic Plan will be scored higher than those that are not.
Incorporated within other Council plans	Projects that are specifically detailed within Council's Long Term Financial Plan, Asset Management Plan, Economic Development Plan, and Corporate Plan will be scored higher than those that are not.
Reduction in risk	Projects that mitigate risk identified as unacceptable will be scored higher than those that do not.
Community Benefit	Projects that benefit more of the community will be scored higher than those that benefit less.
Funding	Projects that are funded by sources other than rate revenue will be scored higher than those that are not. Funding is considered for the whole life of the initiative.

Macroeconomic Assumptions for Life of Plan

Assumption	2026- 27	2027- 28	2028- 29	2029- 30	2030- 31	2031- 32	2032- 33	2033- 34	2034- 35	2035- 36	Source / basis
Adelaide CPI (Qtr-to-Qtr March 2026)	4.10%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	RBA
Rate increase over CPI	0.85%	2.00%	2.00%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	Council Estimate
Growth in rateable properties	0.00%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	Council Estimate
Rates revenue increase (CPI + growth + other)	4.95%	5.60%	5.10%	4.10%	4.10%	4.10%	3.10%	3.10%	3.10%	3.10%	Council Estimate
Interest on deposits	4.65%	4.25%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	Estimate
Employee-cost escalation	4.10%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	CGV Enterprise Agreement
Additional Employees	4.80%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	Council Estimate

CPI assumptions for 2026-2027 and subsequent years have been based on actual CPI figures and the Reserve Bank of Australia's current inflation outlook. Inflation is forecast to remain elevated in the short term (2026-2027) before returning toward the mid-point of the Reserve Bank's target range. For the later years of the Long Term Financial Plan, CPI has been assumed at 2.50% per annum. These assumptions will be reviewed annually as updated economic information becomes available.

Funding Summary

Operating Income

Rates

Rate increase of CPI plus 0.85%, with no increase in rate revenue from growth

The 2026-2027 Annual Business Plan provides for a general rate increase of 4.95%, comprising CPI of 4.10% and an additional 0.85% increase.

The increase in general rates above CPI is required for the following reasons:

- to partially fund additional employees in the Operations area, strengthening Council's capacity to deliver the objectives of the Annual Business Plan;
- to alleviate the effects of increased fuel prices on Council operations

Council also raises separate service charges for Community Wastewater Management Systems (CWMS) and waste collection services.

The CWMS service charge has increased to fund an additional full-time equivalent employee and assist in clearing the backlog of required septic tank pump-outs across the Council district. Revenue raised through the CWMS service charge is applied solely to the operation, maintenance and future capital requirements of the CWMS and is not used for other Council purposes.

The waste service charge has increased to recover the full cost of providing kerbside waste collection services.

Council is also required to collect the Regional Landscape Levy on behalf of the Northern and Yorke Landscape Board. The levy is passed directly to the Board and is used to fund regional environmental, land and water management programs.

Statutory charges

Statutory charges are fees for regulatory activities and are generally set by legislation, such as those under the [Planning, Development and Infrastructure Act 2016](#) for development application fees, [Food Act 2001](#) for audits and inspections of food

premises, [South Australian Public Health \(Legionella\) Regulations 2013](#) for water system inspections, and [Dog and Cat Management Act 1995](#) for animal management fees. These charges have been increased by CPI in this plan.

User charges

User charges relate to fee-for-service activities, including caravan parks, cemeteries, rural waste collection, the hire of recreation centres, community halls and other venues, and the purchase of recycled water.

Where possible, these charges should recover the full cost of delivering the relevant service. At a minimum, user charges are expected to increase in line with CPI each year, and this assumption has been incorporated into the Long-Term Financial Plan.

Grants, subsidies and contributions — operating

Operating grants include Financial Assistance Grants, comprising the general-purpose and local roads components, together with library grants and funding for other community services.

The timing of Financial Assistance Grant payments has created challenges for the local government sector in recent years, as grant revenue is recognised in the financial year in which the funds are received. For forecasting purposes, the Long-Term Financial Plan assumes that Financial Assistance Grants will be received in the financial year to which they relate.

Grants, subsidies and contributions — capital

Capital grants include Roads to Recovery funding and a State Government grant of \$695,000 for the renewal of Riverton Hall under the Thriving Regions Program.

Roads to Recovery funding for the final two years of the current five-year program has increased from approximately \$790,000 to \$941,000 per year. These increases have been incorporated into the forecasts in the Long-Term Financial Plan.

Beyond the current funding period, the Plan assumes that Roads to Recovery funding will continue and increase annually in line with CPI.

In accordance with the Local Government Association's model financial statements, grant funding received for the renewal of existing assets is included in the operating result.

Reimbursements and other income

Reimbursements and other income include payments for the use of Council facilities, services provided by Council and the recovery of utility expenses. These items are indexed in line with CPI, consistent with the indexation applied to the related operating expenditure.

Investment income

Interest income has been forecast based on projected cash balances, using an assumed interest rate of 4.00% over the life of the Long-Term Financial Plan.

Capital Income

Income for new or upgraded assets

The upgrade of Bruce and Vandeleur Roads from unsealed to sealed will be funded in part through the Special Local Roads Program. Grant funding of \$1.8 million was allocated in 2025-26, with a further potential contribution of \$0.7 million in 2026-27.

The associated roadworks were originally scheduled for 2025-26 but have been deferred to 2026-27. The related grant income of \$1.816 million has therefore been carried forward and recognised in the 2026-27 financial year. Council also intends to seek additional grant funding in 2026-27 to support further works.

The upgrade of the Clare Town Hall is scheduled in the Long-Term Financial Plan for 2028-29 and 2029-30. The Plan assumes a capital funding contribution of \$3.4 million, for which Council intends to advocate as strategies for the future of the building are developed.

The Long-Term Financial Plan does not assume any further capital income for new or upgraded assets. However, Council will continue to advocate for external funding as future strategies, project scopes and priorities are developed.

Proceeds from disposal of assets

Proceeds from the disposal of plant and fleet assets have been forecast at zero in Year 1 of the plan and then approximately \$150,000 per year, based on the replacement program included in capital expenditure. Assets will be disposed of when they reach the end of their useful lives or are no longer required for operational purposes.

Expenditure Summary

Operating Expenditure

Wages

The Enterprise Agreement provides for an annual wage increase in line with the Adelaide March quarter CPI, which was 4.10%. The 2026-2027 Annual Business Plan also provides for an additional 2.0 FTE to improve Council's capacity to deliver the annual objectives of the ABP and undertake costing and pricing analysis of key operational areas.

Council administration has allowed an extra 1.00% growth in employee costs each year to provide the necessary capacity to provide required service levels.

Contractors, Materials & Other

The Long-Term Financial Plan provides for a base increase of 4.10%, across most contractors, materials and other expenses. The following exceptions have been applied:

- Contractual services have increased by 5.60% to reflect the impact of higher fuel costs on the delivery of some services.
- Budget fuel costs have increased by 60.00% and will remain subject to ongoing review.
- Kerbside collection contract costs have increased by approximately 12.00%.
- Waste disposal costs associated with the transfer station, as distinct from kerbside collection, continue to increase at a rate above CPI.

Year 2 of the *Long Term Financial Plan* excludes election expenses, assumes a partial reduction of fuel costs and a reduction in septic pump-out and asset consultancies, both of which will be allocated in a consistent manner throughout the life of the plan.

Depreciation

Depreciation expense has been indexed annually in the Long-Term Financial Plan in line with forecast CPI. Adjustments have been included to reflect the impact of new and upgraded assets arising from the capital works program.

Over the ten-year period from 2026-27 to 2035-36, depreciation expense averages approximately 3.91% of the closing balance of infrastructure, property, plant and equipment each year.

This is a broad indicator only. It reflects Council's aggregate asset portfolio and will be affected by revaluations, asset additions, disposals and changes in the mix of asset classes.

Finance Costs

Council had no debt as at 30 June 2026 and an estimated cash balance in the order of \$15-\$16.0 million.

The Long Term Financial Plan provides for a significant capital works program over the ten-year life of the Plan, with total capital expenditure estimated at \$129.5 million. Further detail on this expenditure is provided below.

Over the same period, Council is forecast to generate approximately \$85.7 million in net cash from operating activities. A further \$31 million is forecast through applications for capital grants, asset sales and other minor receipts, resulting in total forecast surplus cash inflows of approximately \$116.7 million.

This results in an estimated funding gap of approximately \$12.8 million. The Plan assumes that this gap will be met through a drawdown of Council's existing cash reserves, which are forecast to be \$2.6 million at the end of the 10 year plan life.

Capital Expenditure

Capital Renewal

Capital renewal requirements have been sourced from Council's adopted Asset Management Plans for Buildings, Roads, the Community Wastewater Management Scheme (CWMS) and Stormwater. Forecast expenditure has been indexed in line with projected CPI.

Renewal expenditure for plant, equipment and information technology has been based on capital expenditure plans developed by Council staff.

Over the ten-year period of the Long-Term Financial Plan, capital renewal expenditure (\$87.7M) is forecast to be approximately 92.6% of depreciation expense (\$94.6M). This supports the projection that Council will continue to renew its assets at a level broadly consistent with its rate of consumption.

Council is continuing to improve its asset management planning. As Asset Management Plans and supporting documents are updated, the revised information will be incorporated into future reviews of the Long Term Financial Plan.

Asset Category	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Building - Renew/Replace	3,038	1,210	527	902	451	1,123	245	1,767	755	943
Transport - Renew/Replace	4,822	3,882	3,689	2,879	6,156	5,426	5,889	6,568	9,217	8,130
CWMS - Renew/Replace	432	1,967	1,249	1,279	1,311	1,343	45	374	78	165
Stormwater - Renew/Replace	0	0	0	0	0	0	0	0	0	0
Plant - Renew/Replace	966	819	840	861	882	904	926	926	949	949
Other Equipment - Renew/Replace	158	140	121	123	59	60	62	62	63	63
Playground Equipment	164	169	174	178	176	181	185	185	190	190
	9,580	8,187	6,600	6,222	9,034	9,038	7,352	9,882	11,253	10,440

The capital renewal forecast in the final three years of the Plan includes several unallocated transport placeholders and are also affected by cumulative indexation. The timing and composition of these works will be reviewed as Asset Management Plans are refined and annual capital priorities are determined. Any future borrowing requirement will be assessed as part of that process, as the rescheduling or deferral of selected renewal projects may reduce the extent to which loan funding is required.

Capital New/Upgrade

The LTFP includes a total allocation of \$41.85 million for new and upgraded Council assets over the life of the Plan. Key items in amongst this expenditure are \$7.1 million for the Clare Town Hall in years 2028-2029 & 2029-2030 and various road upgrades from unsealed to sealed surface, dependent on successful grant applications.

Asset Category	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Building - New/Upgrade	150	0	3,504	3,592	0	0	0	0	0	0
Transport - New/Upgrade	6,478	3,554	4,688	3,553	3,995	1,281	2,249	3,471	2,685	0
Stormwater - New/Upgrade	0	538	280	287	294	302	309	309	316	316
Niche Walls					20	20	20	20	20	20
	6,628	4,092	8,472	7,432	3,709	1,602	2,758	3,800	3,021	337

Operating Efficiencies and Cost Reduction Challenges

Council acknowledges the ongoing challenges in delivering the objectives of the Annual Business Plan each year. These challenges have been influenced, in part, by turnover in key management positions, which has limited Council's capacity to progress a number of capital and operating projects.

To strengthen its overall capability, Council is planning to appoint up to two additional middle-management employees, principally within the Operations area. These positions are intended to improve service delivery across waste management, the Community Wastewater Management Scheme and general maintenance operations.

Council administration believes that a stronger focus on planned and preventative maintenance, rather than reactive maintenance, will improve operational efficiency and reduce longer-term service delivery costs.

While the actual financial benefits are yet to be determined, these measures are expected to generate efficiencies over time and improve Council's capacity to deliver the Annual Business Plan.

Investments and Borrowings

In accordance with Council Treasury Management Policy, all excess funds are used to pay off any loans that can be repaid with surplus funds assumed to be invested in short term investments. There are no predicted borrowings over the course of the plan.

Material changes since the previous LTFP

This section details material changes between the adopted 2025-2026 LTFP estimates for 2026-2027 and the updated 2026-2027 LTFP. It is intended to provide an explanation of changes in Council's forecast financial position and capital priorities.

Area	Previous LTFP position	Updated position	Difference	Reason for change
Operating income	23,605	24,659	1,054	Increase in rates, CWMS charge, Waster Service charge, capital grants and investment income
Employee costs	5,797	6,199	402	EA increase of 4.10% and additional expenditure for 2.0 FTE in 2026-2027
Materials, contracts and other expenses	9,538	10,402	864	Uniform base CPI increase across the board; Significant increase in Council fuel costs and contractor fuel costs factored in, as well as increase in CWMS expenditure due to pump-outs and waste expenditure due to increased cartage and waste transfer station disposal costs.
Depreciation	7,881	8,044	263	Depreciation estimate is higher than one year ago.
Capital renewal	8,609	9,580	971	Increase in building capex to include Clare board walk and further increase in Transportation assets
New and upgraded assets	4,582	6,628	511	Inclusion of additional capex for further SLRP funded roads
Capital grants	830	1,194	364	Difference is deferral of Riverton Town Hall grant.

FINANCIAL INDICATORS

Key financial indicators

The LTFP includes the suite of key financial indicators based on the requirements of the model financial statements appropriate for measuring financial sustainability in the context of local government.

Council has adopted targets for each of these key financial indicators based on the generally suggested target ranges (based on the LGA's Financial Sustainability Information Paper No. 9 – Financial Indicators), as summarised below.

Key financial indicator	Target	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36
Operating surplus ratio	0 – 10%	0.4%	0.06%	(0.47%)	0.09%	(0.36%)	0.11%	0.46%	0.57%	0.82%	0.65%	0.54%
Net financial liabilities ratio	0 – 100%	(51.5%)	(30.7%)	(26.9%)	(17.2%)	(16.3%)	(9.7%)	(9.0%)	(12.4%)	(4.9%)	0.6%	0.0%
Asset renewal funding ratio*	80 – 120%	119%	97%	76%	68%	96%	94%	74%	97%	108%	98%	88%

* Depreciation expenditure is being used as a proxy for asset replacement

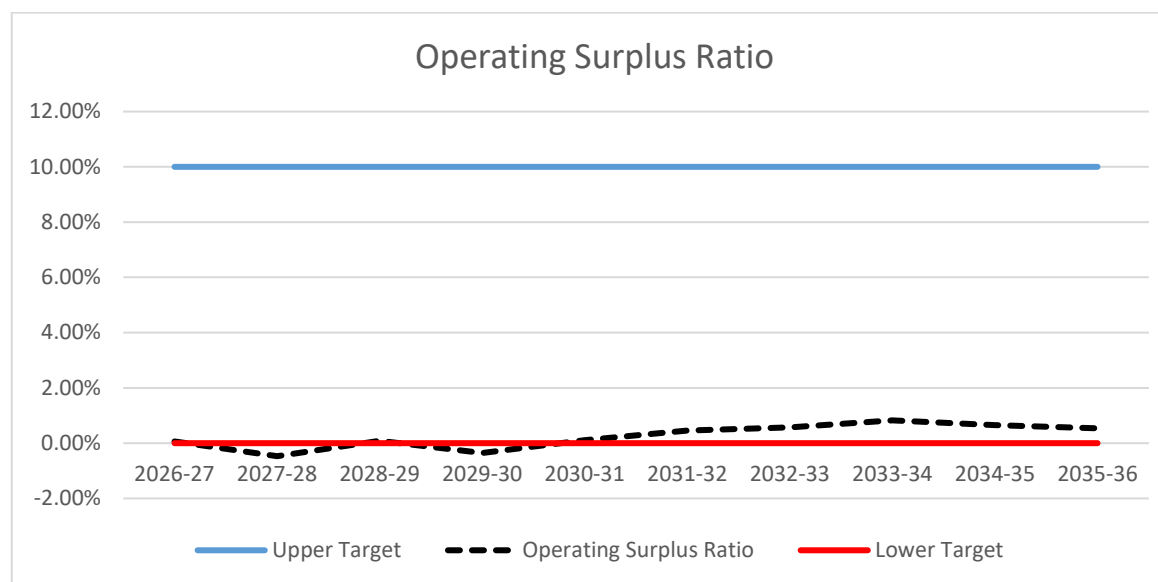
Operating surplus ratio

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

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

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Upper Target	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Operating Surplus Ratio	0.06%	-0.47%	0.09%	-0.36%	0.11%	0.46%	0.57%	0.82%	0.65%	0.54%
Lower Target	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Beyond 2026-2027, the operating surplus ratio is forecast to record a slight deficit in Years 2 and 4 before returning to modest surplus for the remainder of the Plan. The ratio ranges from -0.47% to +0.82%. While the overall outlook is balanced, Council will need to continue monitoring its operating position through future annual reviews of the LTFP.



Net Financial Liabilities Ratio

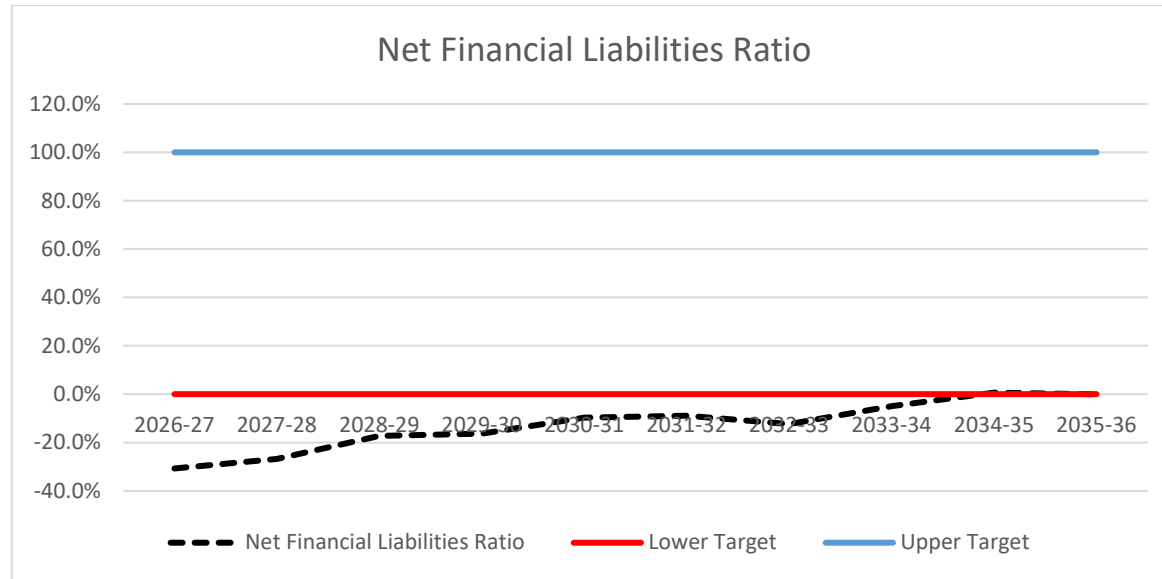
The net financial liabilities ratio measures Council's net financial liabilities as a percentage of operating income. Net financial liabilities are calculated as total liabilities, including borrowings and provisions, less cash, financial assets and receivables. The ratio indicates the extent to which Council's annual operating income would be required to meet its net financial obligations.

The target range for the net financial liabilities ratio is between 0% and 100%.

The net financial liabilities ratio is forecast to commence at -30.7%. In this case, the negative result is a positive, as it means Council has more cash and other financial assets than liabilities. This reflects Council having no borrowings and holding a higher cash balance due to the underspend on the capital works program in 2024/25 and 2025/26.

As Council works through the capital works backlog over the following years, this cash balance is expected to reduce and the ratio will move closer to the target range. By the later years of the Plan, the ratio is forecast to be around zero, meaning Council's financial assets and liabilities are broadly in balance.

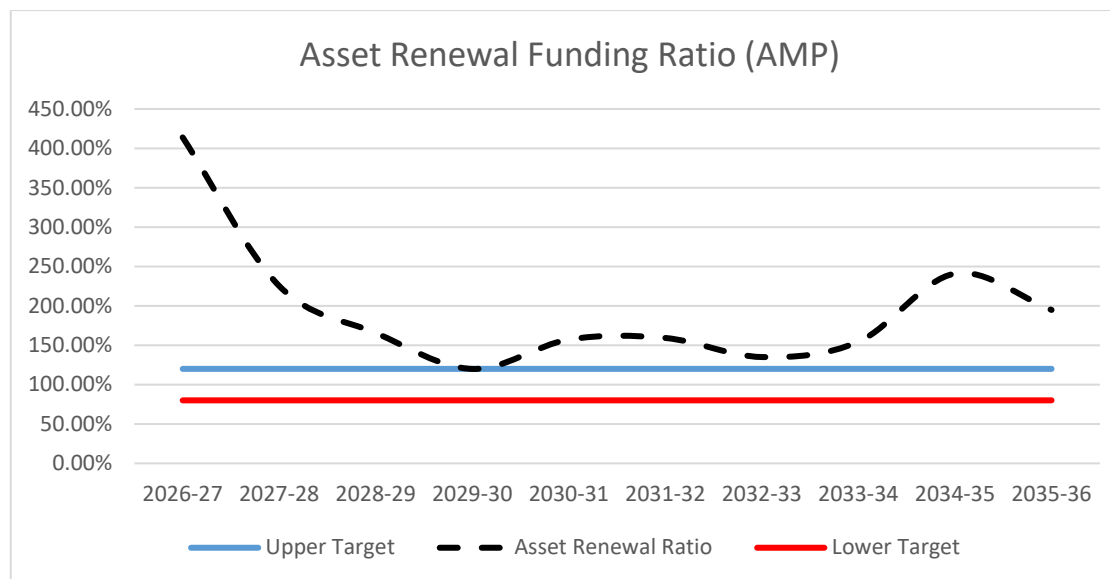
	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Upper Target	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Net Financial Liabilities Ratio	-30.7%	-26.9%	-17.2%	-16.3%	-9.7%	-9.0%	-12.4%	-4.9%	0.6%	-0.1%
Lower Target	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Asset renewal funding ratio

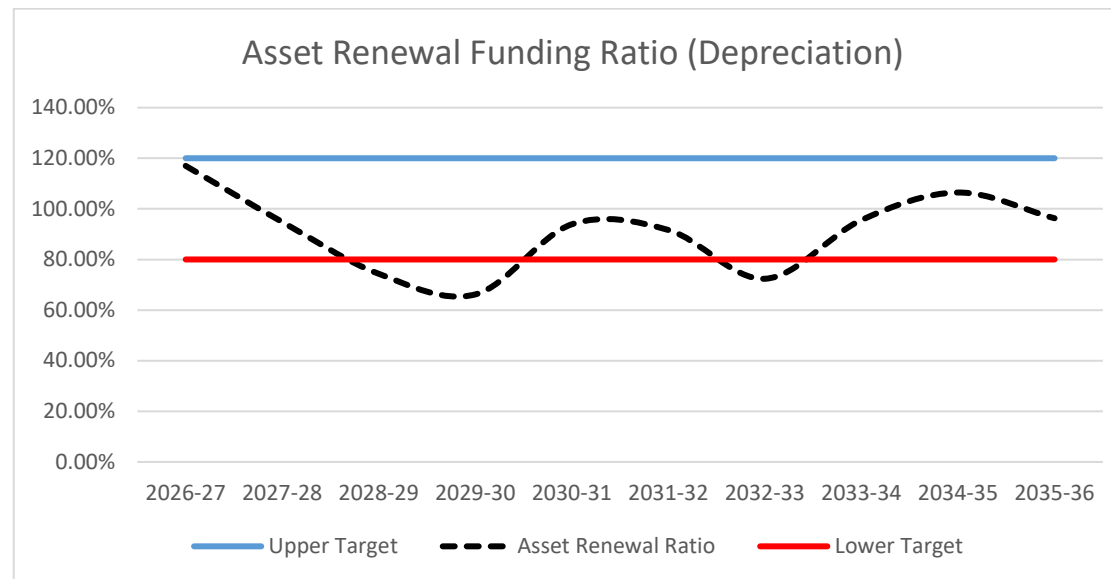
The asset renewal funding ratio compares Council's expenditure on renewing existing assets with the amount required for asset renewal. The target range is between 80% and 120%, recognising that renewal expenditure will vary from year to year depending on the timing of individual projects.

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Upper Target	120.00%	120.00%	120.00%	120.00%	120.00%	120.00%	120.00%	120.00%	120.00%	120.00%
Asset Renewal Ratio	413.95%	225.25%	165.61%	119.92%	157.21%	159.23%	135.00%	154.48%	240.99%	194.84%
Lower Target	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%



Several of Council's Asset Management Plans are still being reviewed or updated. Until this work is completed, annual depreciation expense has been used as an indicator of the required level of renewal expenditure. Depreciation remains relatively consistent each year, whereas the actual capital renewal program will fluctuate depending on when projects are scheduled.

As shown in the chart, the ratio falls below the lower target in some years and returns to within the target range in others. This largely reflects the timing of renewal projects rather than an ongoing reduction in asset renewal expenditure. The ratio is therefore better considered over the full term of the Plan, rather than by looking at any one year in isolation.



FORECAST FINANCIAL STATEMENTS

ESTIMATED STATEMENT OF COMPREHENSIVE INCOME

ATTACHMENT 1

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	AUDITED ACTUAL	Forecast	Draft Budget	Year 2 LTFP	Year 3 LTFP	Year 4 LTFP	Year 5 LTFP	Year 6 LTFP	Year 7 LTFP	Year 8 LTFP	Year 9 LTFP	Year 10 LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME												
Rates	17,022	17,462	18,536	19,478	20,376	21,147	21,949	22,783	23,459	24,156	24,873	25,611
Statutory charges	319	336	350	361	370	379	388	398	408	418	428	439
User charges	1,206	1,204	1,197	1,233	1,264	1,296	1,328	1,361	1,395	1,430	1,466	1,503
Grants, subsidies & contributions	3,943	2,639	2,549	2,622	2,690	2,760	2,830	2,903	2,978	3,050	3,124	3,199
Grants, subsidies & contributions - Capital	1,082	704	1,194	941	941	965	989	1,014	1,039	1,065	1,092	1,119
Investment income	399	470	643	390	362	273	278	219	225	275	193	129
Reimbursements	293	233	185	191	196	201	206	211	216	221	227	233
Other income	15	15	5	5	5	5	5	5	5	5	5	5
Total Income	24,279	23,063	24,659	25,221	26,204	27,026	27,973	28,894	29,725	30,620	31,408	32,238
EXPENSES												
Employee costs	5,517	5,783	6,199	6,447	6,673	6,907	7,149	7,399	7,658	7,926	8,203	8,490
Materials, contracts & other expenses	8,451	9,361	10,402	10,433	10,752	11,077	11,359	11,698	11,994	12,298	12,609	12,928
Depreciation, amortisation & impairment	7,372	7,835	8,044	8,460	8,757	9,139	9,434	9,665	9,903	10,144	10,393	10,646
Finance costs	40	1	-	-	-	-	-	-	-	-	-	-
Share of loss – joint ventures & associates												
Total Expenses	21,380	22,980	24,645	25,340	26,182	27,123	27,942	28,762	29,555	30,368	31,205	32,064
OPERATING SURPLUS / (DEFICIT)	2,899	83	14	(119)	23	(97)	31	132	171	253	204	175
Asset Disposal & fair value adjustments	(109)	155	170	164	168	172	176	181	185	185	190	190
Amounts received specifically for new or upgraded assets	36	25	3,693	2,977	3,948	4,334	1,419	549	935	935	1,792	-
NET SURPLUS / (DEFICIT)	2,826	263	3,877	3,022	4,139	4,409	1,626	862	1,291	1,373	2,186	365
Other Comprehensive income												
Change in Revaluation Surplus - I,PP&E	20,938	-	3,925	6,001	5,246	5,537	5,788	6,015	6,190	6,350	6,597	6,859
Impairment Recoupment Offset TO AAR	(1,157)	-	-	-	-	-	-	-	-	-	-	-
Total other Comprehensive income	19,781	-	3,925	6,001	5,246	5,537	5,788	6,015	6,190	6,350	6,597	6,859
Total Comprehensive income	22,607	263	7,802	9,023	9,385	9,946	7,414	6,877	7,481	7,723	8,783	7,224

ESTIMATED STATEMENT OF FINANCIAL POSITION

ATTACHMENT 1

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	AUDITED ACTUAL	Forecast	Draft Budget	Year 2 LTFP	Year 3 LTFP	Year 4 LTFP	Year 5 LTFP	Year 6 LTFP	Year 7 LTFP	Year 8 LTFP	Year 9 LTFP	Year 10 LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash and cash equivalents	10,784	15,719	9,733	9,020	6,838	6,803	5,193	5,154	6,309	4,229	2,596	2,923
Trade & other receivables	1,173	1,171	1,219	1,252	1,280	1,312	1,344	1,372	1,394	1,403	1,438	1,447
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	162	185	193	199	204	209	214	219	224	230	236	242
Total Current Assets	12,119	17,075	11,144	10,470	8,321	8,324	6,751	6,746	7,927	5,862	4,270	4,612
Non-current Assets												
Financial Assets	211	157	121	103	87	71	56	45	46	47	48	49
Infrastructure, property, plant & equipment	190,807	187,785	199,868	209,683	221,319	231,366	240,459	247,445	253,838	263,721	274,193	281,175
Other Non-current assets	244	152	158	163	167	171	175	179	183	188	193	198
Total Non-current Assets	191,262	188,094	200,147	209,949	221,573	231,608	240,690	247,669	254,068	263,956	274,435	281,423
Total Assets	203,381	205,169	211,291	220,419	229,894	239,932	247,440	254,415	261,994	269,818	278,705	286,035
LIABILITIES												
Current Liabilities												
Trade & other payables	2,279	4,061	2,337	2,407	2,467	2,529	2,592	2,657	2,723	2,791	2,861	2,933
Current Borrowings	5	5	-	-	-	-	-	-	-	-	-	-
Current Provisions	978	1,002	1,048	1,079	1,106	1,134	1,162	1,191	1,221	1,251	1,282	1,314
Total Current Liabilities	3,262	5,068	3,385	3,486	3,573	3,663	3,754	3,848	3,944	4,042	4,143	4,247
Non-current Liabilities												
Non Current Provisions	103	106	110	113	116	119	122	125	128	131	134	137
Other Non-current Liabilities	285	-	-	-	-	-	-	-	-	-	-	-
Total Non-current Liabilities	388	106	110	113	116	119	122	125	128	131	134	137
Total Liabilities	3,650	5,174	3,495	3,599	3,689	3,782	3,876	3,973	4,072	4,173	4,277	4,384
NET ASSETS	199,731	199,995	207,796	216,820	226,205	236,150	243,564	250,442	257,922	265,645	274,428	281,651
EQUITY												
Accumulated Surplus	13,543	13,806	17,744	22,365	27,355	32,606	34,983	36,325	37,615	38,988	41,174	41,538
Asset Revaluation Reserve	179,914	179,914	183,839	189,840	195,086	200,623	206,411	212,426	218,616	224,966	231,563	238,422
Other Reserves	6,274	6,274	6,213	4,615	3,763	2,921	2,171	1,691	1,691	1,691	1,691	1,691
TOTAL EQUITY	199,731	199,994	207,796	216,820	226,204	236,150	243,565	250,442	257,922	265,645	274,428	281,651

ESTIMATED STATEMENT OF CHANGES IN EQUITY

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	AUDITED ACTUAL	Forecast	Draft Budget	Year 2 LTFP	Year 3 LTFP	Year 4 LTFP	Year 5 LTFP	Year 6 LTFP	Year 7 LTFP	Year 8 LTFP	Year 9 LTFP	Year 10 LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	11,205	13,543	13,806	17,744	22,365	27,355	32,606	34,983	36,325	37,615	38,988	41,174
Net Surplus/(Deficit) for year	2,826	263	3,877	3,022	4,139	4,409	1,626	862	1,291	1,373	2,186	365
Other Comprehensive Income												
Gain on revaluation of infrastructure, property, plant & equipment												
Transfers between reserves	(488)	-	61	1,598	852	842	750	480	-	-	-	-
Balance at end of period	13,543	13,806	17,744	22,365	27,355	32,606	34,983	36,325	37,615	38,988	41,174	41,538
ASSET REVALUATION RESERVE												
Balance at end of previous reporting period	160,133	179,914	179,914	183,839	189,840	195,086	200,623	206,411	212,426	218,616	224,966	231,563
Net Surplus/(Deficit) for year												
Other Comprehensive Income												
Change in Revaluation Surplus - I,PP&E	20,938	-	3,925	6,001	5,246	5,537	5,788	6,015	6,190	6,350	6,597	6,859
Impairment Recoupment Offset TO AAR	(1,157)	-	-	-	-	-	-	-	-	-	-	-
Impairment expense offset												
Balance at end of period	179,914	179,914	183,839	189,840	195,086	200,623	206,411	212,426	218,616	224,966	231,563	238,422
OTHER RESERVES												
Balance at end of previous reporting period	5,786	6,274	6,274	6,213	4,615	3,763	2,921	2,171	1,691	1,691	1,691	1,691
Net Surplus/(Deficit) for year												
Other Comprehensive Income												
Gain on revaluation of infrastructure, property, plant & equipment												
Transfers between reserves	488	-	(61)	(1,598)	(852)	(842)	(750)	(480)	-	-	-	-
Balance at End of Period	6,274	6,274	6,213	4,615	3,763	2,921	2,171	1,691	1,691	1,691	1,691	1,691
Total Equity												
Balance at end of previous reporting period	177,124	199,731	199,994	207,796	216,820	226,204	236,150	243,564	250,442	257,922	265,645	274,428
Net Surplus/(Deficit) for year	2,826	263	3,877	3,022	4,139	4,409	1,626	862	1,291	1,373	2,186	365
Other Comprehensive Income												
Gain on revaluation of infrastructure,Property plant & equipment	20,938	-	3,925	6,001	5,246	5,537	5,788	6,015	6,190	6,350	6,597	6,859
Impairment/recoupments offset to asset revaluation reserve	(1,157)	-	-	-	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-	-	-	-	-
Balance at End of Period	199,731	199,994	207,796	216,820	226,204	236,150	243,564	250,442	257,922	265,645	274,428	281,651

ESTIMATED STATEMENT OF CASH FLOWS

ATTACHMENT 1

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	AUDITED	Forecast	Draft	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	ACTUAL		Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES												
Receipts												
Rates - general & other	17,115	17,459	18,524	19,469	20,368	21,139	21,941	22,775	23,451	24,147	24,864	25,602
Statutory Charges	340	336	350	361	370	379	388	398	408	418	428	439
User charges	1,156	1,204	1,161	1,206	1,241	1,272	1,304	1,336	1,369	1,430	1,440	1,503
Investment receipts	411	470	643	390	362	273	278	219	225	275	193	129
Grants utilised for operating purposes	4,027	2,639	2,549	2,622	2,690	2,760	2,830	2,903	2,978	3,050	3,124	3,199
Reimbursements	317	233	185	191	196	201	206	211	216	221	227	233
Other revenues	799	15	5	5	5	5	5	5	5	5	5	5
Payments												
Employee costs	(5,686)	(5,783)	(6,154)	(6,413)	(6,643)	(6,876)	(7,118)	(7,367)	(7,625)	(7,893)	(8,169)	(8,455)
Materials, contracts & other expenses	(8,270)	(9,361)	(10,318)	(10,369)	(10,697)	(11,020)	(11,301)	(11,638)	(11,933)	(12,236)	(12,545)	(12,862)
Finance payments	(1)	(1)	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Operating Activities	10,208	7,211	6,945	7,462	7,892	8,133	8,533	8,842	9,094	9,417	9,567	9,793
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Amounts specifically for new or upgraded assets	52	1,841	1,877	2,977	3,948	4,334	1,419	549	935	935	1,792	-
Sale of replaced assets	186	28	170	164	168	172	176	181	185	185	190	190
Sale of surplus assets	5	127	-	-	-	-	-	-	-	-	-	-
Net disposal of investment securities	-	-	-	-	-	-	-	-	-	-	-	1
Grants utilised for capital purposes	329	704	1,194	941	941	965	989	1,014	1,039	1,065	1,092	1,119
Repayments of Loans by community groups	89	73	36	22	19	16	16	15	11	-	-	-
Payments												
Expenditure on renewal/replacement of assets	(4,490)	(3,911)	(9,580)	(8,187)	(6,678)	(6,222)	(9,034)	(9,038)	(7,352)	(9,882)	(11,253)	(10,440)
Expenditure on new/upgraded assets	(226)	(1,135)	(6,628)	(4,092)	(8,472)	(7,432)	(3,709)	(1,602)	(2,758)	(3,800)	(3,021)	(336)
Net Cash provided by (or used in) Investing Activities	(4,055)	(2,273)	(12,931)	(8,175)	(10,074)	(8,167)	(10,143)	(8,881)	(7,940)	(11,497)	(11,200)	(9,467)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayments of borrowings	(7)	(2)	-	-	-	-	-	-	-	-	-	-
Repayment of Bonds & Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of finance lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Financing Activities	(7)	(2)	-	-	-	-	-	-	-	-	-	-
Net Increase (Decrease) in cash held	6,146	4,936	(5,986)	(713)	(2,182)	(35)	(1,610)	(39)	1,154	(2,079)	(1,633)	327
Cash & cash equivalents at beginning of period	4,638	10,784	15,719	9,733	9,020	6,838	6,803	5,193	5,154	6,309	4,229	2,596
Cash & cash equivalents at end of period	10,784	15,719	9,733	9,020	6,838	6,803	5,193	5,154	6,309	4,229	2,596	2,923

ESTIMATED UNIFORM PRESENTATION OF FINANCES

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	AUDITED ACTUAL	Forecast	Draft Budget	Year 2 LTFP	Year 3 LTFP	Year 4 LTFP	Year 5 LTFP	Year 6 LTFP	Year 7 LTFP	Year 8 LTFP	Year 9 LTFP	Year 10 LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income												
Rates	17,022	17,462	18,536	19,478	20,376	21,147	21,949	22,783	23,459	24,156	24,873	25,611
Statutory charges	319	336	350	361	370	379	388	398	408	418	428	439
User charges	1,206	1,204	1,197	1,233	1,264	1,296	1,328	1,361	1,395	1,430	1,466	1,503
Grants, subsidies & contributions	3,943	2,639	2,549	2,622	2,690	2,760	2,830	2,903	2,978	3,050	3,124	3,199
Grants, subsidies & contributions - Capital	1,082	704	1,194	941	941	965	989	1,014	1,039	1,065	1,092	1,119
Investment income	399	470	643	390	362	273	278	219	225	275	193	129
Reimbursements	293	233	185	191	196	201	206	211	216	221	227	233
Other income	15	15	5	5	5	5	5	5	5	5	5	5
Total Income	24,279	23,063	24,659	25,221	26,204	27,026	27,973	28,894	29,725	30,620	31,408	32,238
Expenses												
Employee costs	5,517	5,783	6,199	6,447	6,673	6,907	7,149	7,399	7,658	7,926	8,203	8,490
Materials, contracts & other expenses	8,451	9,361	10,402	10,433	10,752	11,077	11,359	11,698	11,994	12,298	12,609	12,928
Depreciation, amortisation & impairment	7,372	7,835	8,044	8,460	8,757	9,139	9,434	9,665	9,903	10,144	10,393	10,646
Finance costs	40	1	-	-	-	-	-	-	-	-	-	-
Total Expenses	21,380	22,980	24,645	25,340	26,182	27,123	27,942	28,762	29,555	30,368	31,205	32,064
Operating Surplus / (Deficit)	2,899	83	14	(119)	23	(97)	31	132	171	253	204	175
Grants received for Capital Projects	(1,082)	(704)	(1,194)	(941)	(941)	(965)	(989)	(1,014)	(1,039)	(1,065)	(1,092)	(1,119)
Roads to Recovery - Capital	223	590	499	941	941	965	989	1,014	1,039	1,065	1,092	1,119
Net timing adjustment for general purpose grant funding	(1,108)	(44)	-	-	-	-	-	-	-	-	-	-
Adjusted Operating Surplus / (Deficit)	932	(75)	(681)	(119)	23	(97)	31	132	171	253	204	175
Net Outlays on Existing Assets												
Capital Expenditure on renewal and replacement of Existing Assets	(4,490)	(3,911)	(9,580)	(8,187)	(6,678)	(6,222)	(9,034)	(9,038)	(7,352)	(9,882)	(11,253)	(10,440)
Depreciation, Amortisation and Impairment	7,372	7,835	8,044	8,460	8,757	9,139	9,434	9,665	9,903	10,144	10,393	10,646
Grants received for Capital Projects	1,082	704	1,194	941	941	965	989	1,014	1,039	1,065	1,092	1,119
Proceeds from Sale of Replaced Assets	186	28	170	164	168	172	176	181	185	185	190	190
Net (Outlays) on Existing Assets	4,150	4,656	(172)	1,378	3,188	4,054	1,565	1,822	3,774	1,512	422	1,515
Net Outlays on New and Upgraded Assets												
Capital expenditure on new/upgraded assets	(226)	(1,135)	(6,628)	(4,092)	(8,472)	(7,432)	(3,709)	(1,602)	(2,758)	(3,800)	(3,021)	(336)

ATTACHMENT 1

Amounts received specifically for New or Upgraded Assets	52	1,841	1,877	2,977	3,948	4,334	1,419	549	935	935	1,792	-
Proceeds from sale of surplus assets (Inc non-current assets held for resale	5	127	-	-	-	-	-	-	-	-	-	-
Roads to Recovery - Financing activity adj.		(590)	(499)	(941)	(941)	(965)	(989)	(1,014)	(1,039)	(1,065)	(1,092)	(1,119)
Adjusted Annual Net Impact to Financing Activities	4,913	4,824	(6,103)	(797)	(2,255)	(106)	(1,683)	(112)	1,083	(2,165)	(1,696)	234

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	AUDITED ACTUAL	Forecast	Draft Budget	Year 2 LTFP	Year 3 LTFP	Year 4 LTFP	Year 5 LTFP	Year 6 LTFP	Year 7 LTFP	Year 8 LTFP	Year 9 LTFP	Year 10 LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Asset Renewal Funding Ratio	141.6%	165.8%	414.0%	225.3%	165.6%	119.9%	157.2%	159.2%	135.0%	154.5%	241.0%	194.8%
Net Asset Renewals	4,304	3,883	9,410	8,023	6,510	6,050	8,858	8,857	7,167	9,697	11,063	10,250
Infrastructure & Asset Management Plan required expenditure	3,040	2,341	2,273	3,562	3,931	5,045	5,635	5,562	5,309	6,277	4,591	5,261
<i>Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets. While asset data is available for 2024-25 for asset renewals, the information is continuing to be verified to ensure that the renewal values is in line with annual Depreciation expense. As such using Depreciation as a measure of asset renewal give a more accurate ratio at this time than using the AMP values. Net Asset Renewals covers all expenditure forecast on asset renewals for all asset classes (Plant & Fleet, Footpaths, CWMS, Bridges etc).</i>												
Percentage of Renewal Expenditure v Depreciation	61%	50%	119%	97%	76%	68%	96%	94%	74%	97%	108%	
Capital Renewal Expenditure	4,490	3,911	9,580	8,187	6,678	6,222	9,034	9,038	7,352	9,882	11,253	10,440
Depreciation Expenditure	7,372	7,835	8,044	8,460	8,757	9,139	9,434	9,665	9,903	10,144	10,393	10,646

Calculated by dividing capital renewal expenditure by depreciation to illustrate the proportion of asset renewal vs asset consumption. Over the long term this ratio should be close to 100% which would reflect that assets are being renewed at the same rate they are being consumed. Across the 10 years of the LTFP this measure is 95%, the slightly lower expenditure is acceptable as this can be attributed to expenditure on new/upgraded assets replacing assets that are not being renewed.