



LONG TERM FINANCIAL PLAN

2026/27-2035/36



We acknowledge the Ngarrindjeri people as the traditional owners of this land on which we meet and work. We respect and acknowledge their spiritual connection as the custodians of this land and that their cultural heritage beliefs are still important to the living people today.

We recognise the living culture and combined energies of the Ngarrindjeri people, our global pioneers and community members today for their unique contribution to the life of our region.

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Purpose of the Long Term Financial Plan and Strategic Alignment

The Long Term Financial Plan (LTFP) is a key component of the Rural City of Murray Bridge's (RCMB) strategic management framework. It connects Council's Strategic Plan 2024–2028, Annual Business Plans, and Asset Management Plans, translating strategic priorities and outcomes into long-term financial projections.

Council is required to adopt a LTFP covering a period of at least 10 years, along with Asset Management Plans, both of which form part of Council's suite of Strategic Management Plans (SMPs).

The *Local Government Act 1999* requires a Council's SMPs to address:

- The sustainability of the Council's financial performance and position;
- The maintenance, replacement or development needs for infrastructure within its area; and
- Identification of any anticipated or predicted changes that will have a significant effect upon the costs of the Council's activities/operations.

The LTFP is informed by a range of inputs, including community engagement, Federal and State policies and relevant economic and demographic data. It reflects Council's commitment to achieving its community vision of 'Thriving Communities'.

Council's LTFP provides the financial foundation for the development of the Annual Business Plan and incorporates the known financial impacts of initiatives outlined in the four-year business planning cycle. This ensures alignment between Council's strategic objectives, service delivery, and financial capacity.

The LTFP is reviewed annually in conjunction with the Annual Budget to maintain confidence in Council's financial position and outlook. This review process includes a comprehensive environmental scan, which considers both internal and external factors, emerging trends and potential risks and opportunities.

Maintaining long-term financial sustainability is central to the LTFP. It ensures Council can continue to meet the needs and expectations of the Rural City of Murray Bridge community while delivering on the priorities set out in the Community Plan 2016-2032.

COMMUNITY PLAN

16 YEAR TIME-FRAME

Reflects our community's aspirations and sets out a shared vision for Thriving Communities.

STRATEGIC PLAN

4 YEAR TIME-FRAME

Identifies our strategic focus for the next four years and provides direction for decision making and how we prioritise our resources and effort.

LONG TERM FINANCIAL PLAN

10 YEAR TIME-FRAME

Ensures we can deliver services, maintain our assets and achieve our strategic focus in a financially sustainable manner.

ASSET MANAGEMENT PLANS

10 YEAR TIME-FRAME

Supports effective and data driven management and care of our community assets.

ANNUAL BUSINESS PLAN AND BUDGET

1 YEAR TIME-FRAME

Secures resources and identifies the work to deliver the Strategic Plan over a 12 month period.

Key Assumptions and Risks

Beyond the Annual Business Plan and Budget Process the LTFP projects financial assumptions and major impactors over 10 years to reflect and ensure financial sustainability. Utilising the current year forecast position, overarching assumptions are applied and additional impacts are included for major deliverable impactors. In developing the LTFP, several key assumptions and variables were applied:

Indexation

The Annual Business Plan and Budget 2026-27 has been built upon expenditure indexation increases aligned to the Adelaide March 2026 Consumer Price Index (CPI) number of 4.9%. With the Reserve Bank of Australia (RBA) taking a hard stance on CPI having applied three back-to-back rate increases to May 2026, the expectation they imply is to quickly contain inflation to within their target range of 2-3%.

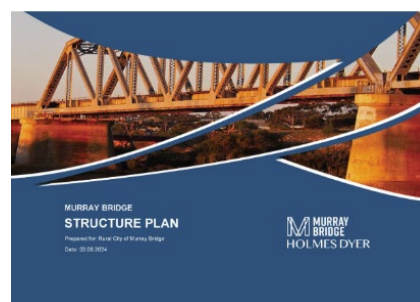
For financial years 2027-28 and beyond the LTFP has factored indexation on Rates, Grants and Other incomes as well as Employee Costs and Materials & Contracts at 2% being the lower end of the target range.

This position has been taken as a conservative approach, noting that due to the income categories attracting CPI increases being greater in value than the expenditure categories, should CPI be lower than the LTFP assumption then there are greater exposures to direct rate increases as a result.

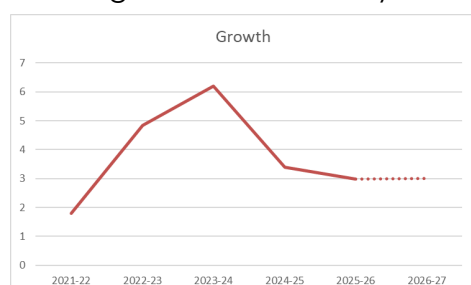
Growth

The Rural City of Murray Bridge's Structure Plan indicates the population of the Murray Bridge region could increase by as much as 2.8% per annum by 2041, resulting in an increase in the current population of 23,037 people to 39,416.

To support this growth, there will be a need for an additional 7,273 dwellings, 6,659 jobs, 300,000m² of retail, commercial, community and employment floorspace, 50 hectares of Activity-Centre land and 90 hectares of employment-zoned land.



Using the past as an indicator, and acknowledging the current land division pipelines, houses on the ground and industry developments, the below graph represents the growth from new development and subdivisions over the past 6 years. In a bid to align to the Structure Plan assumptions and historical trend and pipeline developments, the LTFP assumes a 3.0% growth in rate income up to and including the 2029-30 financial year, and then a 2.0% growth rate from there forward. This position has been assumed so as to not overextend growth assumptions in future years and what is beyond any level current visibility.



Rates Adjustments – Surplus Restoration Adjustment

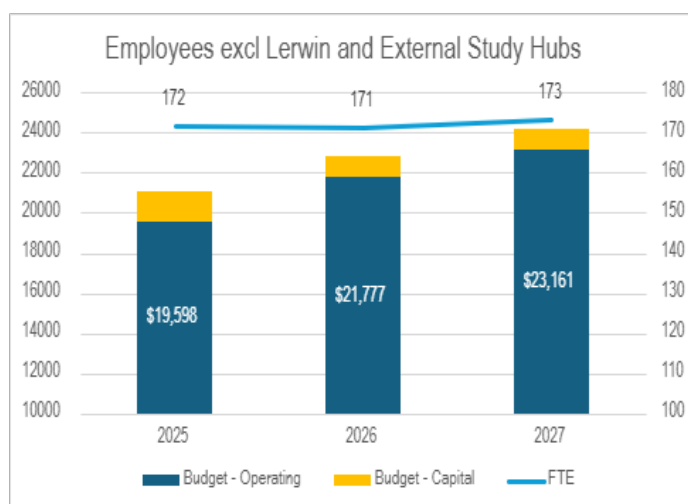
In consideration of cost of living and other pressures on the community, Council has resolved to consult on its Annual Business Plan and Budget 2026-27 based on a 3.9% average rate increase for existing ratepayers, with an expenditure CPI impact of 4.9% across expenditure. In considering this position, Council incorporated a number of savings across projects and some efficiency saving expectations.

These initiatives ensure the 2026-27 Annual Operating Result aligns to the most recent update of the LTFP and is a return to surplus for Council. Projecting forward the compounding effect of the reduced rate revenue against the backdrop of increased expenditure indexation and asset revaluation impacts on depreciation (and subsequent uplifts required for Asset Renewals) would have seen Council return to deficit positions in future years.

As a result, the proposed LTFP incorporates two individual rate increases above CPI and Growth of 0.9% and 0.2% in 2027-28 and 2028-29 financial years respectively. This increase acknowledges the extensive savings and efficiencies effort across the past 3 financial years, and the ongoing commitment built within the Annual Business Plan and Budget and the ongoing LTFP.

Employee Costs/FTE

Over the past 5 years Council's Employee costs have included uplifts above indexation to accommodate such increases as the legislated Superannuation Guarantee, workforce focus shifts from Capital Delivery to Operational Maintenance and incorporation of a Growth and Economic Development portfolio within the RCMB. Whilst these increases have all contributed to operational cost increases, they have been completed through internal alignment and efficiencies ensuring FTE numbers have been maintained consistent with only minor increases, as represented by the FTE graph shown.



In April 2026 Council's Internal Auditors completed an Organisational Capability and Capacity audit and presented this to the Audit and Risk Committee at the 13 May 2026 meeting. This audit identified that to ensure organisational delivery aligned to the structure plans growth impact "high level extrapolation suggests it may translate into the need for a further 28 FTE by 2030, noting that this does not consider potential efficiency gains". On the back of the presentation of this report RCMB's Audit and Risk Committee resolved specifically:

That Council:

Notes the Audit and Risk Committee's position that finding one (1) (Strategic Workforce Plan alignment to strategic objects and population growth expectations) has a criticality level requiring a prioritisation and significant focus by Council and its executive.

To accommodate this, the LTFP has a 2% growth factor attributed to Employee Costs across financial years 2027-28 / 2032-33 contributing an increase of \$3.08m above indexation – equating to circa 28 employees at an average full cost (including all oncosts) of \$110k. Beyond 2032-33 financial year the LTFP considers a 1% Employee cost increase beyond indexation as an impact of the continuing forecast 2% growth in rates.

Furthermore, to indexation and growth impacts on Employee Costs, during development of the 2026-27 Annual Business Plan and Budget, a vacancy impact expectation has been incorporated into the budget, with a reduction in the budget of \$300k (1.25%) to capture the expectation that not all roles will be filled at all times. This has been based on historical impacts and adjusted for a standard year, where operations continue in a status quo environment.

Materials & Contractors

The LTFP assumes a consistent 1% growth component above indexation, to cover increases in the volume of Waste, Maintenance and Operations. This assumption takes into consideration that within Materials and Contractors not all expenditures will increase with growth, and with technological innovations there will be some level of productivity and efficiency gains to help offset some growth impacts.

Within the 2026-27 Annual Business Plan and Budget there is a \$250k efficiency target required to achieve the Operating Surplus of \$569k. This \$250k is on the back of achieving \$1.1m, \$670k and \$350k of efficiency savings across the past 3 financial years.

The expectation of these \$250k efficiency savings within the 2026-27 financial year is that these savings will continue to be delivered on an ongoing basis, thus flowing through the remainder of the 10 years of the LTFP.

Cash & Borrowings

The forecast position of the proposed 2026-27 Annual Business Plan and Budget includes Cash and Restricted Cash reserves at \$5,460k and \$4,497k respectively and Forecast External Borrowings totalling \$22,083m, resulting in a Net Financial Liability of circa 45%.

A fundamental principal the LTFP is built upon not increasing the forecast external borrowings to beyond the current forecast levels (\$22.08m), and ensuring that the Net Financial Liabilities Ratio stays below Council's 80% target as defined within its Financial Sustainability Policy.

The forecast cash reserve includes allocations for future year projects required to match potential grant funding; working capital to support Council's operations through cash flow; and will include proceeds from the sale of the Lerwin Residential Aged Care Facility, that as per Council's resolution on 10 March 2026 meeting is to be ringfenced, and recommended that the new council considers a S41 committee to determine the use of these proceeds going forward.

The Forecast Restricted Cash reserves are made up of funding allocations that have been received and subject to restrictions as to how they will/can be allocated. The LTFP assumes that beyond 2026-27 these remain in place and subject to decisions for allocation. When any decisions are made for allocations from these funds, the LTFP will be updated accordingly. The following table shows the balance assumptions as of 30 June 2027.

	Restricted Cash
	\$000's
Future Fund	1,726
Developer Contribution	815
Open Space Contribution	1,823
Other Restricted Funds	132
Total Restricted Cash	4,496

Asset Delivery and Depreciation

The LTFP assumes a continued delivery of the Asset Sustainability Ratio of 100%, aligning asset replacement and renewal inline with its suite of Asset Management Plans and ensuring Council's Assets are maintained at the desired standard.

In addition to the continued renewal, the LTFP identifies two major projects with significant impact currently expected for delivery, being the Pondi Playspace replacement at Sturt Reserve within 2026-27 and the Wharf replacements at Sturt Reserve in 2027-28 which will only be delivered with grant funding support. These projects will add \$8.4m and \$9.0m respectively to Council's Fixed Assets and uplift depreciation by circa \$250k annually.

In addition to the two major asset replacements, the other major impact consideration on depreciation comes from the continued revaluation requirements and updates to Asset Management Plans. The Building and Infrastructure asset classed are due for upcoming revaluations, and uplifts have been included within the 2027-28 financial year to capture indexation since their last revaluation (noting there were substantial uplifts in those 2021 and 2022 revaluations).

The LTFP takes a step further and includes an annual depreciation across all revalued asset classes based on the current Construction Indexation figure of 4% for the remainder of the plan from 2027-28 onwards. This is to assist in eliminating the impact of revaluation shock and ensure a balanced and smoothed approach for financial sustainability and rating.

Key outcomes

The proposed LTFP, incorporating all the above assumptions and inputs, sees RCMB return to an Operating Surplus for the first time since 2022, and continues to maintain an ongoing operating surplus for the life of the 10 year financial plan.

Delivering operating surplus and renewing Council's assets as per the adopted Asset Management Plans with an Asset Renewal Funding Ratio of 100% throughout the 10 year plan, achieves two of the key financial indicators, Operating Surplus Ratio and Asset Renewal Funding Ratio, inline with Council's targets as set out within its Financial Sustainability Policy.

The LTFP forecasts the delivery of Council's ongoing services, accommodating operation expansion aligned to growth expectations without accessing borrowing beyond its current forecast expectations, whilst also maintaining cash balances for consideration towards future infrastructure and open space considerations.

A key observation from the flow of the LTFP, is that after attributing cashflow for operational service and expenditure and also Asset Renewal aligned to Council's Asset Management Plans, there are allocations for additional Capital Works, or other allocations yet to be formally allocated. This difference is ultimately funded by a difference in Depreciation, recovered within the Statement of Comprehensive Income, and the level of Asset Renewal expenditure within Council's Asset Management Plans.

It is acknowledged by Administration that following Asset Revaluations and continued maturity of Asset Management Plans and processes this gap may decrease, however it is prudent that the allowance for this is built within the plan, and that the amount of available unallocated funds within future years, is greater than the Depreciation vs Asset Management Plan difference by \$3.7m across the remaining 9 years of the LTFP, meaning this cash flow could be allocated to Capital Enhancement/Acquisitions or Debt Reduction, subject to Council's decisions.

Key Financial Statements

Statement of Comprehensive Income

Rural City of Murray Bridge Long Term Financial Plan 2025/26 to 2035/36 Statement of Comprehensive Income											
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	3034/35	2035/36
INCOME											
Rates	39,097	41,626	44,114	46,437	48,786	50,757	52,808	54,941	57,161	59,470	61,873
Statutory charges	754	790	806	822	838	855	872	890	907	926	944
User charges	2,417	1,062	1,083	1,105	1,127	1,150	1,173	1,196	1,220	1,244	1,269
Grants, Sub. Cont.	10,459	7,461	8,015	8,150	7,901	8,059	8,221	8,385	8,553	8,724	8,898
Investment income	184	112	303	312	321	331	341	351	361	371	381
Reimbursements	351	291	297	303	309	315	321	328	334	341	348
Other income	851	856	873	891	908	927	945	964	983	1,003	1,023
Equity accounted investments	31	32	32	34	36	38	40	42	44	46	48
Key Projects Income	1,734	1,021	0	0	0	0	0	0	0	0	0
	55,878	53,251	55,524	58,053	60,228	62,432	64,720	67,096	69,563	72,125	74,785
EXPENDITURE											
Employee costs	26,110	22,768	23,688	24,645	25,640	26,676	27,754	28,875	29,747	30,646	31,571
Material and contracts	17,428	15,224	15,684	16,317	16,977	17,662	18,376	18,931	19,503	20,092	20,698
Depreciation	12,596	12,165	14,148	14,714	15,302	15,914	16,551	17,213	17,901	18,617	19,362
Finance	605	475	582	578	575	572	568	564	561	557	553
Key Projects Expenditure	2,784	2,050	1,050	1,071	1,092	1,114	1,136	1,159	1,182	1,206	1,230
	59,523	52,682	55,151	57,325	59,586	61,938	64,385	66,742	68,894	71,117	73,414
Operating Surplus/(Deficit)	(3,645)	569	372	728	642	494	335	354	669	1,008	1,370
Underlyng Operating Surplus/(Deficit)	(956)	569	372	728	642	494	335	354	669	1,008	1,370

Statement of Financial Position

Rural City of Murray Bridge Long Term Financial Plan 2025/26 to 2035/36 Statement of Financial Position											
ASSETS	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	3034/35	2035/36
Current Assets											
Restricted Cash	3,329	4,497	4,587	4,679	4,773	4,868	4,965	5,065	5,166	5,269	5,375
Cash and Cash Equivalents	4,205	5,460	5,570	5,681	5,795	5,910	6,029	6,149	6,272	6,398	6,526
Trade & Other Receivables	1,943	1,865	1,902	1,940	1,979	2,019	2,059	2,100	2,142	2,185	2,229
Other Financial Assets	506	480	490	499	509	520	530	541	551	562	574
Inventories	515	540	551	562	573	585	596	608	620	633	645
Total Current Assets	10,498	12,843	13,099	13,361	13,629	13,901	14,179	14,463	14,752	15,047	15,348
Equity accounted investments	857	889	921	955	991	1,029	1,069	1,111	1,155	1,201	1,249
Infrastructure, Prop, Plant & Equip	428,781	413,486	431,930	440,072	449,555	458,890	468,279	477,870	488,009	498,685	509,940
Capital WIP	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754
Total Non-current Assets	431,392	416,129	434,605	442,781	452,300	461,673	471,102	480,735	490,918	501,640	512,943
Total Assets	441,890	428,972	447,704	456,142	465,928	475,574	485,281	495,197	505,670	516,687	528,291
Trade & Other Payables	1,779	2,766	4,785	3,817	4,120	4,240	4,392	4,546	4,748	4,953	5,168
Deposits and payments in advance	11,882	4,955	5,054	5,155	5,258	5,363	5,471	5,580	5,692	5,806	5,922
Short Term Borrowings	5,781	3,521	3,591	3,663	3,737	3,811	3,887	3,965	4,045	4,125	4,208
Employee Provisions	4,933	4,384	4,472	4,561	4,652	4,745	4,840	4,937	5,036	5,137	5,239
Other Provisions	839	839	856	873	890	908	926	945	964	983	1,003
Total Current Liabilities	25,214	16,465	18,758	18,069	18,658	19,068	19,517	19,973	20,484	21,004	21,539
Long Term Borrowings	16,302	18,562	18,492	18,420	18,346	18,272	18,196	18,118	18,038	17,958	17,875
Employee Provisions	973	677	691	704	718	733	747	762	778	793	809
	17,275	19,239	19,182	19,124	19,065	19,005	18,943	18,880	18,816	18,751	18,684
Total Liabilities	42,489	35,704	37,940	37,193	37,722	38,073	38,460	38,854	39,300	39,754	40,223
Net Assets	399,401	393,267	409,764	418,949	428,206	437,501	446,821	456,344	466,370	476,932	488,067
Accumulated Surplus	116,235	113,988	120,909	129,102	129,649	130,104	130,409	130,551	130,708	131,176	131,979
Asset Revaluation Reserves	285,413	272,358	280,662	289,300	298,102	307,093	316,270	325,636	335,193	344,954	354,927
Other Reserves	(2,247)	6,921	8,193	546	456	304	142	157	468	803	1,161
Total Equity	399,401	393,267	409,764	418,949	428,206	437,501	446,821	456,344	466,370	476,932	488,067

Key Financial Indicators

Rural City of Murray Bridge Long Term Financial Plan 2025/26 to 2035/36 Net Financial Indicators											
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Underlying Operating Surplus Ratio											
Operating Surplus	-956	569	193	546	456	304	142	157	468	803	1,161
Total Operating Income	55,878	53,251	55,345	57,871	60,042	62,242	64,527	66,899	69,362	71,920	74,576
	-1.7%	1.1%	0.3%	0.9%	0.8%	0.5%	0.2%	0.2%	0.7%	1%	2%
Net Financial Liabilities Ratio											
Net Financial Liabilities	33,012	23,881	25,881	24,893	25,176	25,276	25,407	25,539	25,720	25,902	26,094
Total Operating Revenue	55,878	53,251	55,345	57,871	60,042	62,242	64,527	66,899	69,362	71,920	74,576
	59%	45%	47%	43%	42%	41%	39%	38%	37%	36%	35%
Asset Renewal Funding Ratio											
Asset Renewal Expenditure	8,283	12,357	12,143	11,050	11,050	12,933	13,361	12,549	13,984	15,145	15,366
Net Asset Renewal Expenditure per AMP	9,378	10,201	12,143	11,050	11,050	12,933	13,361	12,549	13,984	15,145	15,366
	88%	121%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Enhancement/Unallocated/Discretionary			1,974	3,167	4,934	3,326	3,401	4,888	4,499	4,388	5,278
Asset Renewal to Depreciation Difference			(2,005)	(3,664)	(4,252)	(2,982)	(3,190)	(4,663)	(3,917)	(3,472)	(3,996)



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