

2021-22 Long Term Financial Plan



Adelaide Hills
COUNCIL

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Long Term Financial Plan

April 2021

Why does Council prepare a Long Term Financial Plan (LTFP)?

The *Local Government Act 1999* requires Council to prepare a Long Term Financial Plan (LTFP) as part of its Strategic Management Plans. Council considers that its Long Term Financial Plan (LTFP) is a fundamental instrument of accountability and provides projections for Council's planned activities over a ten year timeframe.

The LTFP provides Council with a decision making tool that ensures there is an understanding of the impact of decisions made today on future sustainability. This means ensuring the cost effective delivery of works and services, and the appropriate maintenance and renewal of our asset base in a financially sustainable manner.

The LTFP contains estimated financials over a ten year period and includes estimates of the key ratios which are operating surplus, net financial liabilities and asset renewal funding ratios. This projection of estimates creates a model that illustrates the expected long term financial performance of the Council, and hence whether financial sustainability is being achieved.

The model is a complex and fluid document, continually reviewed, modified and refined as new information is discovered. This is usually at each quarterly Budget Review and during the construction and adoption of Council's Annual Budget.

The plan does not provide specific detail about individual works or services, as this level of detail is addressed in the Annual Business Plan and Budget.

The key objective of Council's LTFP is financial sustainability in the medium to long term, while still achieving Council's corporate objectives as specified in its Strategic Plan, Corporate Plans and Functional Strategies.

How does Council prepare the plan?

The 10 year LTFP is prepared using a number of assumptions about projected rate income, projected fees, charges and grants and also includes assumptions about future operational and capital expenditure. As the plans are derived from an estimate of future performance, the actual results are likely to vary from the information contained in this LTFP.

Calculating a sustainable Long Term Financial Plan

The LTFP calculations are based on a complex model which is built on a very large range of variables applied to its performance in recent years. In order to use it to guide each year's budget setting process, the key variables have been divided into two groups:

- *Controllable variables* – items that Council can control such as service levels, capital expenditure, rate increases and wage increases
- *Non-controllable variables* – items outside Council's control, such as interest rates, inflation and economic growth (eg. residential development, new businesses, etc).

For controllable variables, Council is able to change different variables up or down to see what effect they have on financial performance. The long term effects of each decision can then be assessed.

For non-controllable variables, the plan uses reasonable long term estimates which do not change (except to update them at the beginning of each budget cycle). In this way the impact of different choices about the controllable variables can be better assessed.

For example: Inflation which is measured by the Local Government Price Index (LGPI) for Councils has fluctuated substantially in recent years. Because inflation works differently on different elements of Council's income and expense it can easily distort the LTFP, especially in later years. If the distortion negatively impacted the LTFP, Council could assess which controllable variables could be adjusted to keep the plan sustainable.

Key considerations incorporated in the current LTFP review

As part of the development of the 2021-22 LTFP, a full day workshop of Council was held on 30 January 2021 to:

- review amended economic assumptions (in particular changes to CPI and interest rates that has occurred)
- review the current sustainability ratios and consider proposed targets for future years,
- examine options to ensure Council can achieve those ratios, and
- review Council's strategic initiatives for the next 3 years having regard to the proposed ratios.

Council also considered emerging cost pressures relating to tree management, and the financial impact from recent events including bushfires and COVID-19. Given the relatively low operating surplus that has previously been projected, detailed consideration was given to options that could assist Council's ability to absorb these type of events without significantly impacting on the delivery of Council's Strategic Plan outcomes and the full range of services and activities.

However, once additional tree management costs were factored in, LTFP modelling showed that from 2023-24 Council's resultant operating result changed from a moderate surplus to a deficit in the majority of years.

As such, given Council's desire to:

- improve Council's Operating Surplus Ratio over the period of the LTFP to enable capacity to reduce debt whilst also funding a proportion of capital upgrade expenditure and
- provide increased flexibility to better absorb financial impacts of events such as bushfires

Council has made changes to Council's 2021-22 Long Term Financial Plan assumptions to ensure that Council's financial sustainability is maintained in the medium to long term.

Resulting changes

To mitigate the impact on future years, it is proposed to increase revenue through indexing rates relative to the Local Government Price Index (LGPI) as opposed to CPI from 2023-24 and beyond. In this 2021-22 LTFP, this is estimated to have an impact of increasing rates from 2023-24 by 0.4% per annum more than that envisaged in Council's previous LTFP.

The Local Government Price Index (LGPI) is reflective of the escalation in the weighted cost of the goods purchased by Local Government entities which is quite different to the goods and services contained within the Consumer Price Index. Given that an indicator of LGPI for future years is not readily available the historic variance of 0.4% has been added to the forecast CPI for LTFP modelling purposes. Further context on the LGPI is provided in a subsequent page of this document.

In summary, the LTFP has thus been amended to incorporate:

- **Tree management** – the additional costs required to mitigate the significant risks associated with the management of trees following a recent review
- **Local Government Price Index (LGPI)** - An increase in rate revenue through indexing rates relative to the LGPI as opposed to CPI from 2023-24
- **Increase to Operating Surplus** - an improvement to Council's Operating Surplus Ratio over the period of the LTFP to enable capacity to reduce debt whilst also funding a proportion of capital upgrade expenditure
- **Sustainability target changes** - amendments to Councils financial sustainability targets to narrow the range of each target
- An estimated revenue amount of \$345k per annum for **Supplementary Local Roads Grant funding** for the period 2021-22 to 2024-25

Local Government Price Index (LGPI)

The Consumer Price Index (CPI) is calculated using the mix of goods and services typically consumed by households, however the mix of goods and services purchased by Local Councils is quite different. Council's major expenditure purchases include waste disposal and processing, solid waste levy, arboriculture services, maintenance for infrastructure including bitumen and other materials, insurance, energy, diesel and water as well as employment costs

Because Council's expenses are so different from households, the Australian Bureau of Statistics were commissioned to develop a Local Government Price Index (LGPI) over 10 years ago as an independent measure of price movements faced by Local Government in South Australia in respect of their purchases of goods and services. In more recent years the South Australian Centre for Economic Studies has taken over responsibility for preparing the LGPI.

Council has then used both the LGPI and CPI when considering the setting of rates as part of its Annual Business Planning and Budget process.

When Council bases rate increases only on CPI it can significantly impact Council's overall financial sustainability as it may not accurately reflect the actual cost increases that Council is facing over time.

Improving Council's Operating Surplus Ratio is important to Adelaide Hills Council given Council's desire to:

- increase Council's capacity to absorb such events as bushfires and COVID-19 and the associated expenditure impacts
- Increase capacity to fund additional services required by the community including tree management;
- keep the operating surplus at a level to fund a proportion of new/upgraded capital expenditure without requiring additional borrowings
- provide for the capacity to reduce debt

This position to improve the operating surplus has been further supported by community consultation on the LTFP. As such it is proposed to increase revenue through indexing rates relative to the Local Government Price Index (LGPI) from 2023-24.

What key conclusions may be drawn from the plan?

The LTFP demonstrates that the Council is financially sustainable over the 10 year term of the LTFP, whilst achieving the objectives outlined in the Strategic Plan. This includes:

- Implementation and funding of the appropriate level of maintenance and renewal of the portfolio of infrastructure assets
- Meeting the ongoing expectations of service delivery to our community
- Managing the impact of cost shifting from other levels of government
- Enabling the delivery of strategies identified within the Strategic Plan as well as other endorsed Functional Strategies
- The appropriate use of debt as a means of funding new capital expenditure
- Ensuring the financial sustainability of Council's operations.

Financial sustainability has been demonstrated through adherence to the agreed target ranges in all of the following three key ratios:

- 1. Operating Surplus Ratio, target range 1% to 5%**
- 2. Net Financial Liabilities Ratio, target range 25% to 75%**
- 3. Asset Renewal Funding Ratio, target range 95% to 105%**

In achieving these targets, which are explained in more detail within this document, there is a level of certainty provided that financial sustainability will be maintained.

Ratios

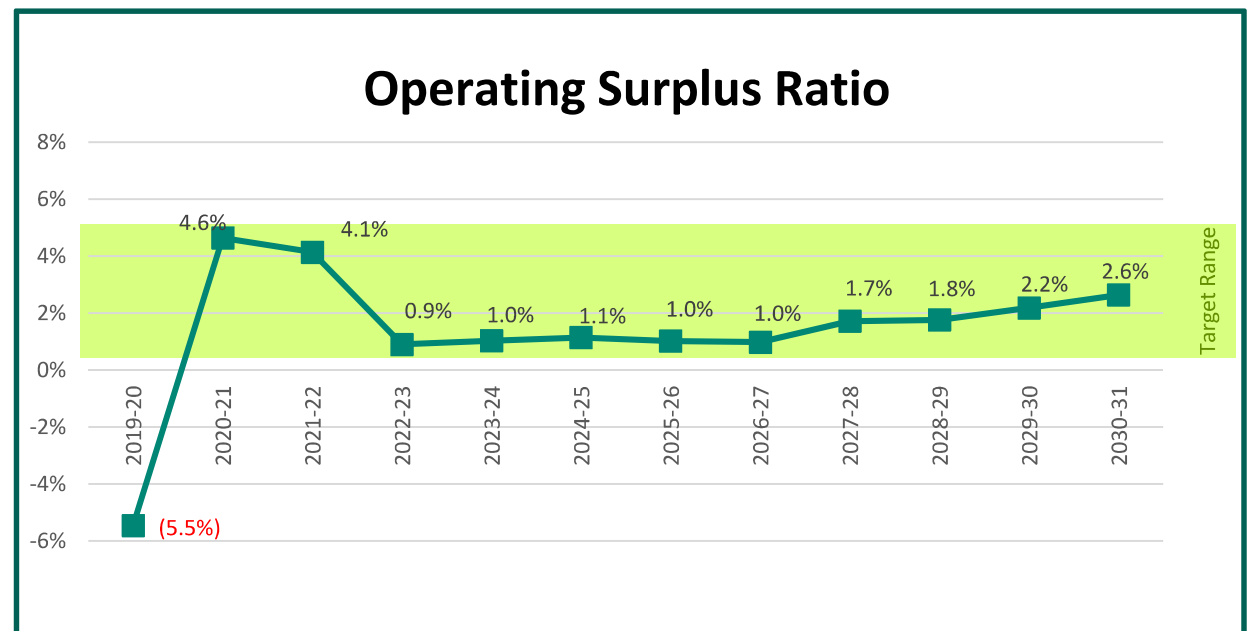
Operating Surplus Ratio

The operating surplus ratio indicates whether operating revenue is sufficient to meet all operating expenses and whether current ratepayers are paying for their consumption of resources.

The Operating Surplus ratio expresses the operating surplus as a percentage of total operating income. A negative ratio indicates the percentage that the operating expenses outweigh the operating income. A positive ratio indicates the percentage that the operating revenue exceeds the operating expenses.

Target Range: 1% - 5%
10 Year Result Range 0.9% - 4.1%

The ratio above indicates that the cost of services provided to ratepayers is being met from operating revenues with surplus's being used to fund new infrastructure works in line with our LTFP projections.



Net Financial Liabilities Ratio

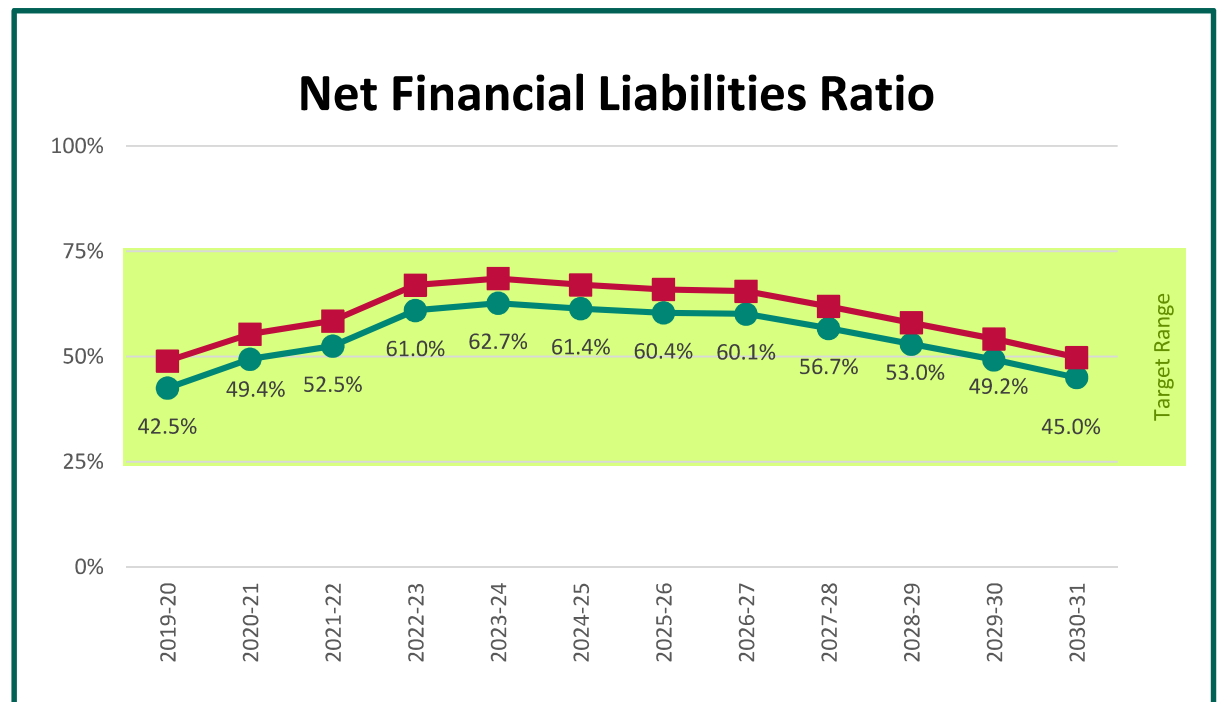
Net Financial Liabilities is an indicator of the Council’s total indebtedness and includes all Council’s obligations including provisions for employee entitlements and creditors.

This ratio indicates whether the net financial liabilities of the Council can be met by the Council’s total operating revenue. Where the ratio is falling, it indicates that the Council’s capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing, it indicates that a greater amount of Council’s operating revenues is required to service its financial obligations.

Council has considered the financial impact of significant events such as disasters including bushfire or storm as these type of events have occurred more regularly in recent years. As a result, Council has also assessed its Net Financial Liability ratio with an additional \$3m of borrowings represented by the top red line in the graph below. The resultant ratio shows that even with the additional \$3m, Council still maintains this ratio within a sustainable target range.

The \$3m represents the likely Council net contribution to a very significant disaster in the order of \$10m taking into account financial assistance from State and Federal Governments. This assumption is also based on Council’s strong preference to borrow if such a major event did occur rather than requiring an increase in rates to fund any financial impact.

Target Range: 25% - 75%
10 Year Result Range 43% - 63%



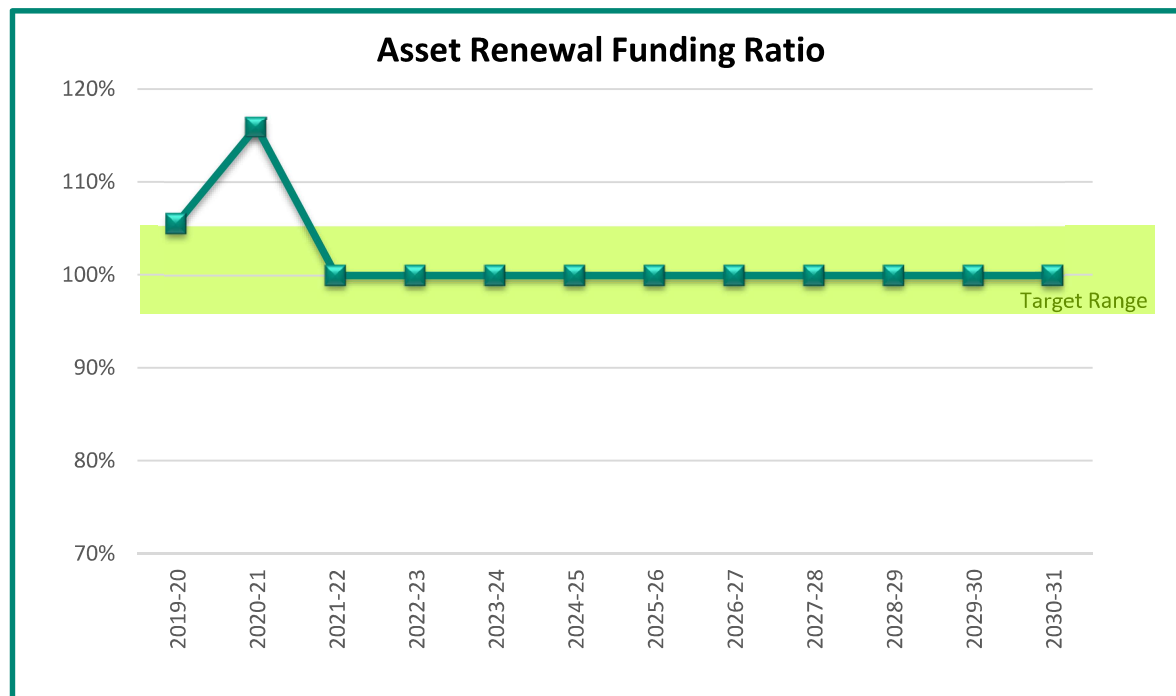
Asset Renewal Funding Ratio

This ratio indicates whether a Council is renewing or replacing existing infrastructure assets at the same rate that its asset management plan requires.

The target for this ratio is to be between 95% and 105% in any given year, with 100% on average over five years. This would mean that Council is replacing 100% (or all) of the assets that require renewal.

Target: 95 - 105%
10 Year Result Range 100%

The result achieved for this measure is the same throughout the 10 year horizon of the LTFP as the amount of future renewal expenditure is based on the required asset management expenditure.



Key sections explained.....

Uniform Presentation of Finances (including assumptions and key financial indicators)

In accordance with the requirements of *Local Government (Financial Management) Regulations 2011* this section of the LTFP presents the financial position of Council for the next 10 years in the mandated format consistent across the Local Government sector.

This section of the LTFP is broken into the following key elements:

- A summary of all operating income and expenditure to highlight the Net Operating Surplus
- Net outlays on existing assets after providing for depreciation and proceeds from any replacement asset sales
- Net outlays on new and upgraded assets after providing for grants received and proceeds from any surplus asset sales
- Key indexation forecasts and interest rate projections for borrowings and investments

The resultant key financial ratios are derived from the above and demonstrate financial sustainability through the adherence to the agreed target ranges over the 10 year life of the LTFP. Detailed information is provided in relation to each ratio within this plan.

Statement of Financial Position

This Statement provides a 10 year projection of Council's assets and liabilities using the projected 30 June 2021 Budget as the base year. The projections result from proposed capital expenditure emanating from the Asset Management Plans and adopted strategies, together with borrowings necessary to meet those capital requirements, and net funding generated by operations.

Council's borrowings are represented by a Cash Advance Drawdown (CAD) facility as well as credit foncier (principal and interest) loans split between short term and longer term loans. Over the life of the LTFP, total borrowings peak at \$28m in 2026-27.

Summary of Strategic Initiative Expenditure

This section provides a detailed breakdown of all strategic initiative expenditure that has been included within the LTFP to ensure that the Strategic Plan and related Strategies can be delivered. This expenditure is largely project or program related and is in addition to expenditure captured within base operating requirements.

Information is broken down into each goal area and strategic objective identified within the *Strategic Plan 2020-24 – A brighter future*. It is important to note that for a number of strategic objectives there is no additional funding required over and above existing operational budgets in order to ensure the objective can be delivered.

The total value of strategic initiative expenditure captured within the life of the LTFP is \$34.9 million. This includes operating expenditure of \$14.5 million and capital expenditure of \$20.4 million.

Capital Investment by Asset Category

Council's Asset Management Plans are progressively reviewed to ensure future provisions for asset related expenditure are sufficient. Recent reviews have highlighted the need for additional renewal expenditure in some of the infrastructure categories which has been provided for within the current LTFP.

Key points of note include

- Total capital expenditure projected over the 10 year period totals \$134 million of which \$114 million has been allocated to the renewal of existing assets.
- As identified above, the remaining \$20.4 million relates to new assets, as well as capacity/upgraded assets derived from Council's current adopted Strategic Plan and endorsed Functional Strategies.

Risks Associated with the Long Term Financial Plan

The LTFP has been developed based on the best information and assumptions available at the time. However, users of this information should be aware that there are risks associated with using estimated increases to Consumer Price Index (CPI), Local Government Price Index (LGPI), Average Weekly Earnings (AWE) and predictions in finance costs and interest rates.

In addition, the LTFP may be impacted by events such as new legislation or disasters that could materially affect the projected outcomes and results of the LTFP. Whilst Council has factored in the known impacts of prior events (including recent bushfires and the COVID-19 pandemic), it is important to acknowledge that significant future events will necessitate ongoing review. The projected increase in the operating surplus ratio will assist in mitigating this risk.

Council is aware that Campbelltown City Council (CCC) has received approval from the Boundaries Commission to lodge a Stage 2 proposal for the boundary between CCC and Adelaide Hills Council to be realigned to the eastern and southern side of Woodforde and Rostrevor suburbs, effectively moving those suburbs into CCC's area. Given that boundary change process involves a number of assessments (and some development is still to occur) prior to the Commission determining whether to recommend a change, no adjustment has been made to Council's LTFP for any possible impact on rates revenue, servicing costs and capital expenditure.

In order to reduce risk the plan is reviewed and updated annually to incorporate the best available information. In addition, the LTFP and its assumptions are reviewed by Council's Audit Committee.

Adelaide Hills Council 10 Year Financial Plan for the Years ending 30 June 2031 UNIFORM PRESENTATION OF FINANCES 2021-22 Long Term Financial Plan	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	Projected Years 3 Year View			Remaining Projected Years							Accumulation of 10 Yrs of LTFP	
			2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000		
Operating Activities														
Income	46,624	50,450	50,143	50,003	51,188	52,573	53,851	55,525	57,253	59,037	60,879	62,780	553,230	
less Expenses	(49,166)	(48,107)	(48,067)	(49,553)	(50,660)	(51,971)	(53,302)	(54,981)	(56,270)	(57,998)	(59,549)	(61,125)	(543,477)	
Operating Surplus / (Deficit)	(2,542)	2,343	2,076	450	527	602	549	544	983	1,039	1,330	1,655	9,753	
Capital Activities														
less (Net Outlays) on Existing Assets														
Capital Expenditure on Renewal and Replacement of Existing Assets	(9,718)	(10,677)	(10,775)	(11,476)	(11,352)	(10,678)	(11,107)	(12,029)	(11,089)	(11,503)	(11,872)	(12,036)	(113,917)	
add back Depreciation, Amortisation and Impairment	9,207	9,237	9,762	10,069	10,378	10,641	10,942	11,246	11,561	12,094	12,421	12,481	111,595	
add back Proceeds from Sale of Replaced Assets	714	646	665	575	618	549	495	685	650	735	582	806	6,360	
(Net Outlays) on Existing Assets	203	(794)	(348)	(832)	(356)	512	330	(98)	1,122	1,326	1,131	1,251	4,038	
less (Net Outlays) on New and Upgraded Assets														
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(3,223)	(10,810)	(6,267)	(4,687)	(1,675)	(1,186)	(1,037)	(1,215)	(1,075)	(1,075)	(1,075)	(1,075)	(20,367)	
add back Amounts Received Specifically for New and Upgraded Assets	556	2,791	2,000	1,000	-	-	-	-	-	-	-	-	3,000	
add back Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	1,647	1,486	1,230	-	-	-	-	-	-	-	-	-	1,230	
(Net Outlays) on New and Upgraded Assets	(1,020)	(6,533)	(3,037)	(3,687)	(1,675)	(1,186)	(1,037)	(1,215)	(1,075)	(1,075)	(1,075)	(1,075)	(16,137)	
Net Lending / (Borrowing) for Financial Year	(3,359)	(4,984)	(1,308)	(4,070)	(1,504)	(72)	(159)	(769)	1,030	1,289	1,386	1,831	(2,346)	
Total Net Financial Liabilities	19,822	24,907	26,316	30,485	32,089	32,261	32,519	33,387	32,457	31,267	29,981	28,249		
Total Borrowings	12,731	18,454	21,093	25,103	26,689	26,846	27,068	27,880	26,957	25,740	24,427	22,628		
INDEXATION FORECASTS														
General operating income and expenditure - CPI applied			1.50%	1.50%	1.50%	2.00%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	
Employment Costs (includes superannuation guarantee increases)			3.05%	2.53%	2.50%	2.98%	3.36%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	
Proposed rate increase (from 2023-24 based on Local Government Price Index)			2.50%	2.50%	1.90%	2.40%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	
Rates growth from new development			1.00%	0.80%	0.60%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	
TREASURY FORECASTS														
Estimated Loan rate			2.20%	2.35%	2.50%	2.50%	2.50%	2.50%	2.50%	2.80%	2.80%	2.80%	2.80%	
Estimated Cash Advance Rate			1.30%	1.45%	2.20%	2.20%	2.20%	2.20%	2.20%	2.50%	2.50%	2.50%	2.50%	
KEY FINANCIAL INDICATORS														
Operating Surplus Ratio	(5.45%)	4.6%	4.1%	0.9%	1.0%	1.1%	1.0%	1.0%	1.7%	1.8%	2.2%	2.6%	10 Year Average 1.8%	
Net Financial Liabilities Ratio	42.51%	41.0%	52.5%	61.0%	62.7%	61.4%	60.4%	60.1%	56.7%	53.0%	49.2%	45.0%	56.2%	
Net Financial Liabilities Ratio + \$3m	48.50%	47.0%	58.5%	67.0%	68.5%	67.1%	66.0%	65.5%	61.9%	58.0%	54.2%	49.8%	61.6%	
Asset Renewal Funding Ratio	105.55%	115.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Adelaide Hills Council 10 Year Financial Plan for the Years ending 30 June 2031 STATEMENT OF FINANCIAL POSITION 2021-22 Long Term Financial Plan	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	Projected Years									
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	518	451	500	500	500	500	500	500	500	500	500	500
Trade & Other Receivables	2,761	2,461	2,563	2,535	2,560	2,625	2,688	2,769	2,849	2,934	3,021	3,113
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	18	19	19	19	19	19	19	19	19	19	19	19
Other Current Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	3,297	2,931	3,082	3,054	3,079	3,144	3,207	3,288	3,368	3,453	3,540	3,632
Non-Current Assets												
Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Equity Accounted Investments in Council Businesses	1,491	1,591	1,691	1,791	1,891	1,991	2,091	2,191	2,291	2,391	2,491	2,591
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	422,745	437,988	448,588	459,416	466,851	473,053	479,438	486,582	492,523	498,422	504,682	510,993
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	424,236	439,579	450,279	461,207	468,742	475,044	481,529	488,773	494,814	500,813	507,173	513,584
TOTAL ASSETS	427,533	442,510	453,361	464,261	471,821	478,189	484,736	492,061	498,182	504,266	510,713	517,215
LIABILITIES												
Current Liabilities												
Cash Advance Debenture	2,000	2,008	2,055	2,081	2,103	2,039	2,021	2,046	2,080	2,058	1,990	2,024
Trade & Other Payables	5,254	4,514	4,413	4,571	4,640	4,747	4,875	5,042	5,143	5,283	5,426	5,615
Borrowings	5,285	1,208	1,517	1,936	7,278	2,960	3,314	3,756	4,094	4,446	4,833	3,981
Provisions	3,588	3,454	3,362	3,356	3,351	3,346	3,341	3,337	3,334	3,332	3,331	3,331
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	16,127	11,184	11,347	11,944	17,372	13,092	13,551	14,182	14,651	15,117	15,580	14,951
Non-Current Liabilities												
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	5,446	15,238	17,521	21,085	17,307	21,847	21,733	22,077	20,783	19,237	17,604	16,623
Provisions	1,528	1,397	511	491	469	446	423	398	372	346	317	287
Liability - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	6,974	16,635	18,032	21,576	17,776	22,293	22,156	22,475	21,155	19,583	17,921	16,911
TOTAL LIABILITIES	23,101	27,820	29,379	33,520	35,149	35,386	35,707	36,657	35,806	34,700	33,501	31,861
Net Assets	404,432	414,691	423,982	430,741	436,673	442,803	449,029	455,404	462,376	469,565	477,211	485,354
EQUITY												
Accumulated Surplus	138,645	143,779	147,855	149,305	149,833	150,435	150,984	151,528	152,511	153,550	154,880	156,536
Asset Revaluation Reserves	265,206	270,331	275,546	280,854	286,258	291,787	297,465	303,295	309,284	315,434	321,750	328,237
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	581	581	581	581	581	581	581	581	581	581	581	581
Total Equity	404,432	414,691	423,982	430,741	436,673	442,803	449,029	455,404	462,376	469,565	477,211	485,354
Total Net Financial Liabilities	19,822	24,907	26,316	30,485	32,089	32,261	32,519	33,387	32,457	31,267	29,981	28,249
Total Borrowings	12,731	18,454	21,093	25,103	26,689	26,846	27,068	27,880	26,957	25,740	24,427	22,628

Adelaide Hills Council										
10 Year Financial Plan for the Years ending 30 June 2031										
SUMMARY OF STRATEGIC INITIATIVE EXPENDITURE										
2021-22 Long Term Financial Plan										
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
BUILT ENVIRONMENT										
B1 - Easily accessible	645	365	365	325	325	325	325	325	325	325
B2 - Preserve and enhance the unique Hills character	270	50	80	0	0	0	0	0	0	0
B3 - Long term asset management and adaptation planning	515	420	278	50	0	0	0	0	0	0
B4 - Sustainable management of our built assets	926	1,024	1,028	812	716	967	830	833	836	839
NET CAPITAL EXPENDITURE FOR BUILT ENVIRONMENT	2,356	1,859	1,751	1,187	1,041	1,292	1,155	1,158	1,161	1,164
COMMUNITY WELLBEING										
C1 - An inclusive, welcoming and accessible community	117	143	49	71	72	73	74	76	77	78
C2 - A connected, engaged and supported community Lead	13	3	23	0	0	0	0	0	0	0
C3 - A community that grows together	0	0	0	0	0	0	0	0	0	0
C4 - An active, healthy, thriving and resilient community	162	133	115	117	119	51	53	55	57	59
C5 - Respect for Aboriginal Culture and values	15	15	15	5	5	5	5	5	5	5
C6 - Celebrate our community's unique culture	3,219	3,066	343	352	360	369	378	387	398	410
NET CAPITAL EXPENDITURE FOR COMMUNITY WELLBEING	3,526	3,360	545	545	556	498	510	523	537	552
ECONOMY										
E1 - Support and grow our region's existing and emerging industries	103	106	108	111	114	117	121	124	127	128
E2 - Provide local infrastructure to drive growth and productivity	15	15	15	15	15	15	15	15	15	15
E3 - Encourage, attract and retain regional workforce	0	0	0	0	0	0	0	0	0	0
E4 - Cultivation of regional identity	5	5	0	0	0	0	0	0	0	0
E5 - Encourage & support positive regional population growth	0	0	0	0	0	0	0	0	0	0
NET CAPITAL EXPENDITURE FOR ECONOMY	123	126	123	126	129	132	136	139	142	143
NATURAL ENVIRONMENT										
N1 - Conserve and enhance landscape character and amenity	760	260	260	259	265	271	278	285	292	300
N2 - improve environmental resilience	93	203	93	94	95	96	97	98	100	102
N3 - Partnerships and collaborations to manage natural environment	20	30	30	0	0	0	0	0	0	0
N4 - Reduce the impact of waste to landfill	0	0	25	0	0	0	0	0	0	0
N5 - Assist our community to reduce the impact of waste to landfill	165	10	0	0	0	0	0	0	0	0
NET CAPITAL EXPENDITURE FOR NATURAL ENVIRONMENT	1,038	503	408	353	360	367	375	383	392	402
ORGANISATION										
O1 - People	55	5	5	5	5	5	5	5	5	5
O2 - Easy to interact with Council and improved customer experience	315	70	70	77	80	73	84	87	90	93
O3 - Financially sustainable for both current and future generations	26	26	27	28	29	30	31	32	33	34
O4 - We actively represent our community	20	193	0	0	0	212	0	0	0	238
O5 - Accountable, informed decision making	77	37	10	11	12	13	14	15	16	17
O6 - Utilisation of technology and innovation	100	138	130	133	138	141	146	149	154	155
NET CAPITAL EXPENDITURE FOR ORGANISATION	593	469	242	254	264	474	280	288	298	542
STRATEGIC PLAN TOTAL	7,635	6,317	3,069	2,465	2,350	2,763	2,456	2,491	2,530	2,803
TOTAL CAPITAL INITIATIVES	6,267	4,687	1,675	1,186	1,037	1,215	1,075	1,075	1,075	1,075
TOTAL OPERATING INITIATIVES	1,368	1,630	1,394	1,279	1,313	1,548	1,381	1,416	1,455	1,728
GRAND TOTAL STRATEGIC INITIATIVES	7,635	6,317	3,069	2,465	2,350	2,763	2,456	2,491	2,530	2,803

Adelaide Hills Council											
10 Year Financial Plan for the Years ending 30 June 2031											
CAPITAL INVESTMENT BY ASSET CATEGORY											
2021-22 Long Term Financial Plan											
	2020-21 \$'000	Projected Years									
		2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
RENEWAL CAPITAL WORKS											
Bridges	155	250	280	52	211	54	222	57	58	60	62
Buildings	815	1,100	1,100	1,100	685	638	762	582	613	656	650
Cemeteries	40	40	41	41	42	43	44	46	47	48	49
CWMS	48	224	187	131	85	273	70	46	54	97	43
Footpaths	404	400	389	386	383	382	382	382	382	383	382
Kerb & Water	247	250	255	259	264	270	277	285	292	300	308
Other (Guardrail/RetWalls/Cemeteries/SFurniture/Traffic Controls)	211	184	147	149	152	147	141	145	148	152	157
Road Pavement	914	954	1,380	1,109	1,031	1,439	1,677	1,226	1,259	1,293	1,328
Road Seal	1,096	1,864	1,871	1,996	1,996	1,747	2,244	2,167	2,226	2,286	2,348
Shoulders	250	250	255	259	264	270	277	285	292	300	308
Sport and Recreation	0	500	410	408	157	150	210	207	226	190	197
Playgrounds	360	240	244	249	253	259	266	273	281	288	296
Stormwater	75	60	81	104	105	108	111	114	117	120	123
Unsealed Roads	1,109	900	1,018	1,185	1,177	1,176	1,178	1,181	1,184	1,186	1,218
Heavy Plant	1,519	1,000	1,140	1,312	1,312	1,318	1,324	1,330	1,336	1,342	1,378
Light Fleet	649	632	689	709	690	753	775	754	822	847	824
Information, Communication & Technology	411	485	506	363	288	452	395	288	396	504	493
Minor Plant & Equipment	56	60	60	75	75	75	75	75	75	75	75
F&F including Library	20	20	20	20	20	20	20	20	20	20	20
Project Management Costs	1,323	1,362	1,403	1,445	1,488	1,533	1,579	1,626	1,675	1,725	1,777
TOTAL RENEWAL CAPITAL WORKS:	9,702	10,775	11,476	11,352	10,678	11,107	12,029	11,089	11,503	11,872	12,036
NEW, CAPACITY / UPGRADE CAPITAL WORKS											
Bridges	0	0	0	0	0	0	0	0	0	0	0
Buildings	1,285	3,399	2,963	150	150	100	100	100	100	100	100
Cemeteries	0	38	39	40	41	42	0	0	0	0	0
CWMS	30	50	510	540	400	0	290	100	100	100	100
Footpaths	308	640	325	325	325	325	325	325	325	325	325
Kerb & Water	520	0	0	0	0	300	300	350	350	350	350
Other	487	295	320	280	180	180	180	180	180	180	180
Road Pavement	0	140	0	0	0	0	0	0	0	0	0
Road Seal	0	0	0	0	0	0	0	0	0	0	0
Shoulders	0	0	0	0	0	0	0	0	0	0	0
Sport & Rec	1,386	315	200	250	0	0	0	0	0	0	0
Playgrounds	180	120	70	70	70	70	0	0	0	0	0
Stormwater	480	530	200	0	0	0	0	0	0	0	0
Street Lighting	0	0	0	0	0	0	0	0	0	0	0
Unsealed Roads	0	0	0	0	0	0	0	0	0	0	0
Plant and Fleet	20	420	20	20	20	20	20	20	20	20	20
ICT	212	265	40	0	0	0	0	0	0	0	0
Minor Plant	35	55	0	0	0	0	0	0	0	0	0
Minor Equipment including Library	0	0	0	0	0	0	0	0	0	0	0
Project Management Costs	0	0	0	0	0	0	0	0	0	0	0
TOTAL NEW CAPACITY / UPGRADE CAPITAL WORKS:	4,943	6,267	4,687	1,675	1,186	1,037	1,215	1,075	1,075	1,075	1,075
TOTAL CAPITAL WORKS:	14,605	16,964	16,083	12,946	11,781	12,059	13,200	12,118	12,531	12,899	13,062
AMOUNTS RECEIVED SPECIFICALLY FOR NEW/UPGRADED ASSETS											
Grants for New/Upgrade Assets	2,791	2,000	1,000	0	0	0	0	0	0	0	0
TOTAL AMOUNTS RECEIVED FOR NEW/UPGRADED ASSETS:	2,791	2,000	1,000	-	-	-	-	-	-	-	-
PROCEEDS FROM SALE OF SURPLUS ASSETS											
Proceeds - Retirement Village Divestment	780	0	0	0	0	0	0	0	0	0	0
Proceeds - AHBTC Divestment	0	1,230	0	0	0	0	0	0	0	0	0
Proceeds - Other	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROCEEDS FROM SALE OF SURPLUS ASSETS	780	1,230	-	-	-	-	-	-	-	-	-