ANNUAL BUSINESS PLAN

2026/2027





Berri Barmera COUNCIL

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ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the first peoples of the River Murray and Mallee region and respect their spiritual relationship with this great country and the importance of their cultural beliefs.

A Message from the Mayor and CEO

Berri Barmera Council's Annual Business Plan and Budget 2026/27 sets out the key services, priorities and projects for the coming year ahead that Council proposes to deliver on behalf of the community.

This year's Annual Business Plan is about finely balancing the return to financial sustainability, delivering essential services and high priority strategic projects while focusing on addressing the backlog of maintenance and renewal of community assets.

Delivering these priorities must be achieved in a financially constrained environment, noting the economic challenges facing the community, businesses and indeed council itself.

The Annual Business Plan and Budget 2026/27 has been developed within the context of our 10-year Long-Term Financial Plan 2027-2036 to ensure we are making financially responsible decisions for not just the community now, but generations to come.

As noted by the Essential Services Commission of SA (ESCOSA) in reviewing Berri Barmera's financial sustainability, it is only through the Council continuing its disciplined approach to financial management that we will return the council to a financially sustainable position by 2032/33.

Building on the over $1.7 million of annual operating efficiencies, savings and new revenue already in place over the past two years, Council will continue to identify saving measures and build on the work we've already done.

In addition, through repairing the ageing building of 19 Wilson Street Berri, the planned return of Council's administrative operations to Wilson Street will save the community over $250k/year in operating costs.

Council has now put in place evidence-based Asset Management Plans for all major asset classes, which will shape the renewal prioritisation of our community's roads, footpaths, wastewater and stormwater infrastructure, buildings and equipment.

It is essential that Council continues to plan for and invest in the maintenance and renewal of community assets under Council's custodianship to not leave future generations with an unplanned for cost burden of replacing decayed assets.

In an effort to reduce the costs associated with maintaining, renewing and depreciating Councils' significant asset base, Council will implement a strategic property review with a view to drive better value community outcomes from properties where possible, or look to sell or dispose of assets no longer driving significant community benefit.

This rationalisation of some property assets will reduce council's debt, reduce recurring annual asset management costs and put these properties to a better use.

Council must deliver growth of our rate base to ease the burden of increasing costs to existing ratepayers. This means catalysing development, including residential and commercial opportunities. Several key projects in the annual business plan, such as the Berri West Infrastructure Feasibility Study, which will enable significant housing and population growth.

Despite financial constraints, Council continues to secure external funding to deliver major projects, with several of next year's activities funded either entirely or significantly through external grants, such as Berri West Feasibility Infrastructure Study, Bruno Bay upgrades, Lake Bonney Jetty design and Caring for Country investment.

These exciting projects will ultimately deliver great services for both our community and visitor economy without leaving ratepayers with significant cost burden to deliver or maintain. Council recognises the significant financial pressures felt across the entire community, so has maintained hardship provisions and rate rebates for those in need. Council has also proposed to continue its winegrape grower rebate in recognition of the strain currently felt by the sector whose viability impacts the rest of the economy.

Berri Barmera Council's Annual Business Plan 2026/27 continues to build on the solid foundations we have put in place over recent years. It continues to recalibrate council's services, getting back to basics while being firmly focused on delivering a genuinely exciting and strategic future for our community.

We consulted on our Draft Annual Business Plan 2026/27 and listened to concerns, acutely aware of the cost of living pressures in the community. With our continued commitment to keep rates as low as possible, without compromising on service delivery or our plan to return to a financially sustainable position by 2032/33, we are pleased we were able find further savings in the annual budget 2026/27 and are able to reduce the overall rates levied down from 8.7% to 7.5%. Council remains focused on doing the hard work needed to secure a stronger future for our community. This will mean making hard decisions, every single time, weighing up the cost against the community impact.

In the upcoming year, we are anticipating identifying further savings as we continue to recalibrate our financial management, asset base and reduce Council's operating costs where we can responsibly do so. Together we can continue to build a vibrant and hopeful future for our region.





Ella Winnall
Mayor

Tim Pfeiffer
Chief Executive Officer

Community Consultation Feedback

Berri Barmera Council consulted on its Draft Annual Business Plan 2026/27 between Wednesday 27 May and Tuesday 16 June.

The public consultation period provided the opportunity for the community to have its say on the level of service, activities and projects undertaken by Council prior to the adoption of the yearly budget.

The consultation process provided opportunities to engage with Council via pop-up sessions, public meetings where verbal submissions could be made and in writing.

All feedback was acknowledged and presented to Council at a special Council meeting 18 June 2026.

Council received 20 official submissions through a range of channels including online submissions, written submissions, email correspondence, public information sessions and direct conversations with community members.

In response to the feedback, Council committed to finding further budget savings in 2026/27 and over the forecast period. Council understands the cost of living pressures facing the community and sought to balance that with its responsibilities to ensure the ongoing financial sustainability of Council operations.

As a consequence, an additional savings target was made to reduce the overall rate tax levied for 2026/27. The Long Term Financial Plan and Annual Business Plan and Budget have been updated to reflect this.

The rating policies and associated rate relief consulted on are now also included in the final Annual Business Plan and Budget 2026/27.



Elected Members

Our Elected Members are responsible for policy making and decisions that impact on our district, community, businesses and environment.

The roles of our Elected Members are to:
• Participate in the deliberations and civic activities of our Council.
• Keep the Council's objectives and policies under review to ensure appropriateness and effectiveness.
• Keep the Council's resource allocation, expenditure and activities and the efficiency and effectiveness of its service delivery under review.
• Represent the interests of residents and ratepayers, provide community leadership and guidance, and facilitate communication between the community and the Council.

We encourage you to connect with your elected members who serve as your representatives.



Mayor Ella Winnall



Deputy Mayor Trevor Scott



Cr David Waterman



Cr Bruce Richardson



Cr Ian Schlein



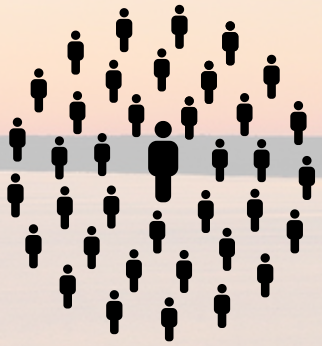
Cr Adrian Little



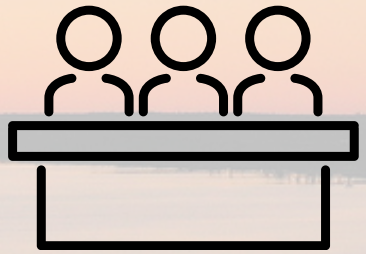
Cr Collis Marrett

Berri Barmera snapshot

Berri Barmera Council area incorporates the townships of Barmera, Berri, Cobdogla, Glossop, Loveday, Monash, Overland Corner and Winkie.



Population:
10,484



1 Mayoral position
8 Elected Member positions



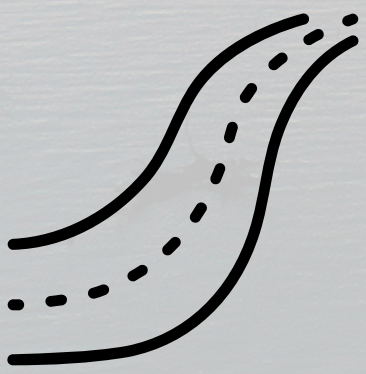
Land area
476.2 square kms



Wine and other alcohol manufacturing is the largest employment industry



5.1% of population identifies as indigenous



Sealed roads 297.37km
Unsealed roads 93.44km



70 full time equivalent staff



Gross Regional Product $576m

Source: Australian Bureau of Statistics

How the Annual Business Plan and Budget was prepared



Purpose
The Annual Business Plan is the key operational and financial document for the Council. It sets proposed operational programs and capital projects for 2026/27 and how we will allocate our budget. This document was consulted on with the community prior to its adoption.



Strategic Direction
The content has been developed after taking into consideration the long-term direction of the Strategic Plan 2025-2035, The Long Term Financial Plan (10 Year Plan) and the Asset Management Plan Summary (10 years). Maintaining an adequate level of expenditure on existing assets on an annual basis ensures intergenerational equity, that is the burden of costs is met equally by current and future ratepayers.
The Long Term Financial Plan 2027-2036 is a separate document which is included as part of the consultation process and provides a high level overview of the forecast financial position of council for which year one is the 2026/27 Annual Business Plan and Budget.



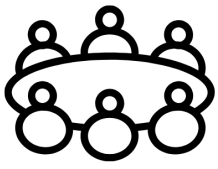
General Rates
During the budget process, a review of the existing rating strategy was undertaken with a focus on maximising the effectiveness of the current rating system to deliver an equitable distribution for all ratepayers. Options for rates levied across all land use codes were modelled to achieve an operating surplus position by 2032/33. Scenarios presented showed the impact on existing ratepayers of potential rate increases required. Rate relief options to target hardship and/or inequity in 2026/27 were also modelled to ensure the most equitable distribution for our community.

These scenarios were reviewed with Council's Executive Team and Elected Members at budget and Long Term Financial Plan (LTFP) workshops with a focus on rates affordability without compromising the return to a sustainable operating position by 2032/33.

After consultation and taking into account feedback from the community, additional scenarios were prepared for the revised total rates to be levied in 2026/27. Further savings of $130k equated to a 1.2% overall reduction in average rates levied on the amount consulted on.



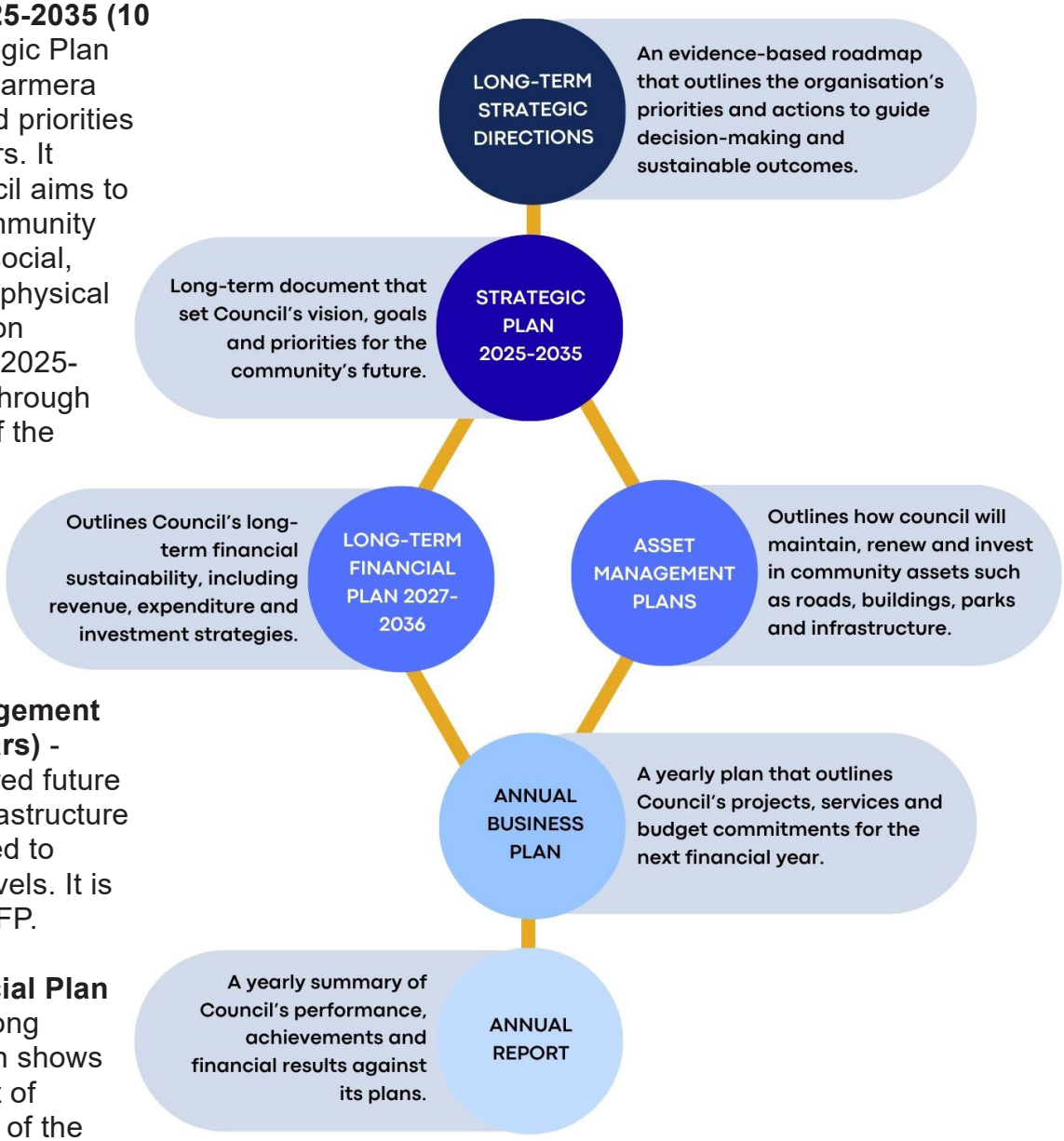
Operations Budget Build Approach
The Annual Business Plan 2026/27 was developed in consultation with budget holders across the organisation having regard to the forecast for 2025/26, the quarantining of savings measures and the impact of council decisions and updates from endorsed asset management plans including further savings identified post consultation on the annual budget.



Elected Member Review
Four workshops were held with Elected Members to develop this budget, discuss priorities, and work through requested rating scenarios to inform the Draft Budget and LTFP during March to May 2026. Post consultation, Elected Members reviewed the feedback from the community, which informed the final Annual Business plan and Budget 2026/27 for adoption.

Strategic Management Framework

Strategic Plan 2025-2035 (10 Years) - The Strategic Plan sets out the Berri Barmera Council's vision and priorities for the next 10 years. It reflects what Council aims to achieve for the community across economic, social, environmental and physical aspects of the region The Strategic Plan 2025-2035 was shaped through a detailed review of the region, including Council's Long Term Strategic Directions.



Asset Management Plan (Asset Management Summary) (10 Years) - Identifies the required future expenditure on infrastructure and funding required to maintain service levels. It is aligned with the LTFP.

Long Term Financial Plan (10 Years) - The Long Term Financial Plan shows the financial impact of the implementation of the Strategic Plan over the next 10 years and incorporates key assumptions from the Strategic Plan and Asset Management Plan. The LTFP will be reviewed by Council on an annual basis.

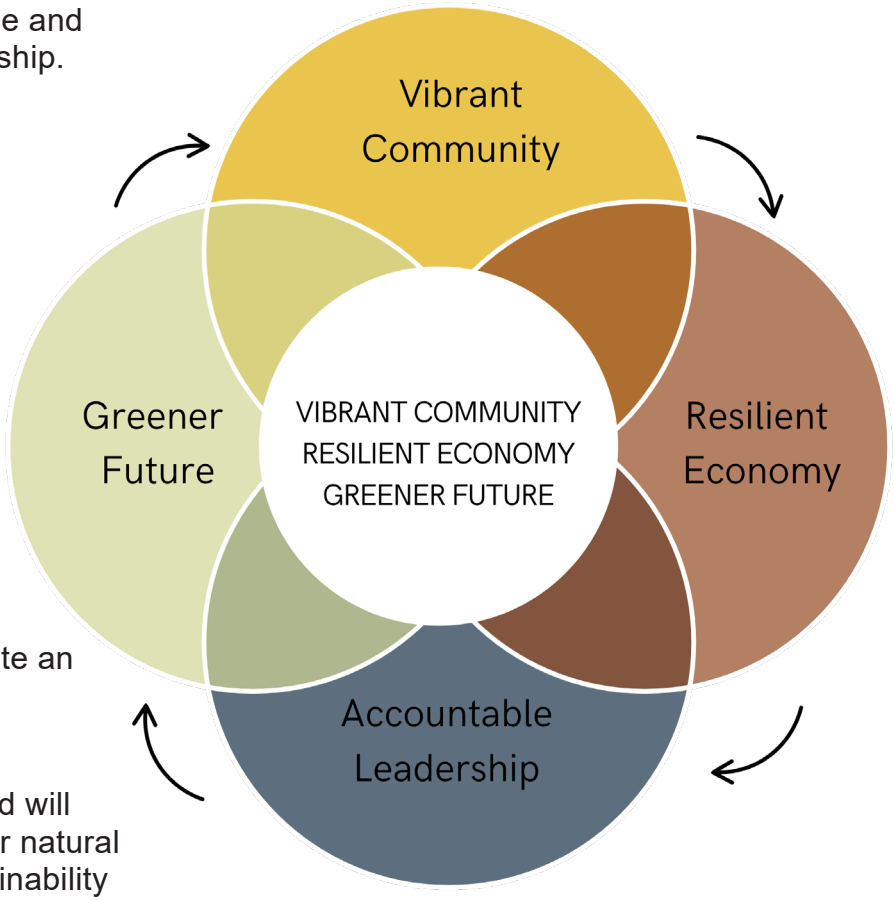
Corporate Plan (4 Years) - The Corporate plan will be developed and align with each four year delivery period aligned to a term of council for the Strategic Plan and informs each year of the Annual Business Plan.

Annual Business Plan (1 Year) - Each year, Council develops an Annual Business Plan guided by Council's strategic financial framework which sets strategic directions over the medium and long term and converts these into annual actions and outcomes. This shows the outcomes Council expects to achieve in the year, the services, the key measures of success and the budget required to deliver these outcomes.

Strategic Plan

Our vision seeks to define the future that Berri Barmera Council wants to deliver with the community. It provides a navigational point for who and what our community wants to be.

It is a statement of aspiration, with delivery to be guided through the implementation of our three strategic priorities, which will be activated over the coming decade and underpinned by accountable leadership.



Our Strategic Priorities

Vibrant Community

We will be a welcoming community that is safe and inclusive. We will strengthen community wellbeing and connections. We will enable housing growth that is tailored to demographic needs.

Resilient Economy

We will promote economic strengths, supporting both traditional and emerging industries. We will support innovation and create an attractive investment environment.

Greener Future

We will be more climate resilient and will advocate for the improvement of our natural environments. We will embed sustainability principles across our operations.

Our Strategic Priorities are underpinned by:

Accountable Leadership

We will be financially responsible, and we will maintain/renew our assets. We will strengthen partnerships, improve our engagement with the community and foster a culture of service excellence. Our governance will be transparent, and we will lead by example.

Strategic Plan - Vibrant Communities

Vibrant Communities
We will be a welcoming community that is safe and inclusive. We will strengthen community wellbeing and connections. We will enable housing growth that is tailored to demographic needs

Annual Objectives
• Foster strong community connections and participation across all age groups and demographics.
• Begin implementation of the Disability Access and Inclusion Plan 2026-2030
• Develop Council's own Reconciliation Strategic Framework.
• Administer a grants and sponsorship program that supports initiatives and projects, in partnership with our community.
• Ensure community facilities are accessible, safe, and meet current and future needs.
• Maintain an informative and community focussed website/ webpage for Council.

Key Performance Indicators
• More than 50% of actions delivered under the Disability Access and Inclusion plan by June 2027.
• Adoption of Council's own Reconciliation Strategic Framework by June 2027.
• Increase in attendance at Council-assisted events and community initiatives. compared to the previous financial year.
• Increased attendance at Council events and activities.
• Council website maintained as a single source of truth for all Council business, projects and activities.

Services

• Cemetery services and maintenance,
• Community development activities,
• Community facilities management,
• Community funding programs,
• Community support programs,
• Dog and Cat management,
• Public health and safety,
• Volunteer management,
• Library services,
• Recreation centres, swimming pool and sporting facilities
• Strategic planning,
• Inspectorial services, including parking and animal management,
• Youth development and programming.



Strategic Plan - Resilient Economy

Resilient Economy
We will promote economic strengths, supporting both traditional and emerging industries. We will support innovation and create an attractive investment environment.

Annual Objectives
• Support growth, sustainability, and diversification of local businesses.
• Attract new investment into the region through streamlined processes and advocacy.
• Deliver on our capital renewal program to maintain infrastructure and manage asset lifecycle costs in line with Council Asset Management Plans.
• Provide professional advice and assistance to Council, colleagues, industry partners and the community in respect to development matters.
• Provide development services complying with statutory timeframes.

Key Performance Indicators
• More local businesses supported through Council programs or referrals.
• Significant increase in development applications approved
• Deliver 100% of all infrastructure projects within the capital works program on time, within scope and within budget.
• 90% of development applications are processed in accordance with statutory time frames as specified within the Planning, Development and Infrastructure Act 2016.
• 90% of building inspections are undertaken in accordance with the Practice Directions.

Services
• Event management and sponsorship support,
• Attracting major events to the city,
• Economic development activities,
• Investment attraction,
• Waste and recycling services,
• Tourism attraction and development,
• Visitor Information Centre,
• Free public wifi,
• Asset (roads, etc.) infrastructure renewal and maintenance
• Urban design and open space planning
• Infrastructure Planning
• Infrastructure Project Delivery
• Development policy planning,
• Development services, and
• Land use/urban planning.



Strategic Plan - Greener Future

Greener Future
We will be more climate resilient and will advocate for the improvement of our natural environments. We will embed sustainability principles across our operations.

Annual Objectives
- Reduce waste sent to landfill
- Implement tree planting and revegetation projects.
- Protect and enhance natural environments
- Increase community participation in nature/ biodiversity conservation.
- Enhance Green Spaces and Urban Amenity.
- Promote Sustainable Practices and Behaviour
- Increase the use of recycled products in Council's business operations.

Key Performance Indicators
- Reduction of waste to landfill per capita.
- Increase of renewable energy used on Council occupied facilities.
- Increase in area of land rehabilitated or revegetated (hectares).
- Promote the Delivery of Waste Education Activities
- Annual increase of 5% in recycled materials being procured for general projects.
- Increase number of park or open space upgrades completed.



Services
- Arboriculture (tree services)
- Fire Protection/Prevention
- Recycled product use
- Community planting and weed eradication projects
- Effluent drainage
- Waste and recycling services
- Environmental sustainability projects
- Biodiversity projects
- Horticulture services
- Tree planting and revegetation projects.



Strategic Plan - Accountable Leadership

Accountable Leadership
We will be financially responsible, and we will maintain/renew our assets. We will strengthen partnerships, improve our engagement with the community and foster a culture of service excellence. Our governance will be transparent, and we will lead by example.

Annual Objectives
• Maintain high standards of governance, transparency, and decision-making that builds community trust.
• Complete a review of the basis of rating aligned with Section 151 of the Local Government Act.
• Maintain responsible financial management and long-term sustainability.
• Develop a service register, service review framework and commence workforce analysis.
• Develop a skilled, engaged, and high-performing workforce.
• CWMS ESCOSA and Auditor-General 2023 Report review follow up activities

Key Performance Indicators
• 100% Council and Committee agendas published on time.
• Develop and endorse a rating strategy.
• Long-term financial plan reviewed and updated
• Deliver a 'baseline' service register and service review framework by June 2027.
• Significantly reduced staff turnover rate.

Services
• Public relations, media and communications
• Customer service
• Community engagement and social inclusion,
• Information and communication technology
• Business systems and process improvement
• Human resource management



• Strategic Plan/ Community Plan development
• Financial transaction, analysis, planning/forecasting and reporting
• Rates collection
• Auditing
• Elected Member Support
• Procurement and contract management
• Records and information management
• Service reviews
• Property services
• Risk and governance
• Injury management
• Work, Health and Safety
• Wastewater planning and maintenance
• Wastewater infrastructure collection
• Operation of wastewater treatment plant
• Recycled water provision/ utilisation.



Significant Influences

In the development of the Annual Business Plan, Council has undertaken a review of our internal environment and broader external environment that includes social, environment, economic and planning elements. This review identifies key issues that help provide the context for the development of this plan.

The Annual Business Plan is built to deliver upon the priorities and objectives of Council's Strategic and Community Plan. However, there are other influencing factors taken into consideration, particularly with regards to sound financial management and long term sustainability.

Asset Management
Further to condition audits and valuations undertaken now on all our major asset classes, there has been a significant increase in both depreciation, the capital works budget and the forward works program. This increase is required to maintain our assets to an acceptable standard for our community in accordance with legislation and adopted Asset Management Plans.

Market Conditions
Over recent years, Council has seen the impact of the geopolitical environment in terms of wars, trade tariffs and the world economy on the availability and cost of materials and resources to support its capital works program. If this trend continues, it may mean that additional budget may be required to fund the program included in this Annual Business Plan and Budget.

Local Economy
The Riverland region is a significant contributor to the South Australian economy in both export, local income and tourism. One major influence has been the economic effect of the global downturn in the wine grape sector.

Political Environment
State and federal governments will continue to have an impact on the political environment in which Council operates. This may also influence the grants and partnering opportunities available to the local government sector.

Statutory Requirements
Increasing statutory requirements which absorb significant amounts of staff time. These requirements include, but are not limited to, additional layers of reporting to the Essential Services Commission of SA (ESCOSA). Increasing regulatory standards e.g. Audit and Risk Committee, risk management and workplace health and safety compliance.

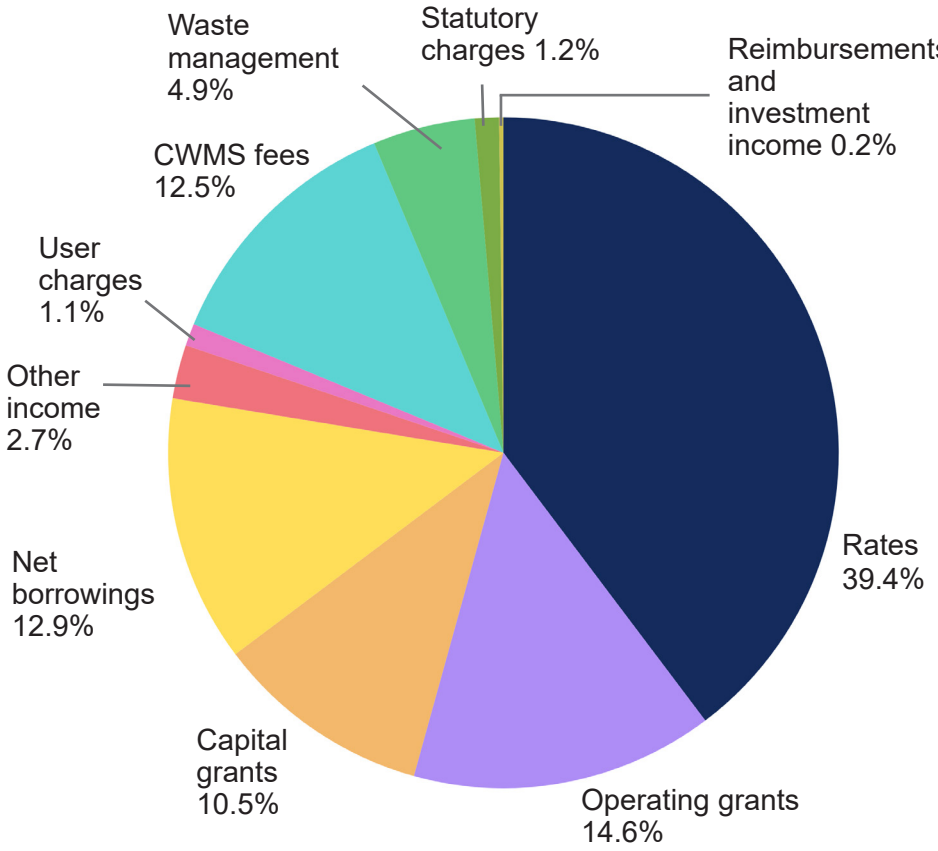
Cost Pressures
The budget has incorporated the pressures from high inflation impacting on major asset valuations, utilities, and significant increases in other goods and services.
The March Adelaide CPI was 4.9% and highest level since September 2022-23, driven primarily by an increase in fuel prices due to Middle East conflicts. If this continues, this will add further pressure to existing budgets.

Funding and Expenditure Summary

Where Our Funding Comes From

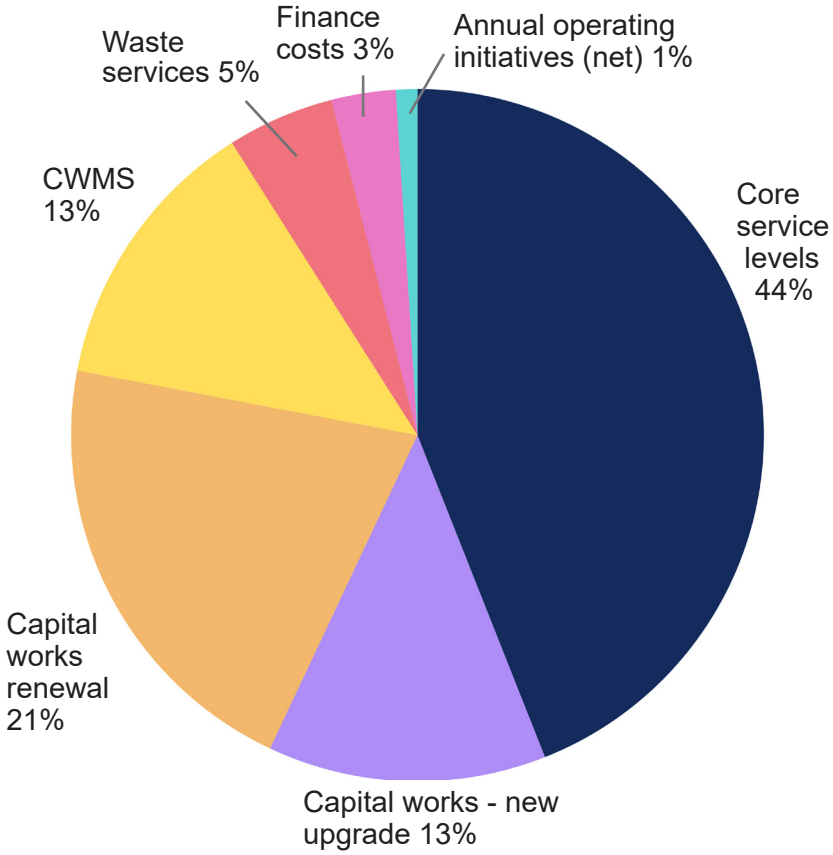
Council only collects the amount of money it needs to fund the services and infrastructure as laid down in the Annual Business Plan and Budget 2026/27.

The majority of funding comes from rates levied. Where possible, council secures grants to fund renewal infrastructure projects and for new/upgraded capital projects utilises borrowings as a means of spreading the benefits over the life of the asset in addition to grant funding.



How We Allocate Our Funding

Council's expenditure is allocated to maintain existing core services and capital renewal of existing assets based on endorsed asset management plans. Within core services, Council provides waste collection and CWMS. Each year there are also additional annual operating initiatives that support the current strategic focus of Council and/or which may be short term or one-off initiatives and capital new/upgrade expenditure, which is for new assets providing a service that doesn't currently exist and/or enhancing an existing asset allowing it to provide a higher level of service.



Key Assumptions

General Rates
The general rate provides benefits to the whole community and ensures social, economic and environmental sustainability.

The rate increase comprises CPI 2026/27 based on the RBA forecast of 3.7%, depreciation recoup of 3% following the impact of major asset class revaluations and increased costs to ensure the funding of the renewal of existing asset and a sustainability index percentage of 0.8% to deliver an operating surplus position by 2032/33.

Community Waste Management Service (CWMS) Charge and Waste Levy
A 6% p.a. increase in revenue will be required to meet the proposed costs of operations for 2026-27.

Inflation
CPI in the Annual Business Plan and Budget 2026/27 is based on the latest RBA forecast of 3.7% and has been applied to revenue with the exception of rates CWMS and the Waste Management Charge.
Inflation has also been applied to expenditure based on contractual agreements.

Actual Adelaide CPI as confirmed by the Australian Bureau of Statistics for the March Quarter 2026 was 4.9%, which is higher than the budget assumption although the Local Government Price Index forecast for 2026/27 was 3.4%.

It should be noted that significant increases have been experienced for goods and services purchased by Council, in particular utilities and capital projects. Strategies however will be developed and savings realised to mitigate additional pressures should inflation continue to be higher than assumed in the budget.



User Pays Principle
Benefits that are provided to a distinct group of the community will, wherever practicable be charged directly to the recipient of that benefit.

Current Service Levels
Council's annual operating program was developed to ensure maintenance of the current level of existing services to the whole community. However, work will continue in reviewing the cost of services and savings sought and/or additional revenues realised to minimise the cost of service provision to the community.

Staffing
FTEs have been assumed to be consistent with Council's current organisational structure of 70.2 FTE.

Depreciation
Depreciation budgets have been informed by valuations undertaken for major asset classes including CWMS and Stormwater as at 1 July 2025, where asset values and useful lives have been reviewed. Indexation has been applied to other appropriate asset classes based on forecast CPI to ensure asset valuations forecasts are aligned to fair value.

Interest Rates On Borrowings
Interest on Cash Advance Debenture facilities were based on the 10 year fixed rates with Local Government Finance Authority (LGFA) of 6.05%.

Savings
Savings realised from 2025/26 based on the target set of $100k have been quarantined and built into 2026/27 budget forecasts. Over the 2026/27 budget process and taking into account feedback from the community, Council has included a further reduction of $130k in the 2026/27 Annual Budget and Long Term Financial Plan. Council is committed to identifying efficiencies in service delivery over 2026/27 and beyond to ensure it works within the adopted budget against rising cost pressures.

Key Financial Indicators (KFIs)
The following Key Financial Indicators are deemed by the local government sector to be the best indicators for determining financial sustainability:
• Operating surplus / (deficit) ratio,
• Net financial liabilities ratio, and
• Asset renewal funding ratio.
The targets for each ratio are outlined in Councils Treasury Management Policy and used to guide the framework for the annual budget within the context of the adopted LTFP.



Annual Operating Projects

With finite resources, pressures to deliver more and changes in ratepayer's expectations of Council's services, there is a growing need for Council to deliver services tailored to demand.

This Annual Business Plan will focus on a continued program to review and invest in more opportunities to generate additional revenue for council and create efficiencies to ensure that council will be financially sustainable in the medium to long term.

In addition to funding for existing core services, there are additional annual operating initiatives that support the current strategic focus of Council and/or which may be short term or one-off initiatives

Total Annual Operating Projects provided for in the Annual Business Plan and budget are detailed below:

Capital Expenditure $188k
• Lake Bonney jetty detailed design $175k (100% grant funded) for net cost nil
• Berri West Feasibility study $183k (70% grant funded) for net cost $55k
• Berri West detailed design $133k

Asset Management Plans no additional budget
Asset Management Plans (AMPs) have been endorsed by Council for all major asset classes.
A rolling program of revaluation and condition assessments is now in place and included in Council's Long-Term Financial plan. Subsequent to the council elections all strategic management plans including AMPs must be reviewed within 2 years of the election in compliance with legislation and a process will be put in place to ensure this occurs. Over 2026/27 no additional budget is required and any pre work will be undertaken within existing recurrent budget.

Service Level Register and Reviews $45k
This project is to develop a register of council's existing services and associated costs that can be used to identify opportunities for reduced costs and/or additional income streams. The project will establish a framework that can be used to review existing services to ensure they align with community need and can be sustainable over the longer term.

Growth Strategy – Strategic Future Planning $40k
The project builds on the existing work undertaken to investigate growth areas including infrastructure assessments to unlock land for development.

Strategic Property Review Outcomes no additional budget
Council will look to realise the outcomes of the Strategic property review that is being undertaken in 2025/26. This project will identify potential sales and opportunities to address non-performing council assets and any funding required will be met from the sales proceeds. Sale proceeds will be used to reduce debt in the first instance.

Council Elections $90k
Under the Act elections are held every 4 years. Budget allocation is based on indicative costs from the Electoral Commission.

Capital Expenditure

It is essential that Council manages and maintains its assets responsibly to maximise the value and the services the community derives from them.

The annual capital works program is informed by:
a) Elected Members and community input;
b) Berri Barmera Strategic Plan 2025-2035;
c) the Asset Management Plan Summary and the suite of Asset Management Plans (e.g. Buildings, Roads and Kerbing, Footpaths, CWMS, Stormwater and Plant and Equipment); and
d) the updated Long Term Financial Plan 2027-2036

The capital projects budget identifies the amount of money that Council will invest in its long term physical assets and includes two categories:

Renewals
Renewals refer to the amount of money that Council will spend in maintaining and replacing its existing asset base. This category would include such projects as road resurfacing and line marking.

New Capital/Upgrades
The amount of money Council will invest in new assets can either be the upgrade of existing assets or the creation of new assets.
The below table provides an indication of what Council will spend in 2026/27 to maintain its infrastructure and is based on Council's Asset Management Plan.

Whilst Council's focus is on replacing infrastructure in the Asset Management Plans, works to Bruno Bay boat ramp and CWMS have been identified as upgrade works. Grant funding has been secured for Bruno Bay, and Council will pursue grant funding for CWMS upgrades. Detailed listing of projects below.

$'000s	Renewals	New/Upgrade	Total
Buildings and Structures	1,950	1,743	3,693
Roads and Kerbing	2,463	443	2,906
Footpaths	212	0	212
Plant and Equipment	1,005	0	1,005
CWMS	463	1,847	2,310
Stormwater	299	0	299
Other	100	0	100
Total	**6,492**	**4,033**	**10,525**

Buildings and Structures

Project Name	Project Description	Gross Capital Expenditure $'000s	Gross Contribution (e.g. Grants) $'000s	Net Capital Expenditure $'000s	Proposed carry forward from 2025/26
Capital Renewal/Replacement Projects					
Irrigation renewals	Replacement of Berri Marina pump 2 & 3	20	0	20	0
Wilson Street Berri office renewal works	Year 2 of works	820	0	820	900
Lake Bonney Jetty replacement (Only if funded 100%)	Detailed designs, year one.	300	300	0	0
Other renewal projects	Building Renewals as per the Building and Structures Asset Management Plan	810	0	810	203
Capital New/Upgrade Projects					
Irrigation upgrades	Upgrade to sprinklers for playground reserve (Matthews Park) near Jarvis Street, Bruce Oval, Zante Road adjacent the pool, Pioneer Park and Sandford Park (Hobbs/Tipper streets)	415	0	415	
Bruno Bay Constraints Measures Program	Renewal of the boat ramp facility to improve safety, accessibility, and disaster resilience, particularly during future flood events.	1,210	1,210	0	1,210
Caring For Country Lake Bonney	Year 2 of works	108	108	0	0
Other buildings and structures	Building Renewals as per the Building and Structures Asset Management Plan	10	0	10	0
	TOTAL	**3,693**	**1,618**	**2,075**	**2,313**

Roads and Kerbing

Project Name	Project Description	Gross Capital Expenditure $'000s	Gross Contribution (e.g. Grants) $'000s	Net Capital Expenditure $'000s	Proposed carry forward from 2025/26
Capital Renewal/Replacement Projects					
Road reseals	Portion of roads identified: • Sheill Road • Ohanez Street • Scott Avenue (North and South) • Fiedler Street • Distillery Road • Verran Terrace • McBride Street • Caddy Road	370	0	370	0
Roads rehab/construct	Intersection renewals with asphalt: • Berriman Road / Trenaman Road • MacGillivray Road /Puddletown Road • Trenaman / Ritcher / Battams • Verrall Crescent / Higgs Street • Drogemuller/Shueard • Anderson Street /Sims Street • Hunt Road / Caddy Road • Manuel Road / Farmer Street • Slaughter Road / Thiele Road • Thelma Road / Till Road • Bosman Drive / Fisher Drive • Pennyfield Road (SLRP funding)	1,478	216	1262	0
Unsealed road re-sheeting	Renewal of selected unsealed roads based on condition assessments. Works in 2026/27 will focus on: • Hodson Road • Manning Road • Neindorf Road • Smith Road	243	0	243	193

Roads and Kerbing

Kerbing asset replacement and renewal	These works support safe pedestrian access and effective stormwater flow, particularly in areas where existing infrastructure is aged or deteriorating. Works in 2026/2027 focus on: • Fowles Street • Jones Street • Sturt street • McNamee Street • Roberts Street	204	0	204	0
Caring for Country Lake Bonney		168	160	8	
Lyrup Road road renewal	Carry forward of grant funding and expenditure from 2025/26				2,750
Capital New/Upgrade Projects					
Caring for Country Lake Bonney		118	116	2	0
SLRP funded roads		325		325	0
	TOTAL	**2,906**	**492**	**2,414**	**2,943**

Footpaths

Project Name	Project Description	Gross Capital Expenditure $'000s	Gross Contribution (e.g. Grants) $'000s	Net Capital Expenditure $'000s	Proposed carry forward from 2025/26
Capital Renewal/Replacement Projects					
Footpath renewals	Portion of footpaths on: • Sturt Street (East and West) • Fiedler Street • Madeira Street • Minocks Street • Lake Avenue	212	0	212	0
	TOTAL	**212**	**0**	**212**	**0**

Plant and Equipment

Project Name	Project Description	Gross Capital Expenditure $'000s	Gross Contribution (e.g. Grants) $'000s	Net Capital Expenditure $'000s	Proposed carry forward from 2025/26
Capital Renewal/Replacement Projects					
Motor vehicle replacements	Heavy and Light fleet - Plant & Equipment purchases per the Asset Management Summary	985	0	985	448
Minor plant purchases	Minor Plant purchases per the Asset Management Summary	20	0	20	0
	TOTAL	**1,005**	**0**	**1,005**	**448**

CWMS

Project Name	Project Description	Gross Capital Expenditure $'000s	Gross Contribution (e.g. Grants) $'000s	Net Capital Expenditure $'000s	Proposed carry forward from 2025/26
Capital Renewal/Replacement Projects					
CWMS	CWMS renewals as per the CWMS Asset Management Plan	463	128	335	463
Capital New/Upgrade Projects					
CWMS upgrade	CWMS upgrade works as per the CWMS Asset Management Plan	370	0	370	380
Berri West CWMS upgrades	Pump station upgrades to BE21 & BE20 and new pump station BE25 (project is subject to grant funding)	1,477	1,034	433	0
	TOTAL	**2,310**	**1,162**	**1,148**	**843**

Stormwater

Project Name	Project Description	Gross Capital Expenditure $'000s	Gross Contribution (e.g. Grants) $'000s	Net Capital Expenditure $'000s	Proposed carry forward from 2025/26
Capital Renewal/Replacement Projects					
Stormwater renewal	These projects are informed by the Stormwater Asset Management Plan focusing on improving localised flood mitigation and drainage capacity. Berri network will be the focus.	299	0	299	0
	TOTAL	**299**	**0**	**299**	**0**

Other Assets

Project Name	Project Description	Gross Capital Expenditure $'000s	Gross Contribution (e.g. Grants) $'000s	Net Capital Expenditure $'000s	Proposed carry forward from 2025/26
Capital Renewal/Replacement Projects					
IT plant and equipment		100	0	100	0
	TOTAL	**100**	**0**	**100**	**0**

Rating Strategy

In 2026-27, approximately 57% of Council's revenue will come from overall rates revenue. As a result, Council's rating policies and strategies are key components of financial planning. In the community there is always pressure to provide more services, but it is important that this is balanced against the community's ability to pay today and into the future.

The 2026-27 Annual Business Plan and Budget proposes a rate increase that comprises forecast CPI of 3.7% (based on RBA forecast June 2026), plus a 0.8% sustainability index and 3% depreciation recovery. Council plans to raise $12.241m from general rates (excluding Regional Landscape Levy and service charges).

Rates Modelling Methodology

Rates are a form of property taxation and property values play an important part in determining how much each individual ratepayer contributes. As it is a system of taxation the rates paid may not directly relate to the services used by each ratepayer. Generally it is assumed the higher the value of the property relative to others in the community the higher the relative rates paid.

Local Government rates are determined by multiplying the applicable rate in the dollar by the capital valuation of rateable land in the council area, applying a minimum rate where applicable.

Valuation methods

Council has the option of adopting one of two valuation methodologies to assess the properties in its area for rating purposes:

Capital value - The value of the land and all improvements on the land; or,

Annual value - A valuation of the rental potential of the property.

Capital value - is used as the basis for valuing land within the council area in common with almost all other South Australian councils. This method values the land and all improvements on the land and data is purchased from the Valuer General. This valuation method is considered the fairest and most efficient method of distributing the rate responsibility across all ratepayers because:

- **Relative wealth** - This is the most appropriate measure of relative wealth in the community;
- **Capacity to pay** - As a measure of wealth, it most closely reflects the property owners' capacity to pay; and
- **Taxation principle** - It equates with the taxation principle that people should contribute to community, social and physical infrastructure in accord with their capacity to pay as measured by property wealth.

Minimum Rate

A Council may impose a minimum amount payable by way of rates, provided it has not imposed a fixed charge. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate, it must not apply to more than 35% of properties in the Council area.

Council proposes to set a minimum rate of $780 which shall be applied to all rateable properties within the Council District. Approximately 10% of rateable properties are paying minimum rate.

Rationale for a minimum rate

The reasons for imposing a minimum rate are:

- The Council considers it appropriate that all rateable properties make a base level contribution to the cost of administering the Council's activities.
- The cost of creating and maintaining the physical infrastructure that supports each property.

Landscape Levy
The Landscape South Australia Act 2019 requires that the Berri Barmera Council collect on behalf of the State Government a levy on all rateable properties within its Council area.
The Regional Landscape Levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources. These responsibilities include regional landscape planning, water allocation planning, community capacity building, education and compliance activities.

For the financial year 2026/2027, the Berri Barmera Council are required to make payable to the Murraylands and Riverland Regional Landscape Board an amount of $349,203 with levy collection reimbursement fee of $5,362

To recover this amount indicative modelling suggests a separate rate of 0.0145 cents in the dollar based on the capital value of all rateable land within the council area.

Differential General Rates
Council has decided to impose differential general rates according to the land use of the property, pursuant to Section 156 (1)(a), of the Local Government Act 1999.

Council will declare differential general rates in the dollar according to the use of the land, for rateable land within the council area, as follows:
- Residential
- Commercial (all categories)
- Industrial (all categories)
- Primary Production
- Vacant Land
- Other

In applying Differential General Rates, Council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all Council areas, particularly as it relates to the various sectors of the business and wider community. This satisfies the requirements of Section 153(2) of the Local Government Act 1999.

In line with the principle of maintaining equity across all land use categories and given the underlying assumption that all of the community are facing similar cost of living hardship, it is proposed that all land uses are levied a consistent average rate increase across all categories excluding vacant land.

Vacant land is levied at approximately double the residential rate in the dollar to encourage development whilst ensuring the average increase is not greater than 12%.

The average residential ratepayer increase is 7.43% or an additional $125.30 per annum or $2.40 extra per week.

The overall average increase per rateable property increase is 7.5% or an additional $134.88 or an extra $2.59 per week.

Rate Type	2025/26 cents in $	2025/26 average rate	Number of rateable properties	Rates income 2025/26	2026/27 cents in $	2026/27 average rate	2026/27 average % increase	Number of rateable properties	Number on minimum rate	Rate income 2026/27
Residential	0.4834	1,686.80	4,580	7,725,539	0.4628	1,812.10	7.43%	4,593	301	8,322,993
Commercial	0.5681	3,228.32	403	1,301,015	0.5701	3,472.67	7.57%	403	91	1,399,487
Industrial	0.5681	4,336.14	82	355,564	0.5701	4,644.99	7.12%	82	12	380,889
Primary Production	0.4811	1,612.77	926	1,493,426	0.4878	1,732.28	7.41%	929	222	1,609,286
Vacant Land	0.9669	1,383.97	172	238,043	0.9018	1,537.01	11.06%	161	9	247,459
Other	0.6773	1,440.72	180	259,329	0.6717	1,548.56	7.49%	182	15	281,838
Overall Average	N/A	1,792.99	6,343	$11,372,916	N/A	1,927.87	7.53%	6,350	650	12,241,952

Service Charge – Community Wastewater Management Charge

Council may impose an annual service charge on rateable (and non -rateable) land within its area for the provision of a prescribed service. A prescribed service is legislated as any of the following services:

- The treatment or provision of water;
- The collection, treatment or disposal (including recycling) of waste; and
- Any other service prescribed by the regulations (which includes the collection, treatment or disposal of wastewater or effluent).

Council provides a community wastewater management system to properties in the townships of Barmera, Berri, Cobdogla, Glossop, Monash and Loveday. The full cost of operating and maintaining the service for the financial year 2026-27 is budgeted to be $4,165,850. Capital expenditure of $833,000 for the replacement and renewal of pumps and other equipment is proposed for 2026/2027.

The service charge for CWMS is calculated using the Code for Establishing and Applying Property Units for the Imposition of Annual Services Charges for CWMS. The Council will recover the operating cost through the imposition of a service charge of $943 from each property unit. This is an increase of 6% and ensures cost recovery of the service over time as outlined in Council's LTFP.

Service Charge – Waste Management

Council provides a recycling and green waste collection service in its district. The service includes:

- Weekly domestic collection in a smaller 140 litre bin for all properties;
- Fortnightly recycling collection;
- a 240-litre bin for all properties; and
- Fortnightly green waste collection in a 240 -litre bin for town residential properties.

To recover the cost of collection including all increases, Council will set an annual service charge of $290 for the three-bin collection and $246 for the two-bin collection.

This is an increase of 6% increase on 2025/2026 charges.

- To recover costs associated with the disposal of waste to landfill and
- to encourage residents to be mindful to reduce waste Council resolved.
- to increase the fee for any additional red bins that are being utilised by property owners. This additional charge will be set at $266 for the 2026/27 financial year.



Rate Relief

From initial rates modelling and an examination of the potential impact across the community it is still considered necessary to provide tailored rebates and remissions to address any potential inequities and hardship. The cost to council is approximately $472k.

Rate Capping
Limits the amount paid in 2026/27 to a 12% increase on rates paid in 2025/26 through an automatic rebate on all land uses excluding vacant land subject to:
• the amount payable including this rate capping rebate but not any other concession or relief, and
• that where a contributory factor to the increase in rates is an increase in valuation, that the increase is not as a result of
> a change in ownership of the rateable property since 1 January 2025, or
> recognising significant capital improvements on the property resulting in notice of improvement from the Valuer General since 1 July 2025 with a value in excess of $10,000, or
> a change to the land use, zone changes, or Valuer General corrections which have contributed to the increase in valuation.

Pensioners and Self Funded Retirees
• **Postponment of rates**
In accordance with the Local Government Act 1999, persons who hold a seniors card are eligible to postpone any amount in excess of $500 ($125 per quarter) less any concession entitlement. Interest will accrue on any postponed balances. Postponement is by application.

• **Pensioner hardship**
A pensioner and/or self funded retiree can make application for hardship relief if

• The property is the principal residence of the ratepayer;
• The ratepayer is able to produce one of the following identification cards;
> Pensioner Concession Card – Centrelink (blue card)
> Pensioner Concession Card – Veteran Affairs
> T.P.I. Card – Veteran Affairs;

• Or they can demonstrate to Council that they are a self funded retiree(s) with a combined income of less than $40,500 per annum. An example of a statement of earnings could be but not limited to;
> Financial Institution notification
> Centrelink Statement
> Notice of Assessment – Australian Taxation Office

The amount agreed to be remitted, in accordance with this policy, for the 2026/2027 financial year is $55 per annum of the general rates

Cost Of Living Concession – Tenants And Home Owners Including Pensioners
The Cost of Living Concession (COLC) is a yearly payment to help tenants and homeowners on low or fixed incomes such as pensioners and veterans with their general living expenses including rates. Assessment is based on a persons circumstances on 1 July of the relevant financial year and is indexed annually with money paid directly into your bank account.

To be eligible you must :
• live at the property
• hold an eligible card, receive an eligible Centrelink payment, or meet low income provisions if you are a tenant, hold a written rental agreement, such as:
• residential tenancy agreement
• rooming house agreement
• resident contract for a supported residential facility

To check your eligibility for the COLC and other State Government concessions, such as energy, water, sewerage and the Emergency Services Levy, visit the website (sa.gov.au/concessions) or call the ConcessionsSA Hotline on 1800 307 758.

Primary Production Properties – Rates Remission
Taking into account the economic impacts suffered by primary production properties within the Council's area as a result of the economic downturn of wine grapes, the Council will, on application, grant a remission on general rates of $200 on the grounds of financial hardship to those in hardship.

To be considered in hardship and for the remission to apply the assessment must be subject to the following criteria:
• Primary Production Property
• Land Use: Wine grapes
• Can provide evidence of hardship

An example of evidence could be, but not limited to:
> Producing the Farm Allowance Card from Centrelink evidencing receipt of farm household allowance
> Letter from a rural financial counsellor or welfare agency

Development Of Vacant Land
As an encouragement to have vacant land within townships developed, Council uses its Business and Residential Development Support Policy to assist where:
• Council may support potential new residential development when a residential dwelling is proposed to be built on land vacant for a period of 2 years within the Berri Barmera Council area.

Council may support new residential development in the following ways:
• Place a freeze on Council rates to that of the minimum rate for a maximum of 2 years;
• Reduction of planning and/or building fees.
• Council will support existing businesses to relocate premises as much as practicable, except where the new location requires significant capital upgrade investment.

Community Land
Under section 159 to 166 of the Local Government Act 1999 rebates on community land can be granted based on meeting the eligibility criteria. Mandatory rebates are applied for hospital, schools etc based on sections 159 to 165. Council through an annual application process can grant discretionary rate rebates subject to criteria which focuses on the level of the applicants hardship coupled with the extent of services provided to the community at little or no cost. Maximum discretionary rate rebates in line with Council's rate rebate policy are 75% to ensure all ratepayers contribute to an amount towards basic service provision.

Hardship
Any ratepayer who can demonstrate specific hardship can contact Council and a tailored payment plan can be arranged. Arrangements are strictly confidential and can be made by application.



Financial Targets

Overview
Local Government Sector Performance
The following Key Financial Indicators are deemed by the Local Government Sector to be the best indicators for determining financial sustainability:
• Operating surplus / (deficit) ratio;
• Net financial liabilities ratio; and
• Asset renewal funding ratio.

Legislative Requirement
These indicators are also a requirement of Council's annual financial reporting in accordance with Local Government legislation and regulations.
Section 122 of the Local Government Act 1999 states that Councils should assess: "…The sustainability of the Council's financial performance and position, and… The extent of levels of services that will be required to be provided by the council to achieve its objectives and to the extent to which any infrastructure will need to be maintained, replaced or developed by the Council…"

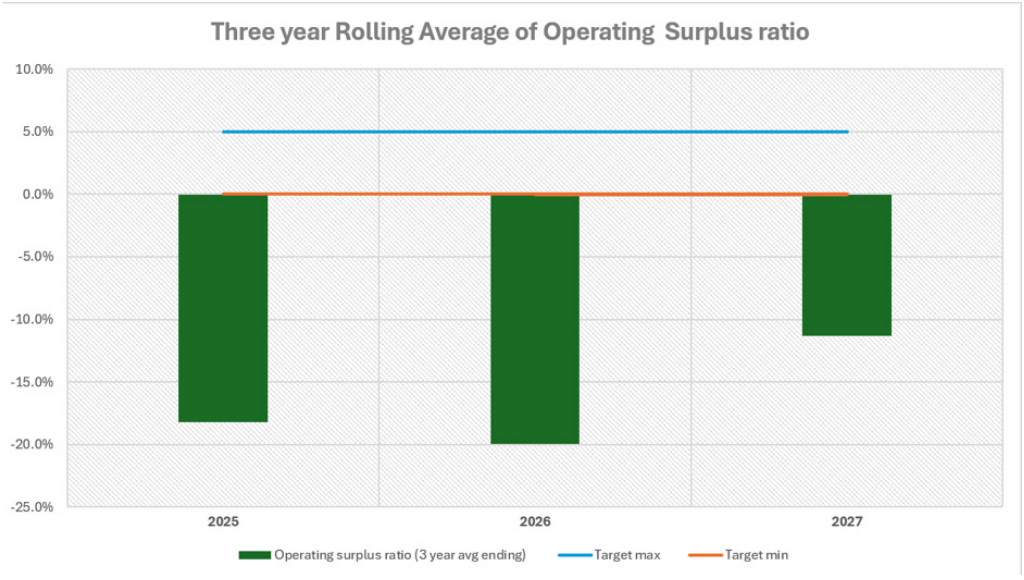
Treasury Management Policy
The following graphs and accompanying commentary are set against targets included in the Draft "Treasury Management Policy" as shown below:

Operating Surplus Ratio
By what percentage does the major controllable revenue source vary from operating expenses.

What is the purpose of this ratio?
This financial indicator is useful in determining if current ratepayers are paying enough to cover products and services provided in each period.

How is this ratio calculated?
Operating surplus before capital revenues as a percentage of total operating revenue.

What is the target?
The target is between 0% and 5% as per Council's Treasury Management Policy.



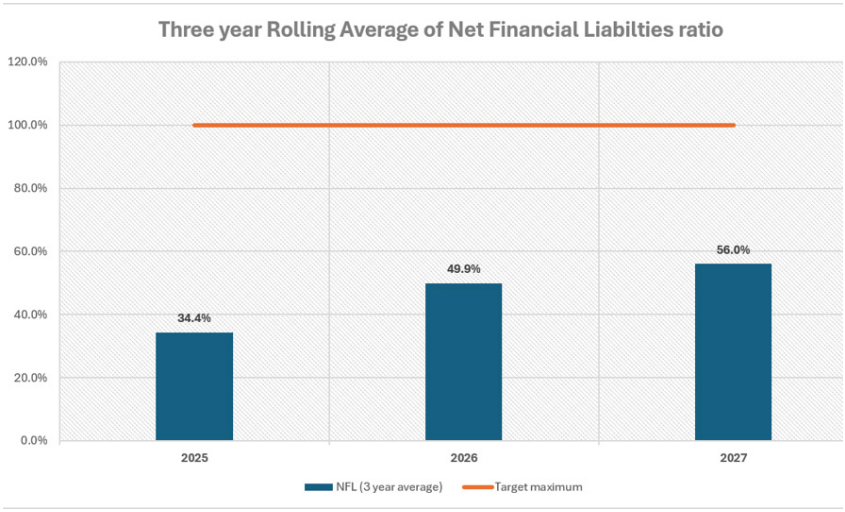
The ratio is on track in line with council commitment to return to an operating surplus by 2032/33 and ongoing financial sustainability to achieve the target ratio.

Net Financial Liabilities Ratio
How significant is the net amount owed compared with operating revenue.

What is the purpose of this ratio?
This financial indicator is useful in determining the level of indebtedness that Council has in comparison to its operating revenue.

How is this ratio calculated?
Net financial liabilities as a percentage of total operating revenue.

What is the target?
The target is less than 100% as per Council's Treasury Management Policy.



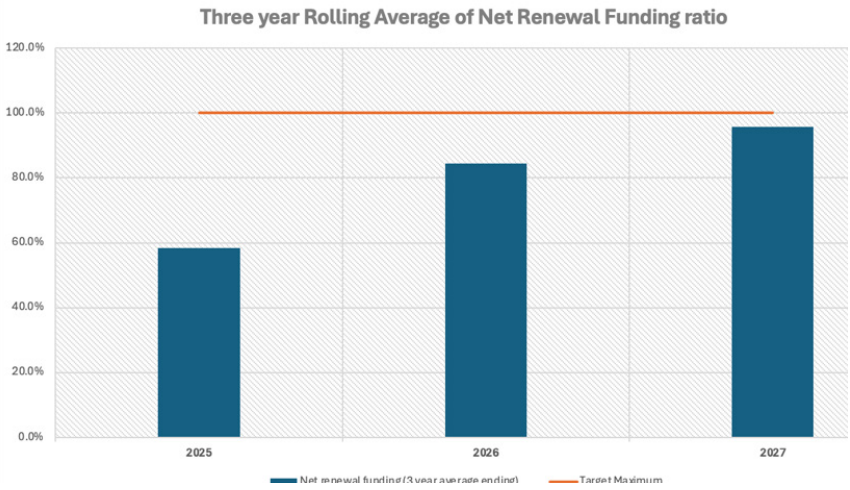
The ratio is within the target range of 100% .

Asset Renewal Funding Ratio
By what percentage does the planned capital expenditure on renewal or replacement of assets vary from the adopted Asset Management Plans

What is the purpose of this ratio?
This ratio is useful in determining if council has adequately funded its planned infrastructure asset renewals and replacements

How is this ratio calculated?
Capital expenditure on renewal/ replacement of assets as a percentage of total Capital renewals in Council's adopted Asset Management Plans

What is the target?
The target is 100% as per Council's Treasury Management Policy.



The ratio shows alignment with Council's target range and improving, noting the rolling average ratio is impacted by the timing capital renewal projects completed by 30 June each year.

ESCOSA - Independent review

The South Australian Government has tasked the Essential Services Commission of South Australia (ESCOSA) to act as an advisory body and provide independent, risk-based advice to councils in regard to long-term asset and financial management.

During 2025/26 ESCOSA provided a detailed independent assessment of Berri Barmera Council's financial position, recent reforms and long-term outlook.

This compulsory process costs each council $40,000 every four years, with the report to remain within the Annual Business Plan each year until the next assessment is undertaken.

The report highlighted both the significant progress made in the past two years and the challenges that remain for Berri Barmera council in returning to an ongoing financially sustainable position.

ESCOSA acknowledged the improvements made by Council in working collaboratively with the executive leadership in improving its strategic, financial and asset management practices by
> "adopting a pragmatic approach to asset management, with risk-based prioritisation and extending asset lives where possible
> refocusing asset expenditure on asset renewal and replacement rather than new and upgraded assets
> developing an improved procurement and delivery strategy to contain the increases in costs of 'Materials, contracts and other expenses'
> sequencing and timing projects to improve delivery efficiency
> recruiting skilled resources and targeted staff development, and
> introducing measures to ensure clear governance and oversight of projects to provide ongoing transparency, monitoring and accountability of projects."

ESCOSA stated that this new approach "will support the Council's return to a sustainable operating performance and effective asset management". This acknowledgement reflects a genuine shift in Council's capability and direction.

However, the ESCOSA report ranked Berri Barmera's past and current performance as unsustainable "due to operating deficits and poor asset management practises in the past".

Whilst ESCOSA noted that Council's new approach will support a return to a sustainable operating performance, ESCOSA chose to rate Council's projected financial performance as unsustainable "due to the forecast average operating deficits and the risks associated with achieving an operating surplus before the end of the forecast period".

Despite this assessment by ESCOSA in May 2026, Council's Audit and Risk Committee (comprising a majority of independent members) passed a motion that the committee acknowledges the risks highlighted by ESCOSA.

In the Committee's view, Council will be sustainable subject to the Council continuing to commit to achieving an operating surplus in 2032/33 (if not earlier), and that two of the key pillars to the achievement of that will be Council maintaining the required annual increases in rates and service charges in accordance with the LTFP, and asset expenditure being directed to asset renewal and replacement in priority to any new and/or upgraded assets.

To further strengthen the Councils sustainability ESCOSA recommended that the Council:

1. Monitor and Report the operating expenses against the targets and update the Long Term Financial plan as necessary to enable the Council return to operating surplus
Response:
The LTFP is updated annually having regard to a review of its assumptions, economic environment, council decisions including updated asset management plans.

The latest update 2027 to 2036 shows councils commitment to return to a surplus by 2032/33 with the improvement in the Plan resulting in reduced rates increases over the 10 year forecast period.

All financial targets showed improvement over the 10 year period.

2. Update Asset Management Plans at least every 4 years to update current and accurate asset values and remaining useful lives in line with accounting standards.
Response:
Council have put in place a rolling program of condition audits and revaluations on all major asset classes. Indexation is included in the LTFP projections in the intervening years. All major asset classes have now been revalued and asset management plans (AMP) updated and endorsed by Council. In line with legislation and following the council election all AMP will be reviewed within 2 years of the council election

3. Closely monitor the condition of assets and review asset service levels regularly to ensure that asset renewals do not occur without being absolutely necessary or undertaken maintenance to extend asset lives in order to control expenditure
Response:
The updated AMPs and the new Affordability Model put Council on a more realistic and responsible path. Over the next decade, Council plans to both meet its renewal obligations and clear the asset renewal backlog. Staff review the forward program annually to ensure asset renewals do not occur without being absolutely necessary.

4. Establish processes to ensure value for money in procurement can be achieved and capital expenditure is controlled
Response:
A new Procurement Policy was adopted by Council in January 2026 with rigor and greater accountability surrounding the Procurement processes. Strict budget disciplines have been put in place, and all budget reviews focus on ensuring strict alignment with the annual budget and no erosion in the overall net cash position such that any cost overruns must be met by savings.

5. Review values for asset renewal and depreciation to ensure that depreciation reflects the reassessments of asset values and useful lives
Response:
As part of end of year process values are reviewed, noting a system of indexation is in place in the intervening years between external revaluations.

As part of the revaluation process useful lives and asset values are updated to fair value and depreciation reassessed to ensure it is accurate.

6. Progress towards growth in rates per property in line with CPI as the Council emerges into a sustainable financial position.
Response:
Rates increases are determined having regard to the LTFP to ensure a return to an operating surplus position by 2032/33. Where savings are realised throughout the plan, the focus in this year's update of the LTFP is on reducing the overall rate increase to align with CPI. The original iteration of the updated LTFP forecast a rate increase of 9.3%, which has now been now reduced by 0.6%.

Appendix



BERRI BARMERA COUNCIL	2024/25 $000s	2025/26 $000s	2026/27 $000s
STATEMENT OF COMPREHENSIVE INCOME	**Audited Actual**	**Original Budget**	**Original Budget**
INCOME			
Rates	15,192	16,525	17,761
Statutory charges	347	304	362
User charges	385	306	336
Grants, subsidies and contributions (capital)	1,061	4,860	2,014
Grants, subsidies and contributions (operating)	5,611	4,058	4,571
Investment income	112	60	31
Reimbursements	710	64	35
Other income	215	396	841
Total Income	**23,633**	**26,573**	**25,951**
EXPENSES			
Wages and Salaries	6,187	6,650	6,762
Materials, Contracts and Other Expenses	12,487	13,378	13,152
Depreciation, amortisation & impairment	7,045	7,525	7,907
Finance Costs	208	623	799
Total Direct Expenses	**25,927**	**28,176**	**28,620**
OPERATING SURPLUS / (DEFICIT)	**-2,294**	**-1,603**	**-2,669**
Asset disposal & fair value adjustments	-1,175	0	0
Amounts specifically for new or upgraded assets	6	382	1,258
Physical resources received free of charge		0	0
NET SURPLUS / (DEFICIT)	**-3,463**	**-1,221**	**-1,411**
Changes in revaluation surplus - infrastructure, property, plant & equipment	25,867	7,814	7,477
TOTAL COMPREHENSIVE INCOME	**22,404**	**6,593**	**6,066**

Rates Income includes CWMS fees of $3,900k and Waste Management $1,545k

BERRI BARMERA COUNCIL	2024/25 $000s	2025/26 $000s	2026/27 $000s
STATEMENT OF FINANCIAL POSITION	**Audited Actual**	**Original Budget**	**Original Budget**
ASSETS			
Current Assets			
Cash and cash equivalents	869	251	206
Trade & other receivables	3,010	2,504	3,002
Inventories	211	95	211
Total Current Assets	**4,090**	**2,850**	**3,419**
Non-Current Assets			
Trade and other receivables	873	662	0
Other Non-Current Assets	69	921	214
Infrastructure, Property, Plant & Equipment	205,853	202,335	238,755
Total Non-Current Assets	**206,795**	**203,918**	**238,969**
TOTAL ASSETS	**210,885**	**206,768**	**242,388**
LIABILITIES			
Current Liabilities			
Trade & other payables (current)	3,002	1,989	2,994
Short-term provisions	1,407	1,284	1,372
Short-term borrowings	819	630	655
Total Current Liabilities	**5,228**	**3,903**	**5,021**
Non-Current Liabilities			
Trade & other payables	0	0	0
Long-term provisions	565	275	565
Long-term borrowings	5,498	15,322	13,463
Total Non-Current Liabilities	**6,063**	**15,597**	**14,028**
TOTAL LIABILITIES	**11,291**	**19,500**	**19,049**
NET ASSETS	**199,594**	**187,268**	**223,339**
EQUITY			
Accumulated Surplus	22,741	19,777	21,388
Asset Revaluation Reserve	174,573	165,197	199,671
Other Reserves	2,280	2,294	2,280
TOTAL EQUITY	**199,594**	**187,268**	**223,339**

BERRI BARMERA COUNCIL	2024/25 $000s	2025/26 $000s	2026/27 $000s
CAPITAL EXPENDITURE	**Audited Actual**	**Original Budget**	**Original Budget**
Replacement assets			
Building & Structures	341	2,325	1,950
Roads, Kerbs & Footpaths	1,685	6,259	2,675
Stormwater	0	378	299
CWMS	31	463	463
Plant & Equipment	534	1,155	1,005
Furniture & Fittings	51	350	100
Total Replacement assets	**2,642**	**10,930**	**6,492**
New assets			
Building & Structures	888	503	1,743
Roads, Kerbs & Footpaths	1,163	293	443
Stormwater	11	0	0
CWMS	5	380	1,847
Plant & Equipment	0	175	0
Furniture & Fittings	127	0	0
Total New assets	**2,194**	**1,351**	**4,033**
TOTAL CAPITAL EXPENDITURE	**4,836**	**12,281**	**10,525**

BERRI BARMERA COUNCIL	2024/25 $000s	2025/26 $000s	2026/27 $000s
STATEMENT OF CASH FLOWS	**Audited Actual**	**Original Budget**	**Original Budget**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	15,191	16,525	17,761
Statutory Charges	347	428	491
User Charges	375	182	207
Grants, subsidies and contributions (operating)	5,276	4,058	4,571
Investment Receipts	98	60	31
Reimbursements	721	64	35
Other Receipts	2,141	396	841
Payments			
Payments to employees	-5,900	-6,650	-6,762
Payments for materials, contracts and other expenses	-14,196	-13,633	-13,153
Finance Payments	-207	-623	-799
Net Cash provided by (or used in) Operating Activities	**3,846**	**807**	**3,223**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Grants specifically for new or upgraded assets	261	382	1,258
Grants utilised for capital purposes	1,151	4,860	2,014
Sale of Replaced Assets	102	0	0
Repayments of Loans from Community Groups	214	136	480
Payments			
Capital Expenditure on renewal/replacement of assets	-2,386	-10,930	-6,493
Capital Expenditure on new/upgraded assets	-1,658	-1,351	-4,033
Net Cash provided by (or used in) Investing Activities	**-2,316**	**-6,903**	**-6,774**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Deposits or Bonds	0	0	0
Proceeds from Borrowings	0	6,950	4,400
Payments			
Repayment of Borrowings	-1,289	-700	-880
Repayment of principal portion of lease liabilities	-234	-122	0
Net Cash used in Financing Activities	**-1,523**	**6,128**	**3,520**
NET INCREASE (DECREASE) IN CASH HELD	**7**	**32**	**-31**
CASH AT BEGINNING OF YEAR	862	219	237
CASH AT END OF PERIOD	**869**	**251**	**206**

BERRI BARMERA COUNCIL	2024/25 $000s	2025/26 $000s	2026/27 $000s
STATEMENT OF CHANGES IN EQUITY	**Audited Actual**	**Original Budget**	**Original Budget**
ACCUMULATED SURPLUS			
Opening balance at beginning of financial year	25,164	20,997	22,799
Net Surplus (Deficit) for the year	-3,463	-1,221	-1,411
Transfer to/from reserves	1,040	1	
Closing balance at end of period	**22,741**	**19,777**	**21,388**
ASSET REVALUATION RESERVE			
Opening balance at beginning of financial year	149,672	157,383	192,194
Transfer between reserves	(966)		
Gain/(loss) on revaluation of infrastructure, property, plant & equipment	25,867	7,814	7,477
Closing balance at end of period	**174,573**	**165,197**	**199,671**
OTHER RESERVES			
Opening balance at beginning of financial year	2,354	2,294	2,280
Transfer from accumulated surplus	-74		
Closing balance at end of period	**2,280**	**2,294**	**2,280**
TOTAL EQUITY AT END OF REPORTING PERIOD	**199,594**	**187,268**	**223,339**

BERRI BARMERA COUNCIL	2024/25 $000s	2025/26 $000s	2026/27 $000s
UNIFORM PRESENTATION OF FINANCIAL STATEMENTS	**Audited Actual**	**Original Budget**	**Original Budget**
INCOME			
Rates	15,192	16,525	17,761
Statutory charges	347	304	362
User charges	385	306	336
Grants, subsidies and contributions (capital)	1,061	4,860	2,014
Grants, subsidies and contributions (operating)	5,611	4,058	4,571
Investment income	112	60	31
Reimbursements	710	64	35
Other Income	215	396	841
Total Income	**23,633**	**26,573**	**25,951**
EXPENSES			
Employee costs	-6,187	-6,650	-6,762
Materials, contracts and other expenses	-12,487	-13,378	-13,152
Depreciation, amortisation and impairment	-7,045	-7,525	-7,907
Finance costs	-208	-623	-799
less Operating Expenses	**-25,927**	**-28,176**	**-28,620**
OPERATING SURPLUS (DEFICIT)	**-2,294**	**-1,603**	**-2,669**
Timing adjustment for grant revenue	-1,761		
Less Grants, subsidies and contributions (capital)	-1,061	-4,860	-2,014
ADJUSTED OPERATING SURPLUS (DEFICIT)	**-5,116**	**-6,463**	**-4,683**
NET OUTLAYS ON EXISTING ASSETS			
Capital Expenditure on Renewal and Replacement of Existing Assets	-2,100	-10,930	-6,493
add back Depreciation, Amortisation and Impairment	7,045	7,650	7,907
add back Proceeds from Sale of Replaced Assets	102	4,860	2,014
	5,047	**1,580**	**3,428**
NET OUTLAYS ON NEW AND UPGRADED ASSETS			
Capital Expenditure on New and Upgraded Assets	-1,658	-1,351	-4,033
add back Amounts Received Specifically for New and Upgraded Assets	1,280	382	2,014
add back Proceeds from Sale of Surplus Assets	0	0	0
	-378	**-969**	**-2,019**
ANNUAL NET IMPACT TO FINANCING ACTIVITIES (SURPLUS/(DEFICIT))	**-447**	**-5,852**	**-3,274**

BERRI BARMERA COUNCIL KEY FINANCIAL INDICATORS	2024/25 Audited Actual	2025/26 Original Budget	2026/27 Original Budget
Operating Surplus Ratio	-9.7%	-6.0%	-10.3%
Net Financial Liabilities Ratio	28.0%	61.0%	61.0%
Asset Renewal Funding Ratio	95%	100%	101%
Adjusted operating surplus ratio	-22.5%	-29.8%	-19.6%
Adjusted Net Financial Liabilties	39.0%	77.1%	66.2%

Advice

Local Government Advice

Berri Barmera Council

February 2026

Enquiries concerning this advice should be addressed to:

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Berri Barmera Council
AT A GLANCE

OVERVIEW

The Essential Services Commission finds Berri Barmera Council's past and current financial performance **Unsustainable** due to operating deficits and poor asset management in the past. Its projected financial performance remains **Unsustainable,** due to the forecast average operating deficits and the risks associated with achieving an operating surplus before the end of the Forecast Period. The return to surplus within the Forecast Period is dependent upon the Council increasing rates significantly above forecast inflation, catching up with outstanding asset renewal, rigorous implementation of its improved financial and asset plans with the refocus on asset renewal and replacement, and its ability to contain growth in expenses to below CPI.

FINANCIAL PERFORMANCE



Past 10 years
Unsustainable



Current
Unsustainable



Projected
Unsustainable

RISKS IMPACTING SUSTAINABILITY

- ⚠ The Council plans to increase rates at more than twice the projected average CPI for the Forecast Period, while also forecasting average annual growth in operating expenses of 1.6 percent – less than CPI and less than it has achieved historically.
- ⚠ There is a risk that rates will become unaffordable for ratepayers because they are increasing at a rate above average inflation.
- ⚠ Failure to follow through on the Council's improved plans and financial management practices will put future sustainability at risk.
- ⚠ There is a risk the Council will not catch up on outstanding asset renewal as well as deliver current requirements over the Forecast Period, due to the number and size of projects involved.

KEY FACTS

- ▶ Population in 2024 was **10,747** residents
- ▶ Council covers **476.2 square kilometres**
- ▶ **6,324** rateable properties in 2023-24
- ▶ **$23.7 million** of income in 2024-25
- ▶ Value of assets held in 2024-25 equals **$209.0 million**

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, please visit www.escosa.sa.gov.au.

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1 Executive summary

1.1 Summary of observations

In recent years, Berri Barmera Council (Council) has experienced a significant flood event, high turnover of senior staff, and has been unable to renew or replace its assets in line with its outdated plans or to properly update and implement its Asset Management Plans. The Council also prioritised expenditure on new and upgraded assets over expenditure on asset renewal to achieve its asset renewal targets and was also unable to deliver an operating surplus on average over the Historical Period. As a result, the Essential Services Commission (Commission) finds the Council's financial performance over the Historical Period and the 2024-25 year has been unsustainable.

In 2023, the Council began to assemble a new executive team that, with the support of the Elected Members, has been progressively updating its Asset Management Plans. It has developed a new strategic approach to its financial and asset management that, in the Commission's view, will support the Council's return to a sustainable operating performance and effective asset management, although this is not expected to be achieved until year eight of the 10-year forecast period. The revised approach includes delivery of the Council's asset renewal and replacement program, in line with its Asset Management Plan.

The Commission acknowledges the strategic financial and asset planning work that the Council is undertaking, noting that by the end of 2025, it expects to have completed updates to plans for the remaining three classes of assets. The Commission anticipates that those updates will require further adjustments to the Council's next Long-Term Financial Plan.

While the Council's forecast results in an overall unsustainable performance over the Forecast Period, it plans a return to an operating surplus in the 2032-33 year, including the delivery of asset renewal and replacement throughout the Forecast Period. This will also include clearing the backlog of asset renewal requirements outstanding from the Historical Period. This objective will be challenging, noting that it will be dependent upon the Council containing its average annual growth in expenses to a CAGR of 1.6 percent, which is lower than forecast CPI (average 2.5 percent), and lower than the expenses growth that occurred over the Historical Period (6.0 percent). Further, to achieve its objective of delivering an operating surplus in 2032-33, it will be necessary for the Council to increase rates income by a CAGR of 5.6 percent per annum, which is significantly higher than average forecast inflation and will place an increasing burden upon ratepayers.

The Council has consulted its stakeholders regarding the strategic planning documents and has gained their support for its financial and asset management plans. It will be important that the momentum created by the management team is maintained over the Forecast Period to ensure that the Council is able to achieve its goals to become financially sustainable and meet the community's needs.

The Commission commends the work that the Council is doing to improve its financial and asset management.

1.2 Summary of recommendations

The Council has recently introduced some sound practices in its strategic planning and asset management, including:

- improving its strategic financial and asset management planning
- adopting a pragmatic approach to asset management, with risk-based prioritisation and extending asset lives where possible

- refocusing asset expenditure on asset renewal and replacement rather than new and upgraded assets
- developing an improved procurement and delivery strategy to contain the increases in costs of 'Materials, contracts and other expenses'
- sequencing and timing projects to improve delivery efficiency
- recruiting skilled resources and targeted staff development, and
- introducing measures to ensure clear governance and oversight of projects to provide ongoing transparency, monitoring and accountability of projects.

To further strengthen the Council's sustainability, the Commission recommends that the Council:

1. Monitor and report the operating expenses against the targets and update the Long-Term Financial Plan as necessary to enable the Council return to operating surplus.
2. Update group Asset Management Plans at least every four years to incorporate current and accurate asset values and remaining asset lives in line with accounting standards.
3. Closely monitor the condition of assets and review asset service levels regularly to ensure that asset renewals do not occur without being absolutely necessary or undertake maintenance to extend asset lives in order to control expenditure.
4. Establish processes to ensure value for money in procurement can be achieved and capital expenditure is controlled.
5. Review values for asset renewal and depreciation, to ensure that depreciation reflects the recent re-assessments of asset values and useful lives.
6. Progress towards growth in rates per property in line with CPI as the Council emerges into a sustainable financial position.

2 About the advice

2.1 Background

The State Parliament has tasked the Essential Services Commission (**Commission**), South Australia's independent economic regulator and advisory body, to provide advice on material changes proposed by local councils in relation to elements of their Strategic Management Plans **(SMP)**, and on the proposed revenue sources, including rates, which underpin those plans.[1]

A primary purpose of the Local Government Advice Scheme **(Advice** or **the Scheme)** is to support councils to make financially sustainable strategic decisions in their annual business plans and budgets, in the context of their Long-Term Financial Plans **(LTFP)** and Infrastructure and Asset Management Plans **(IAMP).**[2] IAMPs are commonly referred to as Asset Management Plans **(AMP)**. The LTFP and the IAMP are both required as part of a council's SMP.[3] Financial sustainability encompasses intergenerational equity,[4] program (service level) and rates stability in this context.[5] The other main purpose is for the Commission to consider ratepayer contributions in the context of all revenue sources, as outlined in the LTFP.[6] In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.[7]

The first cycle of the scheme extends over four years from 2022-23 to 2025-26. The Commission has selected 19 councils for advice in the fourth year (2025-26) of the Scheme, including the Berri Barmera Council.

This report provides the Local Government Advice for the Council in 2025-26.

The Council is obliged under the *Local Government Act 1999* **(LG Act)** to publish this advice and its response, if applicable, in its 2026-27 Annual Business Plan (including any draft Annual Business Plan) and in subsequent plans until the next cycle of the Scheme.[8] Decision-making remains in the control of the Council.

The Commission thanks the Council for meeting with Commission staff and for providing information to assist the Commission in preparing this advice.

2.2 The Commission's approach

In providing its Advice for the Council, the Commission has followed the approach set out in the Framework and Approach – Final Report **(F&A)**.[9]

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1 Amendments to the LG Act (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).

2 Commonly referred to as Asset Management Plans **(AMP).**

3 The objectives of the advice with reference to a council's LTFP and IAMP are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMP.

4 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

5 Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

6 LG Act s122(1f)(a) and (1g)(a)(ii).

7 LG Act s122(1f)(b) and (1g)(b).

8 LG Act s122(1h).

9 Commission, *Framework and Approach – Final Report*, August 2022, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

The Commission has considered the Council's SMP documents and other documents (set out in the box below), with a particular focus on its performance and outlook against three financial indicators: the Operating Surplus Ratio (OSR), the Net Financial Liabilities Ratio (NFLR) and the Asset Renewal Funding Ratio (ARFR).[10] Analysis of these three indicators captures financial and service sustainability, cost control and affordability risk.[11]

The Commission reviews 10 years of historical data, being the years 2014-15 to 2023-24 (Historical Period), the "current year" 2024-25, and 10 forecast years, being 2025-26 to 2034-35 (Forecast Period).

Table 1: Strategic management documents referred to

- Berri Barmera Council, Annual Business Plan 2025/26 approved 22 July 2025
- Berri Barmera Council, Long-Term Financial Plan 2026-2035 approved 22 July 2025
- Berri Barmera Council, Long-Term Strategic Directions 2025 - 2035
- Berri Barmera Council, Strategic Plan 2025-2035
- Berri Barmera Council, Asset Management Strategy
- Berri Barmera Council, Asset Management Plan Summary 2026 - 2035
- Berri Barmera Council, Asset Management Plan – Buildings and Structures 2024 - 2034 endorsed 12 June 2025
- Berri Barmera Council, Asset Management Plan – Footpaths 2024-2034 endorsed 17 July 2025
- Berri Barmera Council, Asset Management Plan – Plant and Equipment 2024-2034 endorsed 19 June 2025
- Berri Barmera Council, Our Path Forward – Mega Consultation June/July 2025, Consultation Report
- Berri Barmera Council, Ordinary Meeting of Council Agenda 22 July 2025
- Berri Barmera Council, Special Meeting of Council Agenda 7 July 2025
- Berri Barmera Council, Ordinary Council Meeting Agenda 29 April 2025
- Berri Barmera Council, Growth, Infrastructure Strategy and Planning Committee Agenda 13 May 2025
- Berri Barmera Council, Ordinary Council Meeting Agenda, 13 May 2025
- Berri Barmera Council, Ordinary Council Meeting Minutes 25 March 2025

Given that the Commission must, in providing its advice, have regard to the objective of councils maintaining and implementing their IAMPs and LTFPs,[12] it has also considered the Council's

[10] The three financial indicators are specified in the Local Government (Financial Management) Regulations 2011. Since 2011, each council has been required to include these three indicators in its plans, annual budget, mid-year budget review and annual financial statements. Councils can adopt their own target range for each ratio, but the Commission is guided by the Local Government Association (LGA) target ranges, which were established and agreed during the development of the LGA Financial Sustainability Papers (2006-2011).

[11] The F&A listed 29 analytical questions that the Commission has considered in assessing the Council's performance against these indicators to determine affordability, cost control and other sustainability risks.

[12] LG Act s122(1g)(a)(i).

performance in that context. Findings regarding the content of the Council's AMPs, and the alignment between its LTFP and AMPs,[13] are discussed in Section 5.

The Commission has also reviewed the financial template provided by the Council, including its 2025-26 LTFP forecasts for 2025-26 to 2034-35, historical financial data, the number of rateable properties and Council staff (Full Time Equivalent or **FTE**) numbers from 2014-15 onwards.[14] The charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council's audit committee reports, and other public information, as appropriate.

The Commission has reported estimates in nominal terms to identify 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (**CPI**) line for the Historical Period is calculated as the compound annual growth rate in the CPI (Adelaide) series from 2014-15 to 2023-24, being 2.9 percent[15]. Each financial year is the average of the four quarterly results. The CPI for the Forecast Period is calculated as the compound annual growth rate in the CPI (Australia) series from 2025-26 based on the Reserve Bank of Australia (RBA) (Australia-wide) inflation forecasts to the December 2027 quarter, and the midpoint of the RBA target range (2.5 percent) thereafter, yielding an average inflation rate for the Forecast Period of 2.5 percent. Similarly, for the current year 2024-25, we have observed a CPI (Adelaide) of 2.4 percent.

Finally, in formulating this Advice, the Commission has had regard to all discussions and engagement with the Council, including the face-to-face onsite meeting at the Council offices and the individual circumstances of the Council, including:

- its location as a large / very large rural agricultural council
- its income level ($23.7 million in 2024-25[16]), and
- the size of its rates base (around 6,324 ratepayers in 2024-25[17]).

Throughout this Advice, the Commission has identified several key points and assigned the following risk category to those points:

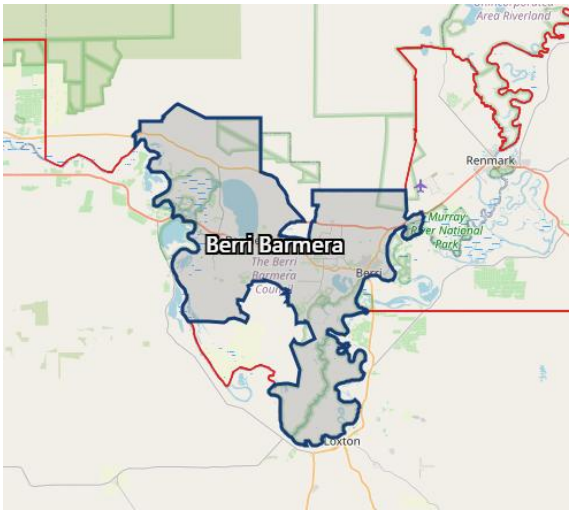
Legend: Low-risk Moderate-risk High-risk

[13] As required under s122(1b) of the LG Act.
[14] The Council's estimates for the 2024-25 financial year were unaudited at the time of preparing this advice.
[15] The assumed CPI for the Historical Period is 2.9 percent, being the compound annual growth rate in the CPI (Adelaide) series from 2014-15 to 2023-24. Source: Consumer Price Index, Australia, June Quarter 2024 | Australian Bureau of Statistics.
[16] Based on the Council's financial reporting template provided to the Commission.
[17] Based on the Council's financial reporting template provided to the Commission.

3 Council profile

The Berri Barmera Council is in the Riverland, approximately 220 kilometres north-east of Adelaide on the River Murray. It is classified by the Commission as a 'Rural Agricultural: Large and Very Large' council and is one of nineteen in this category in South Australia.[18] It covers an area of 476.2 square kilometres, has an estimated resident population of 10,747 (at 30 June 2024),[19] and 6,324 rateable properties (at 1 January 2025).[20] The Council area includes the townships of Barmera and Berri as the main service centres, with several smaller towns. The District Council of Berri amalgamated with the District Council of Barmera in October 1996 and was officially gazetted as 'The Berri Barmera Council' in January 1997.The main industries are horticulture, viticulture and associated industries such as wine manufacturing and tourism.

Figure 1: Council Area



The Council region has the following attributes:

- rateable property growth of approximately 0.3 percent per annum[21]
- population density of 22.6 persons per square kilometre[22]
- 481 kilometres of sealed and unsealed roads, of which 36.6 percent are unsealed roads[23]
- employment sectors mainly in health care and social assistance (15.5 percent), manufacturing (13.1 percent), agriculture, forestry and fishing (10.5 percent), and retail trade (8.8 percent),[24] and,
- a median population age of 45.8 years.[25]

[18] Commission, *Fact Sheet - Local Government Advice Scheme – Schedule of Councils*, May 2023, available at https://www.escosa.sa.gov.au/ArticleDocuments/21947/20240731-Advice-ScheduleOfCouncils-FactSheet.pdf.aspx?Embed=Y.

[19] Refer to Australian Bureau of Statistics, *Data by region*, available at Data by region | Australian Bureau of Statistics.

[20] Based on the Council's Financial Reporting template provided to the Commission.

[21] Based on the Council's Financial Reporting template provided to the Commission.

[22] Refer to Australian Bureau of Statistics, *Data by region*, available at Data by region | Australian Bureau of Statistics.

[23] Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, *2024-25 Database Reports*, available at Publications - Department for Infrastructure and Transport - South Australia

[24] Refer to Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/region.html?lyr=lga&rgn=40520

[25] Refer to Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/region.html?lyr=lga&rgn=40520

4 Material plan amendments in 2025-26

This section compares the 2024-25 and 2025-26 LTFPs, to identify material amendments, which are listed in the table below (in nominal terms).[26] To ensure a comparable analysis of estimates between the LTFPs, the Commission has reviewed the nine overlapping years' statistics: 2025-26 to 2033-34 and identified material amendments accordingly.

4.1 Key points

- The Council has aligned its projections for income and expenses to the RBA forecasts for the CPI and is transparent about its income and expenditure assumptions in its planning documents.
- The Council has shifted the focus of its capital expenditure in the 2025-26 LTFP away from expenditure on new/upgraded assets and towards asset renewal and replacement, to achieve its ARFR targets.
- Depreciation expenses increased by 81.6 percent ($33.6 million) and the net operating result decreased by ($26.2 million), in line with recent asset revaluations, which are incorporated in the 2025-26 LTFP forecasts.
- The Council failed to update the AMPs and depreciation expenses regularly over the Historical Period, thereby failing to provide the basis to adequately plan for its future asset renewal requirements.

Table 2: Historical and forecast financial items

Selected Financial Item	Sum of 2025-26 to 2033-34 estimates in 2024-25 LTFP ($ million)	Sum of 2025-26 to 2033-34 estimates in 2025-26 LTFP ($ million)	Change in 2025-26 estimates ($ million)	Change in 2025-26 estimates (percent)
Rates income	160.7	195.3	34.5	21.5
Grants, subsidies and contributions	33.5	45.8	12.3	36.6
Total operating income	209.9	251.7	41.7	19.9
Employee costs	64.8	68.1	3.3	5.1
Materials, contracts and other expenses	95.2	120.1	24.9	26.2
Depreciation, amortisation and impairment	41.2	74.9	33.6	81.6
Total operating expenses	201.8	269.8	68.0	33.7

[26] Table 2 shows only selected financial items to demonstrate the material amendments made by the Council in its 2024-25 estimates. It excludes various financial items, and individual items do not sum to totals.

Selected Financial Item	Sum of 2025-26 to 2033-34 estimates in 2024-25 LTFP ($ million)	Sum of 2025-26 to 2033-34 estimates in 2025-26 LTFP ($ million)	Change in 2025-26 estimates ($ million)	Change in 2025-26 estimates (percent)
Operating surplus / (deficit)	8.1	-18.1	-26.2	-322.3
Capital expenditure on renewal of assets[27]	27.7	43.8	16.1	57.9
Capital expenditure on new and upgraded assets[28]	13.3	4.9	-8.5	-63.5

4.2 Changes to operating performance

The material amendments for the common nine years of the Forecast Period of the 2024-25 LTFP and the 2025-26 LTFP cover a range of strategic changes, including an increase in rate charges, increases in depreciation expenses due to revaluations of its assets and condition audits,[29] a shift of expenditure on assets to focus on renewal and replacement of existing assets, and an increase in 'materials, contracts and other' expenses.

The Council held extensive community consultations regarding its strategic plans in July 2025, including its proposed increases in rates.

The Council's historical and projected operating performance are discussed further in Section 5.1. Assets, the AMPs, and the Council's capital expenditure outlook are discussed further in Section 5.3. Rates income is discussed in section 6.

4.3 Indexation adjustments

The Council has incorporated CPI assumptions based on the Reserve Bank of Australia (RBA) *Statement of Monetary Policy* February 2025 forecast, including the long-range inflation forecast of 2 percent to 3 percent per annum.

The Council has provided a table setting out CPI and other key assumptions in the Key Assumptions Appendix in the LTFP,[30] which provide stakeholders with transparency regarding their annual revenue and cost increase assumptions.

[27] The capital expenditure estimates are based on the 2024-25 LTFP and 2025-26 LTFP estimates provided by the Council to the Commission (in an Excel template).

[28] The capital expenditure estimates are based on the 2024-25 LTFP and 2025-26 LTFP estimates provided by the Council to the Commission (in an Excel template).

[29] The Council reassessed the condition of its assets and significantly revalued its assets in 2023-24 and 2024-25.

[30] See Berri Barmera Council, Long Term Financial Plan 2026-2035 Key Assumptions Appendix p 35, which gives details of CPI assumptions and the related forecast income and expenditure increases.

5 Financial sustainability

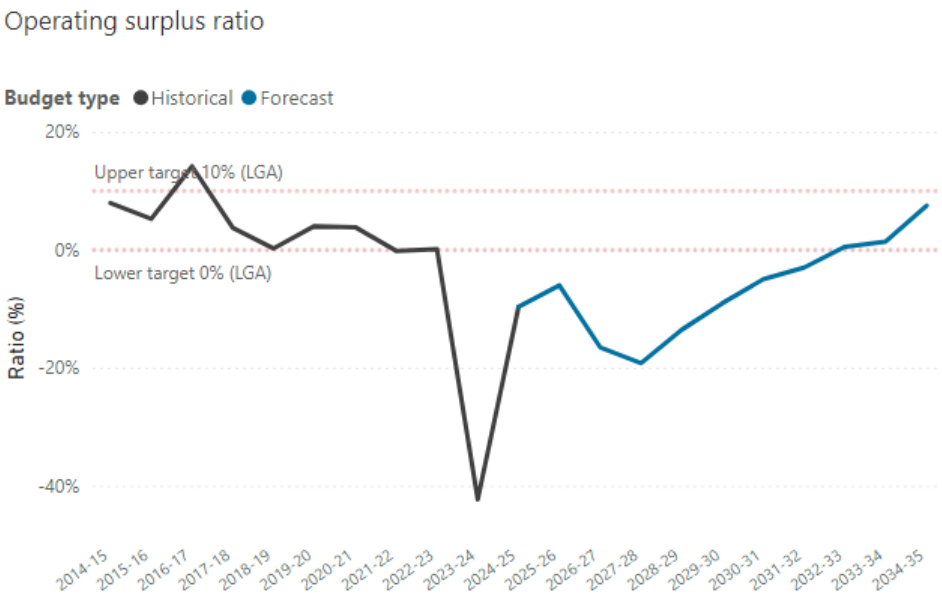
5.1 Operating performance

5.1.1 Key points

- The Council forecasts that it will deliver a surplus over the last three years of the Forecast Period. However, this outcome can only be achieved if it can keep the growth of expenses well below average forecast inflation and if it increases total income by a CAGR of 0.6 percentage points above average forecast inflation.
- The Council operated unsustainably over the Historical Period, with an average operating surplus ratio (OSR) of negative 0.5 percent.
- The Council forecasts that it will operate unsustainably over the Forecast Period, with an average OSR of negative 5.4 percent.

5.1.2 Operating Surplus Ratio

Figure 2: Operating surplus ratio – historical and forecast



Although the Council achieved an operating surplus in eight of the 10 years of the Historical Period, the OSR averaged negative 0.5 percent, indicating that it incurred a small operating deficit over the period. This is primarily due to the operating deficit of $7.5 million in 2023-24, which occurred because the Council revalued its asset base,[31] which increased depreciation expenses, and received less grants

[31] The Council's valuations of its asset base were significantly outdated, with some asset categories not having been reviewed since 2016. For example, footpaths, buildings, stormwater and wastewater assets were last updated in 2016 and those for transport, such as roads, kerbs, gutters and plant and equipment were last updated in 2020. Further, the Council was not applying basic inflation increases to the historical valuations on an annual basis, which resulted in depreciation being significantly understated throughout the period. Revaluations increased depreciation costs, which have been applied to the 2023-24 financial year. The effect of

revenue that year due to the timing of the receipt of the funds.[32] This issue is compounded by the Council not renewing its assets in line with its AMP, with an average ARFR (net) of only 62.4 percent. If the asset renewal targets had been achieved, however, the additional expenditure would have resulted in lower operating surpluses or larger deficits and a lower OSR.

The Council forecasts negative OSRs for the first seven years of the Forecast Period, returning to surplus in 2032-33, while it attempts to deliver its current asset renewal program requirements as well as the asset renewal outstanding from the Historical Period. It will achieve this through rates charges increasing at an average annual rate (CAGR) of 5.6 percent, compared with forecast average CPI of 2.5 percent. Further, it forecasts average annual growth (CAGR) in total expenses of 1.6 percent, significantly less than forecast CPI and what it has achieved historically (average 6.0 percent). The Commission is concerned about the Council's capacity to contain costs to that level of growth, while also fully funding asset renewal and replacement, noting that if the Council's expenses exceed the forecast, the sustainability issue would be exacerbated. (see Figure 2 and Table 3)

Table 3: Income and expenses - historical and forecast

	Income		Expenses	
	Historical	Forecast	Historical	Forecast
Average	$18.0 million	$28.7 million	$18.1 million	$30.2 million
Growth (CAGR)	1.0 percent	3.1 percent	6.0 percent	1.6 percent

Over the Historical Period, the rate of growth of expenses significantly outstripped the growth of income. Over the Forecast Period, growth in income exceeds average CPI by 0.6 of a percentage point, while growth in expenses is much lower than both historical growth and forecast average CPI. See Figure 3 and Table 3.

5.1.3 Income

5.1.3.1 Over the Historical Period:

- Income from rates comprised 69.8 percent of total income and grew by a CAGR of 3.2 percent, aided by growth at a CAGR of 0.3 percent in the number of rateable properties.
- Grants income comprised 18.9 percent of total income. In the 2023-24[33] year, grants income was unusually low, due to a timing issue.
- Grants represent a reasonably high proportion of the Council's income. As grants income can be volatile in timing and amount, it is necessary for councils with a high proportion of grants income to be able to quickly adapt to variations from forecast grants by implementing strategies such as utilising cash reserves or debt finance as appropriate.

rectifying this legacy issue resulted in a $2.8 million contribution to the 2023-24 deficit – see Berri Barmera Council Annual Report 2023-24 p 4.

[32] The Council received only $0.8 million in grants funding in 2023-24 compared to $4.9 million in 2022-23 due to the re-timing of the receipt of income from grants.

[33] The income from grants dropped by 83.3 percent in 2023-24 due to the re-timing of the receipt of the income from grants. See Berri Barmera Council General Purpose Financial Statement for the year ended 30 June 2024 p 34 of 44.

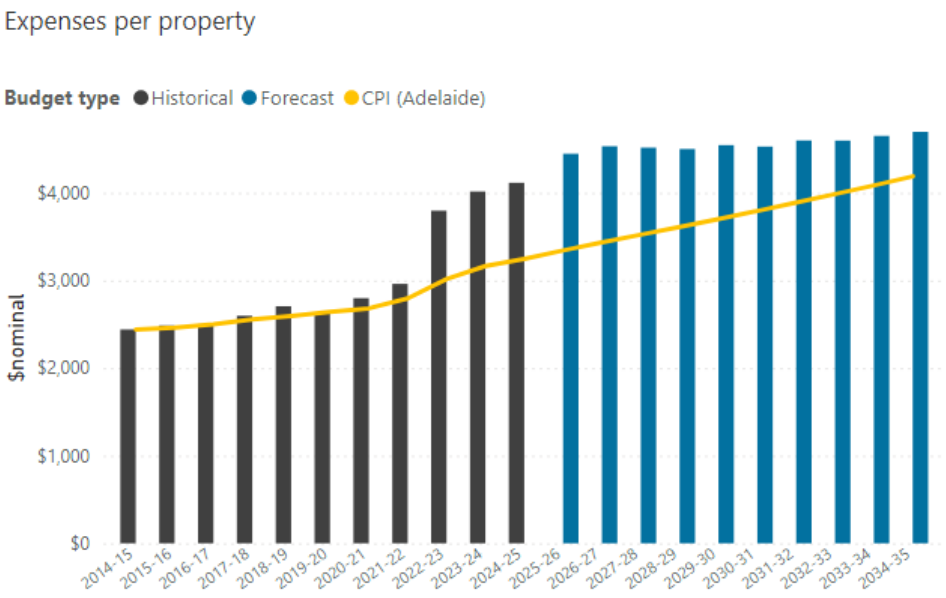
5.1.3.2 Over the Forecast Period:

- Over the Forecast Period, the income from rates comprises 77.6 percent of total income and is forecast to increase by a CAGR of 5.6 percent or 3.1 percentage points above average forecast inflation of 2.5 percent. The growth in rates income incorporates growth in the number of rateable properties at a CAGR of 1.0 percent and an increase in rates per property averaging 4.6 percent, increasing at a rate higher than forecast inflation.
- Grants income is forecast to comprise 17.7 percent of total income.[34]

5.1.4 Expenditure

Since 2023, the Council has improved its asset management practices by updating the values and reviewing the condition of its assets and developing a new Asset Management Strategy. The Council has adopted the Affordability Model[35] for asset renewal that aims for financial sustainability while prioritising the renewal of critical and high-risk assets and enhancing the life of other assets through maintenance or deferral. This appears to be a pragmatic and achievable path for the Council to exert control over expenditure in its largest category of expenditure while achieving its asset renewal targets in challenging financial circumstances.

Figure 3: Expenses per rated property - historical and forecast



5.1.4.1 Over the Historical Period:

- 'Materials, contracts and other' expenses comprised 49.8 percent of total expenses and increased by a CAGR of 5.9 percent, compared with average CPI of 2.9 percent.

[34] The decline in income from grants is related to the lower levels of expenditure planned on new/upgraded assets over the Forecast Period, which are usually financed at least in part by grants.

[35] The Council has based its plans for asset renewal in the LTFP on 'Model 3 – Affordability Model' explained in Berri Barmera Council, Asset Management Plan Summary 2026-2035 p 3.

- Depreciation expenses comprised 20.8 percent of total expenses and increased by a CAGR of 9.3 percent, fuelled by high levels of expenditure on new and upgraded assets and the revaluations of assets.[36]
- Employee costs increased by a CAGR of 3.8 percent, as the number of FTEs increased from 64 in 2014-15 to 69 in 2022-23, then dropped to 66 in 2023-24.
- Operating expenses per rateable property increased by an average (CAGR) of 5.7 percent.

5.1.4.2 Over the Forecast Period:

- The rate of increase in total expenses is forecast to slow to a CAGR of 1.6 percent, substantially lower than average annual forecast inflation of 2.5 percent, which is a decline in expenditure in real terms. If the Council cannot contain growth in costs to that level, sustainability would be further impacted.
- The Council forecasts that 'materials, contracts and other' expenses will increase by a CAGR of only 0.9 percent, to be achieved by heavily reducing expenditure on new and upgraded assets and increasing expenditure on asset renewal and replacement. This is discussed in more detail in Section 5.3.
- The Council plans to increase the number of FTEs from 67 in 2025-26 to 69 in 2026-27, and employee costs increase by a CAGR of 2.9 percent, in line with award rates, an increase in the superannuation guarantee, and the increase in FTEs.[37]
- After a significant increase in depreciation late in the Historical Period following condition audits and valuations undertaken during 2023-24 and 2024-25 for the major asset classes,[38] the Council forecasts that depreciation will increase by a CAGR of 2.5 percent over the Forecast Period, in line with CPI.
- Operating expenses per rateable property are forecast to increase by an average (CAGR) of 0.6 percent, incorporating the projected annual (CAGR) 1.0 percent increase in number of rateable properties.

5.1.5 Commission's recommendations on operating performance

The Commission recommends that the Council:

1. Monitor and report the operating expenses against the targets and update the LTFP as necessary to enable the Council return to operating surplus.

5.2 Net financial liabilities

5.2.1 Key points

The NFLR increased significantly from 2023-24 to 2027-28 then moves to a forecast negative result by 2034-35, indicating that the Council can manage its financial liabilities.

[36] The increase in depreciation expenses in 2023-24 was due to revaluations of assets, some of which had not been undertaken since 2016, and the application of basic inflation rates to categories for which revaluation and condition assessments had not yet been undertaken; see Berri Barmera Council Annual Report 023-24 p 4.

[37] The Superannuation Guarantee increased to 12 percent from July 2025.

[38] Versions of the LTFP prior to 2026-35 have not included indexation of asset values see Berri Barmera Council Long Term Financial Plan 2026-2035 p 8.

⚠ The levels of capital expenditure and the related debt require close monitoring to assist the Council to reduce its future reliance upon debt and high increases in rates for asset renewal

The Council's net financial liabilities ratio (NFLR) began to increase in 2023-24, due to borrowings to finance capital works programs, including upgrades of its roads and the CWMS.[39] The NFLR is forecast to peak at 88.3 percent in 2027-28 with total borrowings of $20.9 million and total liabilities of $24.5 million.

The increase in asset values in 2023-24 also increased the Council's asset renewal requirements and depreciation expenses, which reduced the operating surplus and increased the forecast requirements for cash and borrowings in the LTFP. (see Figure 5) Accordingly, finance costs will increase due to the expected borrowings over the first five years of the LTFP[40] to fund the planned increases in capital expenditure during the years when a deficit is forecast.[41]

As indicated by Figure 5, total debt reduces from 2029-30 onwards, as the loans to finance capital expenditure are repaid, which is enabled by the projected high increases in rates over the Forecast Period.

[39] The Auditor General's Report 4 of 2023 Management of Community Wastewater Management Systems concluded that the Berri Barmera Council was not able to demonstrate that its CWMS network was being managed in a way that is financially sustainable over its useful life, which increases the risk of its CWMS network failing to provide a safe and reliable level of service in the medium to long-term. (See p 9 and p 18, which noted that the Council had not updated its CWMS asset plan or effectively managed its CWMS assets)

[40] Borrowings are forecast to peak in 2027-28 and reduce thereafter.

[41] The explanation was provided in communications with the Council dated 30 September 2025.

Figure 4: Net financial liabilities ratio – historical and forecast

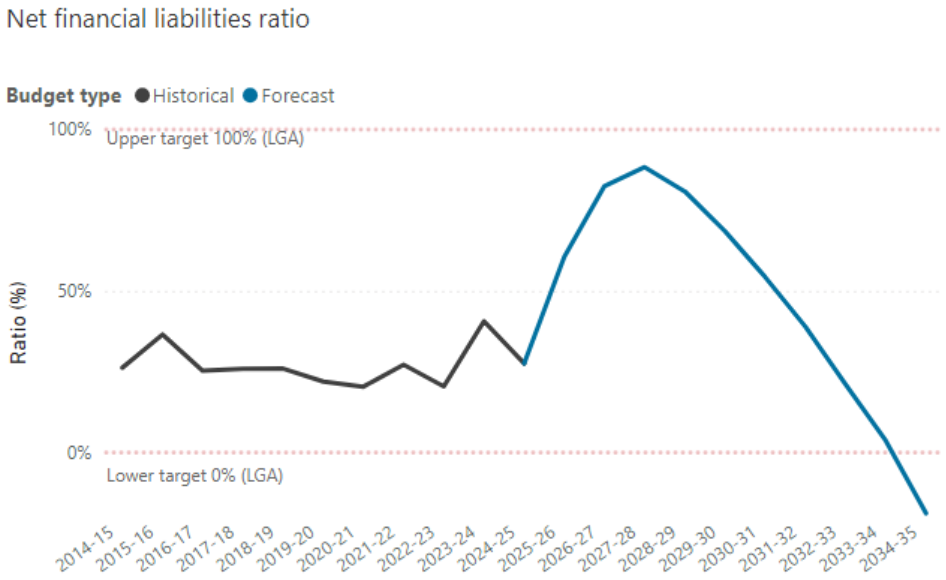
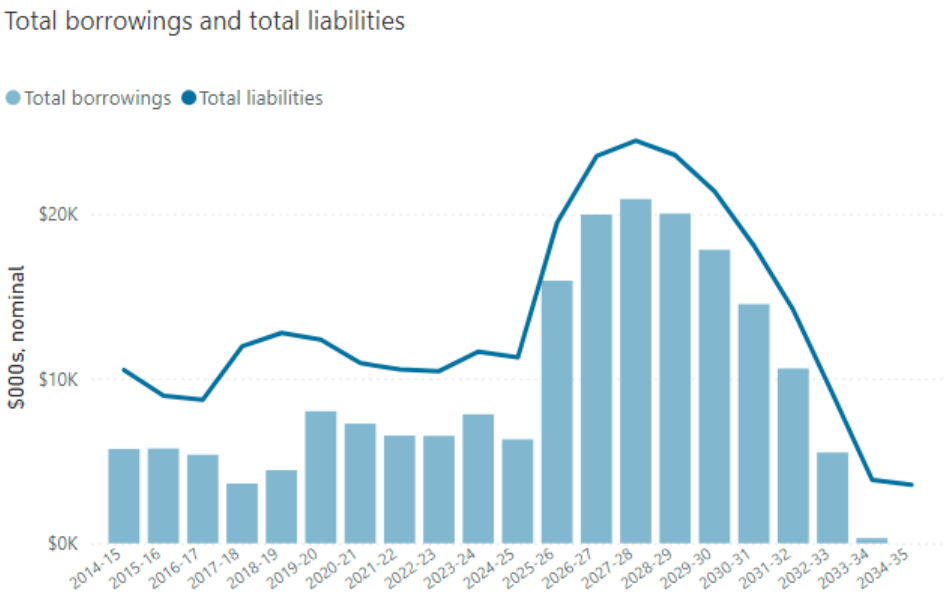


Figure 5: Total borrowings and total liabilities



The Council forecasts modest cash balances for most of the Forecast Period.

5.3 Asset renewals expenditure

5.3.1 Key points

	The Council did not fully renew its assets in line with its AMP over the Historical Period, with an average ARFR (net) of 62.4 percent.

- The Council was not able to manage its assets effectively over the Historical Period because its AMPs have not been updated regularly to reflect the cost of replacing these assets, which means that the average historical ARFR (net) could be lower than 62.4 percent.
- The Council plans to meet its AMP targets and deliver an average ARFR of 100.0 percent over the Forecast Period.
- The Council plans to clear the backlog of asset renewal that occurred during the Historical Period in addition to its current asset renewal requirements over the Forecast Period.
- The Council is updating all its asset management assessment and planning documents.
- The next IAMP (AMPS) should incorporate data for all the updated AMPs, and this information will inform the preparation of the LTFP (2026-27 to 2035-36). The updated IAMP (AMPS) expenditure will require a reassessment of the income required to finance asset renewal, and along with it, an updated forecast of the increases in rates or the identification of alternative sources of income to fund asset renewal.
- The Council has adopted an Affordability Model, which provides a financially sustainable pathway for asset renewal that adopts a service-led, risk-based approach to asset management, prioritising the renewal of critical and high-risk assets while extending the lives of other assets through maintenance or deferral, with monitoring and adjustment over time.

The Council developed an Asset Management Strategy and has been progressively updating its out-of-date AMPs,[42] with the final three asset classes out for consultation in February 2026. The new AMPs show greater maturity of development, include condition assessments, and schedules of maintenance. The Council has adopted an Affordability Model,[43] which provides a financially sustainable risk-based approach to asset renewal, prioritising the renewal of critical and high-risk assets while extending the lives of other assets through maintenance or deferral, with monitoring and adjustment over time. The Council now has a funding strategy and a strategy to manage asset lifecycle planning, address future demand and climate change, manage risk and improve data confidence. The Council has also developed an Improvement Plan and progress reporting to the executive and Council in line with legislative requirements.[44]

Asset renewal was substantially under-funded over the Historical Period, at an average of 62.4 percent relative to AMPS requirements. The true performance is likely worse, due to under-valuation of assets. Over the forecast period, however, the Council plans to clear this backlog of asset renewal as well as fulfill its current asset renewal requirements in line with its AMPs.

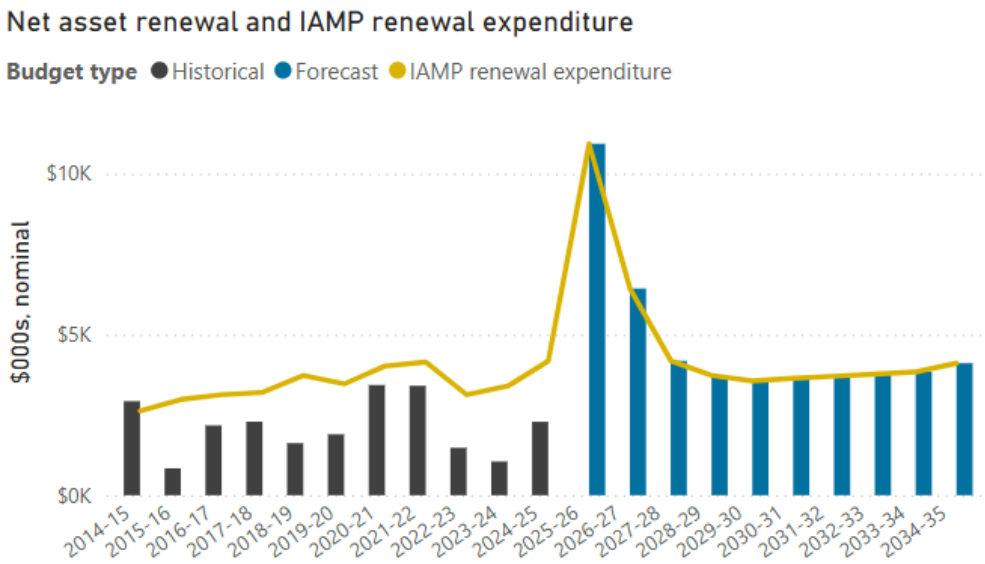
The Commission notes that the AMPs for three asset classes (Roads and Kerbs, CWMS and Stormwater) currently being updated are likely to necessitate adjustments to the Council's next LTFP. (See Figure 12)

[42] Since the start of 2024, the Council has developed an Asset Management Strategy and AMPs for Buildings and Structures, Footpaths and Plant and Equipment.

[43] The Affordability Model – Model 3 see Berri Barmera Council Asset Management Plan Summary 2026-2035 pp 4 and 5 was developed to reflect a financially sustainable investment pathway. While it does not meet all identified renewal needs, it takes a service-led, risk-based approach and prioritises the renewal of critical and high risk assets, while extending the life of others through maintenance or deferral to provide a maintainable, safe and functional asset network within the Council's financial capacity, with continual monitoring and adjustment over time.

[44] See Section 122 of the *Local Government Act 1999 (SA).*

Figure 6: Net asset renewal and AMPS renewal expenditure – historical and forecast



5.3.1.1 Over the Historical Period:

- Expenditure on new and upgraded assets averaged 61.2 percent of total asset expenditure, while the ARFR (net) averaged 62.4 percent, indicating significant under-funding of asset renewal and replacement relative to requirements of the AMP.[45] (see Figure 6)
- Asset stock per property increased on average (CAGR) 4.6 percent.

5.3.1.2 Over the Forecast Period:

- The Council plans to renew its assets in line with its AMP, which is guided by its Affordability Framework,[46] to achieve an ARFR net of 100.0 percent. (see Figure 6) The forecast depreciation-based ARFR has an average value of only 56.8 percent, which in comparison with the ARFR net (100.0 percent), indicates some misalignment of the values for asset renewal and depreciation, in that depreciation does not appear to reflect the recent assessment of remaining asset lives and asset values.[47]
- Asset renewal is forecast to comprise 90.5 percent of total capital expenditure over the forecast period, with most of the expenditure on new or upgraded assets to be spent on the CWMS.[48]

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[45] This asset renewal expenditure includes the reconstruction of Riverview Drive in Berri, completed in July 2025, which suffered significant damage as a direct response to building an earth levee along the road during the 2022-23 River Murray flood. The Council received 70 percent of project funding for like-for-like road renewal through the South Australian Government's Local Government Disaster Recovery Assistance Arrangements. Lyrup Road is the Council's last major flood-recovery project, which saw the State Government commit to 100 percent of the project funding.

[46] While the affordability framework does not fully meet the ideal capital renewal requirements, it adopts a strategic, service-level and risk-based approach, which enables renewal of critical assets while extending the life of other assets, where appropriate, to ensure a balanced and sustainable pathway forward. (See Berri Barmera Council Long Term Financial Plan 2026-2035 and Asset Management Plan – Plant and Equipment 2024-2034 p 5.)

[47] For example, over the Forecast Period, net asset renewal expenditure averages $4.8 million per year, while depreciation expenses average $8.4 million per year.

[48] See Berri Barmera Council, Long-Term Financial Plan 2026-2035 pp 23 and 24.

5.3.2 The Commission's recommendations on asset renewals expenditure

The Commission notes that the Council has made significant progress towards improving its asset management over the past two years.

The Commission recommends that the Council:

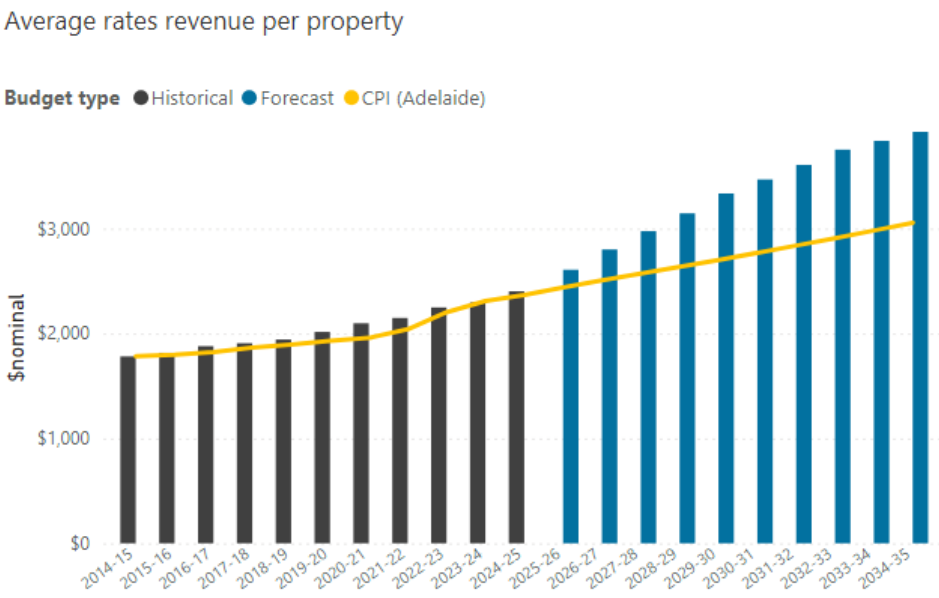
2. Update group AMPs at least every four years to incorporate current and accurate asset values and remaining asset lives in line with accounting standards.
3. Closely monitor the condition of assets and review asset service levels regularly to ensure that asset renewals do not occur without being absolutely necessary or undertake maintenance to extend asset lives in order to control expenditure.
4. Establish processes to ensure value for money in procurement can be achieved and capital expenditure is controlled.
5. Review values for asset renewal and depreciation, to ensure that depreciation reflects the recent re-assessments of asset values and useful lives.

6 Advice on current and projected rate levels

6.1 Key points

- Residents of the Council area are relatively disadvantaged in according to the 2021 SEIFA rankings,[49] so are less able to pay the State average level of rates of $1,727 per property.
- The Council forecasts that it will increase rates per property at a higher amount than average inflation.

Figure 7: Average rates revenue per property – historical and forecast



Rates per property increased on average at 2.9 percent per annum over the Historical Period, in line with CPI. The Council plans to increase rates per property at an annual average of 4.6 percent, compared with forecast CPI averaging 2.5 percent, reflecting the Council's strategy to increase its total income by more than total expenses to deliver an operating surplus over the last three years of the period. (see Figure 7)

This strategy carries significant risks, one of which is that the Council is unable to contain its operating expenses to forecast levels, which was discussed in section 5.1.4. The other risk is that continuing to increase rates well above forecast inflation will increase affordability risk, which will be discussed in section 6.4.

[49] The 2021 SEIFA rankings gave Berri Barmera Council a score of 929 (where 1,000 is average) and a rank of 14 out of 71 councils in the State, which indicates that the Council is relatively disadvantaged. Available at: https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/latest-release#index-of-relative-socio-economic-advantage-and-disadvantage-irsad- .

6.2 Proposed rate increases for 2025-26

The Council increased general rates revenue by 8.8 percent for 2025-26,[50] which is higher than inflation of 2.2 percent for the twelve months ended 31 March 2025.[51]

6.3 Projected further rate increases

The Council plans to achieve a surplus over the Forecast Period by increasing its total income through average annual (CAGR) rates growth of 5.6 percent,[52] which includes forecast growth in the number of rateable properties at a CAGR of 1.0 percent and growth in the average rates per property at a CAGR of 4.6 percent, higher than forecast average inflation of 2.5 percent.

The Council held community consultation sessions in July 2025 that received community support for the planned increases in rates.

6.4 Affordability risk

The Council's SEIFA score of 929 and ranking of 14 out of 71 councils/communities in 2021[53] suggests that the Council area is relatively more disadvantaged than other council areas in terms of comparative income, education, employment, occupation, housing and family structure.

For example, the median total income (excluding Government pensions and allowances) was $47,051 in 2022, above that of the neighbouring similar council of Renmark Paringa of $43,536,[54] but below the average of $53,353 for the State of South Australia and the average for Australia of $55,062.[55]

The unemployment rate for Berri Barmera was 5.6 percent in 2021,[56] compared with a rate of 4.7 percent in Renmark Paringa, 5.4 percent for South Australia[57] and 4.9 percent nationally in 2021.[58] This indicates an additional level of hardship for residents.

The average rates per property of $1,706 in the 2023-24 financial year was high compared to average rates of $1,382 for Renmark Paringa and slightly below the state average of $1,799,[59] which makes the average level of rates relatively less affordable than those for other councils, given the lower-than-average level of income for the Council area.

Noting the current relatively high level of average rates and the relatively high affordability risk for this community, it will be important for the Council to progress towards increasing the rates per property at levels closer to CPI, as the Council emerges into a sustainable financial position and continue to engage with the community about rate increases.

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50 This incorporates growth in number of rateable properties of 0.2 percent.

51 Available at: https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/mar-quarter-2025 for the CPI - Adelaide for the March Quarter 2025.

52 See Berri Barmera Council, LTFP 2026-2034 p 22 and p 35.

53 See ABS, SEIFA by Local Government Area available at https://profile.id.com.au/adelaide/seifa-disadvantage .

54 See ABS, SEIFA by Local Government Area available at https://dbr.abs.gov.au/compare.html?lyr=lga&rgn0=40520&rgn1=46670.

55 See ABS, Region Summary: South Australia available at https://dbr.abs.gov.au/region.html?lyr=ste&rgn=4 .

56 See ABS, Region Summary: South Australia available at https://dbr.abs.gov.au/region.html?lyr=lga&rgn=40520

57 See ABS, Region Summary, South Australia ay by State/Territory (STE) available at https://dbr.abs.gov.au/region.html?lyr=ste&rgn=4

58 See ABS, Region Summary: South Australia available at https://dbr.abs.gov.au/compare.html?lyr=lga&rgn0=40520&rgn1=46670 and for Australia, June 2021 available at Labour Force, Australia, June 2021 | Australian Bureau of Statistics.

59 See SA Local Government Grants Commission Database reports 2023-24 Report 6 available at Publications - Department for Infrastructure and Transport - South Australia.

6.4.1 The Commission's advice on affordability risk

The Commission recommends that the Council:

6. Progress towards growth in rates per property in line with CPI as the Council emerges into a sustainable financial position.

7 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Council's ability to:

- achieve and maintain an operating surplus while fully funding asset renewal and replacement in line with the AMP
- establish effective project governance and oversight to deliver major projects on time and on budget in line with the AMP
- move towards growth in rates per property in closer alignment with CPI
- contain costs to levels aligned with CPI, and
- continue to achieve improvements in asset management, including achieving the goals to revalue assets at least every four years and maintain service delivery standards.

8 Appendix: Glossary of terms

Term	Explanation
ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP) This Council's equivalent is the AMPS.
AMPS	Asset Management Plan Summary 2026 - 2035
ARFR	Asset Renewal Funding Ratio: renewal expenditure based (gross): Asset Renewal Expenditure / IAMP Renewal Expenditure (where IAMP expenditure includes sale of replaced assets) Asset Renewal Funding Ratio - renewal expenditure based (net) - if IAMP excludes sale of replaced assets: Asset Renewal Expenditure / IAMP Renewal Expenditure (where IAMP expenditure excludes sale of replaced assets) Asset Renewal Funding Ratio (depreciation based): Asset Renewal Expenditure / Depreciation (IAMP Renewal Expenditure is that required according to the IAMP.)
CAGR	Compound Annual Growth Rate: CAGR = $(\underline{Vfinal / Vbegin})^{1/t} - 1$ CAGR represents the mean annualized growth rate for compounding values over a given time period. CAGR smooths the effect of volatility of periodic values that can render arithmetic means less meaningful. (Source: Wikipedia)
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Berri Barmera Council
CWMS	Community Wastewater Management System
ESC Act	*Essential Services Commission Act 2002*
F&A	Local Government Advice: Framework and Approach – Final Report
Forecast Period	10 years from 2025-26 to 2034-35
FTE	Full Time Equivalent
Historical Period	10 years 2014-15 to 2023-24
IAMP	Infrastructure and asset management plan (also called an AMP)

Term	Explanation
LG Act	*Local Government Act 1999*
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Pa per 9 - Financial Indicators Revised May 2019
LTFP	Long-term financial plan
NFLR	Net Financial Liabilities Ratio Net Financial Liabilities are defined as: Total Liabilities LESS Current Assets (Cash and Cash Equivalents) LESS Current Assets (Trade and Other Receivables) LESS Current Assets (Other Financial Assets) LESS Non-Current Assets (Financial Assets - excluding equity accounted investments in council businesses) The net financial liabilities ratio is: Net financial liabilities ÷ Total Operating Income
OSR	Operating Surplus Ratio The Operating Surplus (Deficit) is defined as: Total Operating Income LESS Total Operating Expenses The Operating Surplus Ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
The scheme or advice	Local Government Advice Scheme

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