

Building a better community



2023 - 2033

Long Term Financial Plan



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Introduction

Under section 122 (1a) of the Local Government Act 1999 a Council must, in conjunction with its strategic management plans develop and adopt a Long Term Financial Plan (LTFP) for a period of 10 years.

Within the plan the following must be taken into account:

- expected expenses and capital outlays for each year of the plan;
- expected revenues for each year and their source;
- any variations in net debt required as a result of expected cash flow needs;
- performance measures to enable assessment of the Council's financial sustainability;
- other documents that relate to the LTFP;
- assumptions that have been used in the development of the LTFP which may include variations to service levels provided to the community;

The Local Government Act 1999 requires Councils to have a suite of up to date documents that collectively form their Strategic Management Plans (SMPs). These suite of plans are made up of a Strategic Community Plan, a LTFP and various Infrastructure and Asset Management Plans. The SMP's should be consistent and initiatives proposed in either of the plans must be appropriately linked to the Council's objectives and aspirations stated within its Strategic Community Plan.





Our Council



Mayor Ella Winnall



Cr Trevor Scott



Cr Rhonda Centofanti



Cr Andrew Kassebaum



Cr David Waterman



Cr Bruce Richardson OAM



Cr Ian Schlein



Cr Adrian Little



Cr Collis Marrett

Executive Summary

The Long-Term Financial Plan is an important part of Council's budgeting framework as it helps Council to monitor long term financial sustainability while working to address the needs and expectations of the community.

The purpose of a long-term financial plan is to assist Council in setting its future financial direction. Longer term planning is essential to assess revenue raising needs and capacity, to review and vary service levels and capacity to undertake major additional capital works while ensuring that a Council remains financially viable in the long term.

A long-term financial plan is similar to, but less detailed than the annual budget. Without a long-term financial plan Council is at risk of taking on additional services without careful consideration of the implications for their financial sustainability.

Therefore, like the annual budget a long-term financial plan should guide the Council's future decisions and timing of actions, while encouraging it to think about the impact of these on future revenues and expenses.

Every year the assumptions applied throughout the Long-Term Financial Plan (LTFP) are reviewed and amended, if necessary, to reflect community needs as well as the economic conditions and foreseeable future.

Council is mindful of the community's ability to pay and has worked hard over recent years to turn its operating result into a surplus by identifying and reducing costs without sacrificing any of the necessary services it provides.



The Long-Term Financial Plan has been prepared with several key assumptions being determined including:

- The Long-Term Financial Plan reflects existing recurrent service levels to our community being maintained. Council's budget process considers ongoing service delivery and commitments and new expenditure items and initiatives.
- Infrastructure and Asset
 Management Plans have been
 developed assisting Council to
 predict new and renewal
 infrastructure needs that meet
 future community service
 expectations as well as the costs
 associated with maintenance.
- The projected service charge for the Community Wastewater Management Scheme has been kept to a minimum, although at cost recovery, in order to meet ongoing expenditure requirements.

- Where possible additional capital works or major projects will be funded from external **grant monies**, which Council will actively pursue that deliver against the strategic plan.
- The financial indicators as described further in this plan have been a determining factor when allocating capital outlay on the various categories of assets.
- Projected indexation that has been applied over the life of the plan is provided in the table on the following page.
- From June 2023 a Funding Plan will accompany the Long Term Financial Plan, pursuant to the new legislation.



Dylan Strong, Chief Executive Officer



Assumptions

Berri Barmera Council - LTFP Assumptions

	2022-	2023-	2024-	2025-	2026-	2027-	2028-	2029-	2030-	2031-	2031-
	23	24	25	26	27	28	29	30	31	32	32
	Plan										
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PROJECTED EXPENDITURE											
INDEXATION (%)	2.5%	4.2%	3.3%	3.1%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
. ,											
DDG ISOTED WAS GER INDEXATION OF	4.70	0.50	0.50			0.50	0.50/	0.50	0.50	0.50	
PROJECTED WAGES INDEXATION (%)	4.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
PROJECTED RATE GENERAL											
INCREASES	0.0%	0.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
PROJECTED RATE GROWTH											
(Development)	6.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
(Coverage in City)	01070	11070	11070	11070	11070	11070	11070	11070	11070	11070	11070
PROJECTED SERVICE CHARGE											
INCREASES - Effluent Drainage	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
PROJECTED SERVICE CHARGE											
INCREASES - Waste Management	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
POPULATION	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,484	10,484
FOFULATION	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404



Projected Expenditure Indexation

The projected expenditure indexation has been set at 4.3% for 23/24, 3.3% for 24/25, then 3.1% for 25/26 then back to 2.5% for the duration of the plan.

Although the Adelaide CPI was set at 1.2% for the March 2023 quarter with an average of 7.9% for the 12-month period. Council feels an assumption of price increases set at 4.3% is per the Local Government CPI more in line with the increase to costs applicable to the Local Government Industry.

Projected Wage Indexation

Council have assumed increase to wages based on recent Enterprise Bargaining Agreements and those within the industry, which is still ongoing and will be amended once the Enterprise Bargaining Agreements are finalised.

Projected General Rates Increase

The assumption is to raise rate revenue in line with the increase to expenditure. The percentage increase is that applied to the rate in the dollar that is then applied to the capital valueof property as provided to Council by the Valuer-General. For 2023/2024 Council resolved to have a minus 9% decrease in the rate in dollar forresidential properties and minus 2.5% decrease in the rate in the dollar forprimary production properties and 4% for commercial and industrial properties. This resulted in an overall average of 1.37% (including growth) increase in rates generated.

Projected Rate Growth due to Development

Rate growth for 2023/2024 at 1% is a result of new properties and capital valuation increases provided by the Valuer General.

Projected Service Charge Increase – Community Wastewater

Management Scheme (CWMS) and Waste Management Assumptions have been set to ensure recovery of expenditure in relation to the prescribed services to maintain reserve balances.

CWMS = effluent drainage

Population

10,484 as per the 2021 Census data.



The activities of Council are very asset intensive. As at 30 June 2023 the replacement value of Council's non-current assets was \$207 million of which categories include:

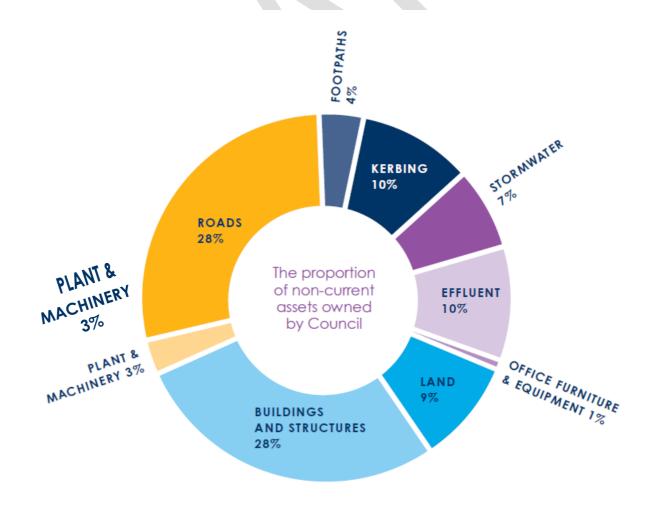
- Land
- Buildings and Structures
- · Plant, Furniture and Equipment
- · Roads, Footpaths and Kerbing
- Stormwater
- Community Wastewater Management Schemes (effluent)

Many of these assets have long lives and require substantial maintenance, rehabilitation and replacement within a 10-year period. Community demands for better and additional Local Government services are increasing all the time.

Unlike other forms of government, Councils have very limited revenue sources and many people in the community are resistant to increases in property rates.

Councils need to plan for the long term and ensure that funds are made available to maintain assets as required, so that assets achieve theirfull intended service life and whole oflife asset costs are minimised.

With this in mind, it is imperative that Councils have well developed Long-Term Financial Plans to help guide decision making and to protect their future financial sustainability.





Key Conclusions

The Long-Term Financial Plan (LTFP) demonstrates Council's financial sustainability over the term of the plan while still maintaining the level of services it currently provides to the community.

The estimated surpluses over the latter part of the plan provides Council with the surety that it is in a position to fund any new initiatives that are either built into the plan or any initiatives that may arise in the future.

The Long-Term Financial Plan needs to not only reflect community wants and needs but also what can be afforded without detriment to the Council's longer term financial sustainability. Community input is vital if a Council is to achieve the best results from the development of its plans.

The Local Government Act 1999 states that "a council must adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans."



External Influences

and Risks

Consumer Price Index (All Adelaide)

The Consumer Price Index (CPI) is regarded as Australia's key measure of inflation for household consumables. It is designed to provide a general measure of price inflation for the Australian household sector as a whole. This Long-Term Financial Plan includes CPI which will change with the current economic times. CPI for Adelaide for the March 2023 quarter was set at 1.2%, which brings the 12-month CPI to 7.9%.

Local Government Price Index

The Local Government Price Index (LGPI) is an independent measure of the inflationary effect on price changes in the South Australian Local Government sector, developed by the Australian Bureau of Statistics (ABS) and updated by the South Australian Centre for Economic Studies on a quarterly basis. Council notes the most recent LGPI and uses its relativity to CPI in order to generate forecast across the life of the Plan.

Federal Assistance Grants

The South Australian Grants Commission is responsible for the distribution of untied Commonwealth Financial Assistance Grants to Local Government in accordance with State and Federal legislative requirements.

Council normally receives approximately \$2.5 million per year in Financial Assistance Grants. This allocation of this grant is based on predetermined methodology involving analysis of Council's income raising capacity and expenditure requirements compared with State averages and other factors such as Council's demographic profile, the movement in its population relative to the movement in both South Australia's and Australia's population and the community's ability to pay relative to other Council communities.

Changes to the total grant funding pool, the methodology or even Council's demographics have the potential to impact on the amount of grant assistance provided to the Council.

In addition to the amount of this grant, the timing of when the grant is paid could also have a potential impact on the Long-Term Financial Plan. The Australian Accounting Standards applying to Local Government require the grants received within a financial year are shown as income in the year that it is received rather than the year for which it is intended. This issue has impacted on Council in the past but not anticipated within the Long-Term Financial Plan.

Interest Rates

Although minimal new loans are included within the Long-Term Financial Plan, Council has taken a simple but conservative approach and has allowed for interest rates of 4.0% to 5.8% over the next 10 years as a variable rate for the requirement of cash advance facility drawdowns. These assumptions are reviewed annually and if changes are made to official interest rates by the Reserve Bank of Australia corresponding adjustments will be updated within the Long-Term Financial Plan.

Superannuation Guarantee

As part of the 2014 Federal Budget, the Federal Government determined superannuation will increase progressively from 9% to 12% as follows:

Year	Contribution Rate
1 July 2020 – 30 June 2	9.5%
1 July 2021 – 30 June 2	2022 10.0%
1 July 2022 – 30 June 2	2023
1 July 2023 – 30 June 2	2024 11.0%
1 July 2024 – 30 June 2	2025 11.5%
1 July 2025 – 30 June 2 onwards	2026 12.0%

Council
has allowed for
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over the next
10 years

Operational Costs – Fuel, Water, Electricity and Waste Management

The volume of fuel required to operate Council's plant, equipment and vehicle fleet is significant and movements in the price of fuel above the general rate of inflation may have the potential to significantly affect Council's financial position. Conversely, future transition to an electric vehicle fleet has the potential to also impact Council's financial position. At the moment availability of these vehicles due to the affects of COVID-19 is a major issue.

A critical element of the Berri Barmera Council's maintenance and upkeep of its parks, gardens, open spaces and sporting amenities is the effect of the price movements for water above the general rate of inflation and the potential to significantly affect Council's financial position in order to maintain the level of service it currently provides to the community.

Council continues to explore ways and opportunities to minimise the reliance on water and improve irrigation practices to ensure the top level of service is maintained. The cost of electricity to the Berri Barmera Council is significant, any movements in the price of energy above the general rate of inflation has the potential to significantly affect Council's financial position. Council is investing in LED street lighting and solar options and other ways to reduce energy use and reliance.

The way waste is managed in Australia is changing considerably as a response to China's policy to reduce importation of recyclables. This will impact Council, meaning it will also impact ratepayers. It will take time for Australia, business and industry to establish processing plants that can convert recyclable materials into by products and to reduce household waste going to landfill. The cost to Council for the management of household waste therefore has the potential to significantly affect Council's financial position. Council are investigating a variety of measures to introduce sustainable waste management practices including ongoing education for the community to reduce future waste management charges.



Cost Shifting

Each year Council is impacted to some extent by cost increases through legislative changes, additional compliance requirements, reductions in funding and increases in taxes or levies. Examples being the increase to the solid waste levy passed by the State Government in 2019/2020 above CPI and the impact legislation such as the Litter, Noise and Nuisance Legislation passed onto to Councils from the State without resources.

Local Government Reform

The Statutes Amendment (Local Government Review) Act 2021 have required consultation, training and resource application to ensure the amendments are implemented within legislated timeframes.

The State Government's proposed reforms are divided into four themed areas:

- Council member capacity and conduct
- Lower costs and enhanced financial accountability
- Efficient and transparent local government representation
- · Simpler regulation.

The Review Bill will be implanted over a 2-year period (until 30/06/2023 when the Funding Plan needs to accompany the LTFP) with the assistance of the Local Government Association, through the LG Equip program.



Council Operations

Operating Income

Rates

Rates revenue includes amounts received from general rates, Community Wastewater Management Schemes (CWMS) service charges (effluent disposal charges), Waste Management service charges, levies collected on behalf of the state government such as the Regional Landscape Levy and late payment penalties applied. Any mandatory or discretionary rebates applied pursuant to the Local Government Act 1999 are netted off against the appropriate rate revenue charges.

A 9% minus in the rate in the dollar for residential rates, minus 2.5% on primary production and minus 4% for commercial and industrial has been proposed for the 2023/2024 budget, which would lead to an average rate of 1.37%.

For future years of the financial plan rate increases have trended upwards to 2.5% and have factored in a return of growth to the area at 1.0%.

Development growth accounts for new properties, houses, subdivisions and other developments in the region. Property development has resulted in an estimated 1.0% development growth in rates.

Council will always, however, attempt to identify other sources of revenue where possible.

Charges relating to the Community Wastewater Management System (effluent disposal) will be the same in 2023/2024 at 2.5% with maintenance costs and capital upgrades kept to a minimum. Increases throughout the 10-year term for this service charge have been reviewed with increases of 2.5% for the remaining years of the plan. The aging infrastructure of the scheme and the introduction of the Wastewater Re-use Scheme have meant some increases are necessary to retain the viability of the scheme. We are currently undertaking conditions reporting.

In addition, capital upgrades are required to ensure new connections for prospective industry are catered for.

An annual service charge is also included for the specific purpose of the collection and disposal of waste. The service will include a weekly domestic collection in a smaller 140 litre bin for all properties, a fortnightly recycling collection of a 240 litre bin for all properties as well as a fortnightly green waste collection of a 240 litre bin for town residential properties. This service charge will remain thesame at 2.5% for 2023/2024.

Council are advised annually of the Regional Landscape levy to be recovered from ratepayers.



Statutory Charges

Statutory charges are set by regulation and collected by Council for regulatory functions. They include such fees as assessment of development applications, town planning fees, building act fees, dog registration fees and fines, parking fees and fines, litter fines, rates search fees, health related fees and environmental control fees and fines.

Statutory charges have a projected increase of 2.5% per annum.

User Charges

User charges comprise of charges for the use of Council owned facilities such as hall hire, sporting facilities hire, library fees and fines, cemetery fees, waste collection and disposal and other sundry sales.

User charges have been projected to increase by 2.5% per annum.

Grants, Subsidies and Contributions

A significant portion of Council's revenue is derived from Commonwealth Financial Assistance Grants which is administered and distributed by the South Australian Local Government Grants Commission. The Commonwealth Local Government (Financial Assistance) Act 1995 governs the way in which the grants are distributed to each State and from there onto each Council.

Excluded from this category of income are grants and subsidies and contributions received specifically for new or upgraded assets.

The Australian Government committed to an extension of the Roads to Recovery Program from 2019/2020 for a further 5 years. Council's total allocation under the Roads to Recovery Programme is \$1,088,301. In the next year, we will undertake works on Riverview Drive.

Other regular minor grants have also been assumed to continue and have been increased by 2.5%. Examples of these are the Library Maintenance Grants.

Investment Income

Investment income is revenue from financial investments or loans to community groups.

In line with Council's Treasury
Management Policy investments
are either placed with the Local
Government Finance Authority or
with one of the four major banks.
Council uses financial reserves to
set aside funds for future specific
purposes such as plant replacement,
land development and community
wastewater management schemes.
Such reserves earn interest that is
either returned to Council as revenue
or re-invested in the reserve.

It is best practice, however, that any funds that are not immediately required to meet approved expenditure is applied to reduce level of borrowings or to defer/reduce levels of future borrowings.

Investment income for deposits held has been projected at 2.5% per annum.

Reimbursements

Reimbursements are amounts received for work done, or expenses incurred, by the Council acting on behalf of other government bodies, property owners, organisations or individuals.

Reimbursements stayed the same at 2.5% per annum.

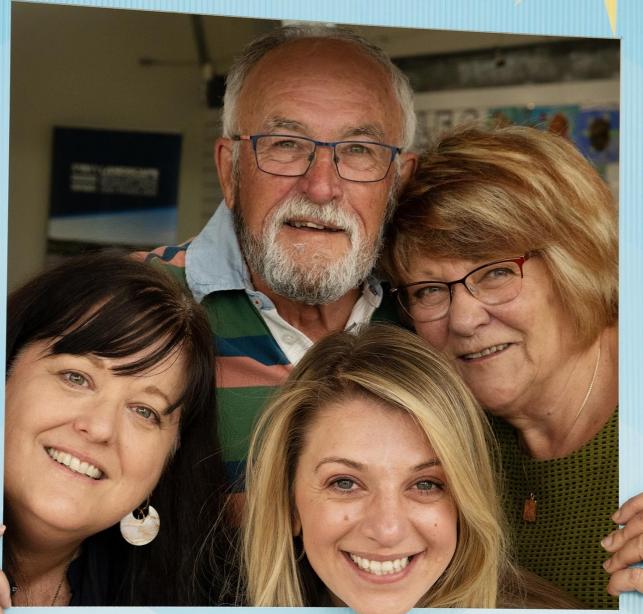
Other Revenues and Commercial Activities

Other revenues are revenues not classified elsewhere such as insurance recoveries, rebates and the like. Income derived from commercial activities is received from activities solely carried out to generate revenue such as the operation of the Visitor Information Centre.

Other revenues and commercial activities income have been projected to increase by 2.5% per annum.

Council
uses financial
reserves to set
aside funds for
future specific
purposes

Berri Barmera



HAVINGFUN

in Berri Barmera



Operating Expenditure

Employee Costs

This expenditure line includes all expenditure relating to the employment of Council's staff and includes on-costs such as superannuation, workers compensation insurance and accrued leave entitlements. Any of the above costs associated with capital works is not included.

An increase of 2.5% has been applied to 2023/2024. For the remaining years of the plan increases of 2.5% have been factored. It has also been assumed that staffing levels will remain relatively static over the 10-year period. Some areas such as the Depot may grow, while others would change due to digitisation.

Materials, Contracts and Other Expenses

Materials, contracts and other expenses include costs associated with the purchase of all goods and services such as insurances, light and power, fuel and oil, consulting fees, repairs and maintenance and all other costs not elsewhere classified.

An assumption has been made that all operational costs relating to materials, contracts and other expenses will increase by 4.3% per annum. However, a review of all expenditure lines are carried out annually during the annual budget process to identify any cost savings that can be made.

Finance Expenses

Finance costs represent interest payments on loans.

Interest costs for any new loans factored into the latter part of the plan have been calculated at between 4.0% to 5.8% per annum.

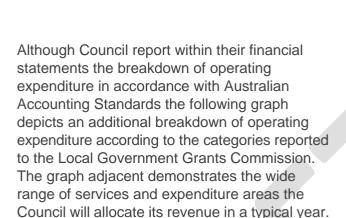
Council's Treasury Management Policy encourages the use of cash reserves over loan borrowings to fund capital works and for the management of cash flow.

However, loan borrowings have been utilised where necessary to fund appropriate capital works and the costs associated with the loans factored into the operational expenses of Council.

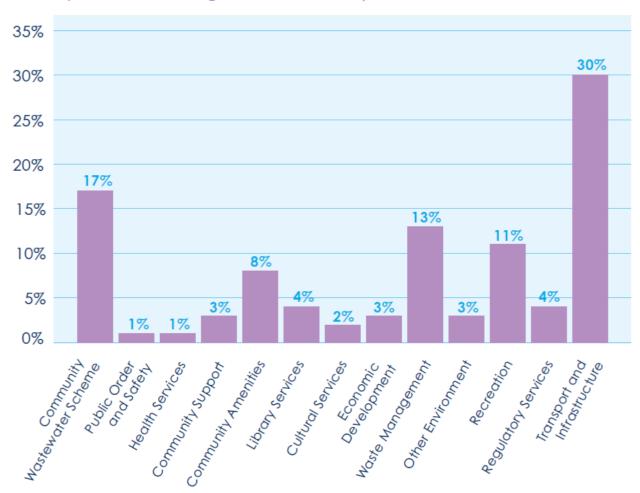
Depreciation, Amortisation and Impairment

Although depreciation is not a cash expense to Council it is an expense that represents the wear and tear of Council's asset base, and which reflects the consumption of the assets being used. All things being equal an equivalent amount should be spent on the renewal and replacement of such assets over the long run.

Depreciation expense is calculated using the straight-line method with increases aligned with the assumed indexation rate of 2.5% per annum. This will be reassessed with revaluations before 30/6/2023.



Proposed operating expenditure by function average over life of the plan



Capital Income and Expenditure

Buildings and Structures

- Once the Barmera multi-sports changeroom and oval lighting is complete Stage 2 of the project to streetscape and beautify the area will commence.
- Inclusion of Master Planning at key community precincts and estimates for outcome delivery has been included over the initial 5 years of the long-term plan.
- Included within the Long-Term Financial Plan is a budget estimate for future planning around the Berri Library. This project will address aesthetic, functionality, of a new library in the centre of town due to the library having to move from the high school in the future.
- Ongoing allocations for building, as structure renewals have been included throughout the life of the plan in line with Council's Buildings Asset Management Plan.
- Council has a vast number of playgrounds with equipment now reaching end of asset life. There has been an allocation for playground equipment renewal each year.
- Various projects such as replacement of pine posts around parks and sporting grounds as well
 as erection of shade structures and park furniture will be undertaken throughout the course of
 the plan.
- Ongoing budget allocations have been included for the renewal and upkeep of Council's cemeteries.
- Council is required to maintain a Disability Access and Inclusion Plan. The LTFP allows for some infrastructure projects as an outcome of the Plan.



Roads, Footpaths and Kerbing

- Over the course of the plan funding is allocated towards the renewal and replacement of roads. The location priority has been determined by a condition rating exercise and incorporated into Asset Management Plans.
- The Roads to Recovery Program will fund some of the asset renewal as required.
 Other funding such as "Special Local Roads" will be sourced wherever possible.
- New and upgrade of roads will be budgeted for to ensure service delivery of road infrastructure remains adequate for the community.
- An amount determined within the Asset Management Plans have been included in the LTFP onwards from years 2023/2024 for further road upgrades.
- An amount has been allocated each year for the resealing of roads as well as resheeting and re-rubbling of Council roads and indexed at 2.5% in order to maintain Council road infrastructure. This is in line with the results of the Roads Asset Management Plan 2019/2020.
- Allocations towards the renewal and upgrade of kerbing has been built in over the life of the plan according to priorities determined by condition rating and defined within the Kerbing Asset Management Plan 2019/2020.
- A Footpath Asset Management Plan 2019/2020 has been developed and provided information regarding required allocations for the continued upgrade and renewal of footpaths and gopher routes. This allocation has been indexed at 2.5% over the life of the plan.
- The replacement of Berri and Barmera pavers within the CBD's will continue from 2023/2024 onwards. The allocation is adjusted annually in line with the condition rating within Council's Asset Management Plan.

Stormwater

 Stormwater infrastructure asset renewal projects have been identified and carried out over the course of the plan according to priorities set in the Asset Management Plan.

As Stormwater Asset
Management Plans are
scheduled for update in
2023/2024, it is expected these
priorities may be revised.

Community Wastewater Management Scheme (CWMS)

 Due to the age of some of the infrastructure within the CWMS (particularly Barmera township) capital renewal amounts have been included throughout the life of plan to ensure infrastructure is renewed on an ongoing basis.

As the CWMS Asset Management Plans are scheduled for update in 2023/2024, it is expected these priorities may be revised.

Plant and Equipment

- Replacement of motor vehicles for regulatory functions such as building inspection, health inspection, general inspection and office requirements have been incorporated on a rotational basis every 2-3 years.
- The delivery of the Riverland Council's regional Information and Communication Technology (ICT) Strategy has been incorporated over the life of the LTFP. This project will ensure effective, modern and best practiceICT requirements for staff and the community. Efficiencies will be gained by all 3 Riverland Councils working together in partnership.
- The replacement of IT and digital devices has been included over the life of the plan for use by Elected Members.
- Replacement of plant, furniture and equipment for the Berri Visitor Information Centre, Berri and Barmera Libraries and Berri Depot.
- Major plant replacements have been included according to the plant replacement programme adopted by Council.





Financial

Statements

BERRI BARMERA COUNCIL - LONG-TERM FINANCIAL PLAN - SUMMARY STATEMENT

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	Plan										
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenues	22,117	18,994	19,345	19,921	20,726	21,339	21,975	22,633	23,315	24,019	24,421
less Operating Expenses	(24,036)	(19,158)	(19,263)	(19,782)	(20,617)	(21,038)	(21,530)	(22,032)	(22,541)	(23,068)	(22,751)
Operating Surplus / (Deficit) Before											
Capital Amounts	(1,919)	(164)	82	139	109	301	445	601	774	952	1,670
Less: Net Outlays on Existing Assets											
Capital Expenditure on											
Renewal/Replacement of Existing Assets	(3,790)	(3,384)	(2,636)	(2,534)	(2,888)	(3,109)	(2,986)	(3,079)	(3,254)	(3,354)	(3,565)
less Proceeds from Sale of Replaced	(3,790)	(3,304)	(2,030)	(2,004)	(2,000)	(3,109)	(2,900)	(3,079)	(3,234)	(3,334)	(3,303)
less Depreciation, Amortisation &	3,665	3,797	3,961	4,060	4,169	4,273	4,380	4,489	4,601	4,716	4,621
Net Outlays on Existing Assets	(125)	413	1,325	1,526	1,281	1,164	1,394	1,410	1,348	1,362	1,056
Less: Net Outlays on New and											
Upgraded Assets											
Capital Expenditure on New/Upgraded											
Assets	(6,852)	(4,364)	(6,317)	(1,473)	(767)	(741)	(674)	(718)	(718)	(734)	(765)
less Proceeds from Sale of Surplus Assets	-	150	150	-	-	-	100	100	100	100	100
less Amounts received specifically for new											
or upgraded assets	1,447	750	1,430	75	50	50	50	50	50	50	50
Net Outlays on New and Upgraded											
Assets	(5,405)	(3,464)	(4,737)	(1,398)	(717)	(691)	(524)	(568)	(568)	(584)	(615)
Equals: Net Lending / (Borrowing)											
for Financial Year	(7,449)	(3,215)	(3,330)	267	673	774	1,315	1,443	1,554	1,730	2,111
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2030-31	2032-33
KEY FINANCIAL INDICATORS	Plan										
Operating Surplus / (Deficit) - \$'000	(1,919)	(164)	82	139	109	301	445	601	774	952	1,670
Operating Surplus Ratio - %	-8.8%	-0.9%	0.4%	0.7%	0.5%	1.4%	2.1%	2.7%	3.4%	4.0%	7.0%
Net Financial Liabilities - \$'000	12,599	17,264	20,375	19,878	14,744	13,787	12,490	11,111	9,643	6,784	5,719
Net Financial Liabilities Ratio - %	58%	93%	107%	102%	72%	66%	58%	50%	42%	29%	24%
Interest Cover Ratio - %	0.8% 100%	0.8% 100%	0.9% 100%	0.7% 100%	1.5% 100%	1.3% 100%	1.1% 100%	1.0% 100%	0.8% 100%	0.7% 100%	0.7% 100%
Asset Renewal Funding Ratio - %	100% 55%	100% 56%	100% 58%	100% 57%	100% 62%	100% 62%	100% 62%	100% 62%	100% 62%	100% 62%	100% 61%
Asset Consumption Ratio - %	55%	30%	50%	37 70	0270	0Z 70	0Z 70	0Z 70	02%	0270	01%

BERRI BARMERA COUNCIL- LONG-TERM FINANCIAL PLAN – ESTIMATED INCOME STATEMENT

	2022-23 Plan \$'000	2023-24 Plan \$'000	2024-25 Plan \$'000	2025-26 Plan \$'000	2026-27 Plan \$'000	2027-28 Plan \$'000	2028-29 Plan \$'000	2029-30 Plan \$'000	2030-31 Plan \$'000	2031-32 Plan \$'000	2032-33 Plan \$'000
INCOME (1) Rates Statutory charges User charges Grants, subsidies and contributions Investment Income Reimbursements Other Revenues Share of profit – joint ventures & associates (2)	14,193 324 174 3,082 83 4,185 76	14,476 338 176 3,208 77 634 84	14,787 347 189 3,223 58 658 83	15,254 356 193 3,303 55 675 85	15,934 369 189 3,391 47 446 349	16,439 378 194 3,476 38 457 358	16,960 388 198 3,563 31 468 367	17,497 397 203 3,652 27 480 376	18,052 407 208 3,743 27 492 385	18,625 418 214 3,837 27 504 395	19,021 415 211 3,850 27 505 392
Total Revenues	22,117	18,994	19,345	19,921	20,726	21,339	21,975	22,633	23,315	24,019	24,421
EXPENSES Employee Costs Materials, contracts & other expenses Finance Costs Depreciation, Amortisation & Total Expenses	9,954 10,155 262 3,665 24,036	5,819 9,307 235 3,797 19,158	5,800 9,269 233 3,961 19,263	6,061 9,461 200 4,060	6,442 9,651 355 4,169 20,617	6,604 9,847 313 4,273 21,038	6,771 10,105 274 4,380 21,530	6,942 10,359 242 4,489 22,032	7,115 10,608 216 4,601 22,541	7,293 10,869 189 4,716 23,068	7,200 10,745 185 4,621 22,751
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(1,919)	(164)	82	139	109	301	445	601	774	952	1,670
Net gain/(loss) on disposal or revaluation Amounts received specifically for new or upgraded assets Physical Resources received free of charge	1,447	- 750	1,430	- 75	50	50	50	50	50	- 50	- 50
NET SURPLUS/(DEFICIT)	(472)	586	1,512	214	159	351	495	651	824	1,002	1,720

BERRI BARMERA COUNCIL - LONG-TERM FINANCIAL PLAN - ESTIMATED BALANCE SHEET

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS											
Current Assets											
Cash & cash equivalents	(3,845)	(5,941)	(10,123)	(10,754)	(6,580)		(6,292)		, , ,	(2,891)	(2,798)
Trade & other receivables	2,686	2,843	2,965	3,039	3,234	3,315	3,398	3,482	3,570	3,659	3,675
Other financial assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	42	211	220	226	240	246	252	258	265	271	274
Total Current Assets	(1,117)	(2,887)	(6,938)	(7,489)	(3,106)	(3,162)	(2,642)	(1,949)	(1,168)	1,039	1,151
Non-current Assets											
Financial Assets	1,139	975	975	975	900	890	850	840	810	790	770
Equity accounted investments in	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant &	152,485	166,288	177,261	183,698	205,409	212,879	220,246	227,934	235,989	240,274	240,123
Total Non-current Assets	153,624	167,263	178,236	184,673	206,309	213,769	221,096	228,774	236,799	241,064	240,893
Total Assets	152,507	164,376	171,298	177,184	203,203	210,608	218,454	226,825	235,631	242,103	242,044
LIABILITIES											
Current Liabilities											
Trade & Other Payables	2,575	2,155	2,247	2,303	2,451	2,512	2,575	2,639	2,705	2,773	2,550
Borrowings	1,378	2,162	2,203	2,898	1,386	1,183	1,065	1,089	248	240	200
Short-term Provisions	1,240	1,381	1,441	1,478	1,555	1,594	1,634	1,675	1,717	1,759	1,790
Sub-total	5,193	5,698	5,891	6,679	5,392	5,290	5,274	5,403	4,670	4,772	4,540
Liabilities relating to Non-current											
Total Current Liabilities	5,193	5,698	5,891	6,679	5,392	5,290	5,274	5,403	4,670	4,772	4,540
Non-current Liabilities											
Long-term Borrowings	7,077	9,126	7,971	6,120	6,536	5,600	4,783	3,942	3,942	3,150	2,426
Long-term Provisions	309	317	330	339	371	380	389	399	409	419	400
Total Non-current Liabilities	7,386	9,443	8,301	6,459	6,906	5,980	5,172	4,341	4,351	3,569	2,826
Total Liabilities	12,579	15,141	14,192	13,138	12,298	11,270	10,446	9,744	9,021	8,342	7,366
NET ASSETS	139,928	149,235	157,106	164,046	190,905	199,338	208,008	217,081	226,610	233,761	234,678
EQUITY											
Accumulated Surplus	31,419	34,639	36,251	36,614	37,144	37,433	37,850	38,412	39,146	44,047	46,656
Asset Revaluation Reserve	106,165	112,131	118,490	125,217	148,866	156,759	164,945	173,425	182,210	191,311	185,667
Other Reserves	2,344	2,465	2,364	2,216	2,140	2,177	2,215	2,254	2,294	3,000	3,100
TOTAL EQUITY	139,928	149,235	157,105	164,047	188,150	196,369	205,011	214,091	223,650	238,358	235,423

BERRI BARMERA COUNCIL - LONG-TERM FINANCIAL PLAN - ESTIMATED STATEMENT OF CHANGES IN EQUITY

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	Plan										
		_	-	-		-	_		-		-
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ACCUMULATED SURPLUS											
Balance at end of previous reporting	32,065	31,419	31,817	33,429	33,792	33,914	34,229	34,686	35,297	36,082	37,047
Net Result for Year	(472)	586	1,512	214	159	351	495	651	824	1,002	1,720
Transfers to Other Reserves	(3,195)	(3,286)	(3,427)	(3,513)	(3,527)	(3,615)	(3,705)	(3,798)	(3,893)	(3,985)	(4,015)
Transfers from Other Reserves	3,021	3,098	3,527	3,662	3,490	3,578	3,667	3,759	3,853	3,949	3,954
Balance at end of period	31,419	31,817	33,429	33,792	33,914	34,229	34,686	35,297	36,082	37,047	38,706
ASSET REVALUATION RESERVE											
Balance at end of previous reporting	100,550	106,165	112,131	118,490	125,217	148,866	156,759	164,945	173,425	182,210	191,311
Gain on revaluation of infrastructure,	5,615	5,966	6,359	6,727	23,649	7,893	8,187	8,480	8,785	9,101	8,964
Balance at end of period	106,165	112,131	118,490	125,217	148,866	156,759	164,945	173,425	182,210	191,311	190,198
OTHER RESERVES (2)											
Balance at end of previous reporting	2,040	2,344	2,598	2,497	2,348	2,384	2,421	2,459	2,498	2,538	2,574
Transfers from Accumulated Surplus	3,325	3,352	3,426	3,513	3,527	3,615	3,705	3,798	3,893	3,985	4,015
Transfers to Accumulated Surplus	(3,021)	(3,098)	(3,527)	(3,662)	(3,490)	(3,578)	(3,667)	(3,759)	(3,853)	(3,949)	(3,954)
Balance at end of period	2,344	2,598	2,497	2,348	2,384	2,421	2,459	2,498	2,538	2,574	2,635
TOTAL EQUITY AT END OF											
REPORTING PERIOD	139,928	146,546	154,416	161,357	185,164	193,408	202,090	211,221	220,830	230,932	231,539

BERRI BARMERA COUNCIL - LONG-TERM FINANCIAL PLAN - ESTIMATED CASH FLOW STATEMENT

	2022-23 Plan \$'000	2023-24 Plan \$'000	2024-25 Plan \$'000	2025-26 Plan \$'000	2026-27 Plan \$'000	2027-28 Plan \$'000	2028-29 Plan \$'000	2029-30 Plan \$'000	2030-31 Plan \$'000	2031-32 Plan \$'000	2032-33 Plan \$'000
CASH FLOWS FROM OPERATING											
Receipts											
Operating receipts	21,968	18,842	19,165	19,792	20,600	21,221	21,861	22,521	23,201	23,903	24,033
Investment receipts	83	77	57	55	47	38	31	27	27	27	25
<u>Payments</u>											
Operating payments to suppliers and	(20,014)	(15,037)	(14,912)	(15,427)	(15,992)	(16,348)	(16,770)	(17,192)	(17,612)	(18,048)	(17,806)
Finance payments	(262)	(235)	(233)	(200)	(355)	(313)	(274)	(242)	(216)	(189)	(190)
Net Cash provided by (or used in)											
Operating Activities	1,775	3,647	4,077	4,220	4,300	4,596	4,848	5,113	5,400	5,693	6,062
CASH FLOWS FROM INVESTING											
Receipts											
Amounts specifically for new or	1,447	750	1,430	75	50	50	50	50	50	50	50
Sale of replaced assets	-	-	-	-	-	-	-	-	-	-	-
Sale of surplus assets	-	150	150	-	-	-	100	100	100	100	100
Repayments of loans by community	212	215	228	237	214	224	68	19	15	10	5
<u>Payments</u>											
Expenditure on renewal/replacement	(3,790)	(3,384)	(2,636)	(2,534)	(2,888)	(3,109)	(2,986)	(3,079)	(3,254)	(3,354)	(3,565)
Expenditure on new/upgraded assets	(6,852)	(4,364)	(6,317)	(1,473)	(767)	(741)	(674)	(718)	(718)	(734)	(765)
Development of real estate for sale	-	_	-	-		-	-	-	-	` -	` -
Loans made to community groups	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in)											
Investing Activities	(8,983)	(6,633)	(7,145)	(3,695)	(3,391)	(3,576)	(3,441)	(3,628)	(3,806)	(3,928)	(4,175)
CASH FLOWS FROM FINANCING											
Receipts											
Proceeds from Borrowings	2,500	1,500	_	-	-	-	-	-	-	-	-
Payments											
Repayments of Borrowings	(684)	(988)	(1,114)	(1,156)	(1,096)	(1,138)	(936)	(818)	(841)	(800)	(764)
Net Cash provided by (or used in)											
Financing Activities	1,816	512	(1,114)	(1,156)	(1,096)	(1,138)	(936)	(818)	(841)	(800)	(764)
Net Increase (Decrease) in cash	(5,392)	(2,474)	(4,182)	(631)	(187)	(118)	471	668	753	965	1,123
Cash & cash equivalents at beginning											
	1 5 1 7	(2.467)	(F. 044)	(40.402)	(10.754)	(10.044)	(11.050)	(10 500)	(0.020)	(0.467)	(8.202)
of period	1,547	(3,467)	(5,941)	(10,123)	(10,754)	(10,941)	(11,058)	(10,588)	(9,920)	(9,167)	(8,202)
Cash & cash equivalents at end of											
period	(3,845)	(5,941)	(10,123)	(10,754)	(10,941)	(11,058)	(10,588)	(9,920)	(9,167)	(8,202)	(7,079)

BERRI BARMERA COUNCIL - SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
	Plan \$'000										
Operating Revenues	22,117	18,994	19,345	19,921	20,726	21,339	21,975	22,633	23,315	24,019	24,421
less Operating Expenses	(24,036)	(19,158)	(19,263)	(19,782)	(20,617)	(21,038)	(21,530)	(22,032)	(22,541)	(23,068)	(22,751)
Operating Surplus / (Deficit) Before Capital Amounts	(1,919)	(164)	82	139	109	301	445	601	774	952	1,670
Less: Net Outlays on Existing Assets Capital Expenditure on	(1,210)	(131)	32		. 30	33.				332	,,,,,
Renewal/Replacement of Existing Assets less Proceeds from Sale of Replaced	(3,790)	(3,384)	(2,636)	(2,534)	(2,888)	(3,109)	(2,986)	(3,079)	(3,254)	(3,354)	(3,565)
less Depreciation, Amortisation &	3,665	3,797	3,961	4,060	4,169	4,273	4,380	4,489	4,601	4,716	4,621
Net Outlays on Existing Assets	(125)	413	1,325	1,526	1,281	1,164	1,394	1,410	1,348	1,362	1,056
Less: Net Outlays on New and Capital Expenditure on New/Upgraded	(6,852)	(4,364)	(6,317)	(1,473)	(767)	(741)	(674)	(718)	(718)	(734)	(765)
less Proceeds from Sale of Surplus Assets		(4,364) 150	(0,317)	(1,473)	(101)	(741)	100	100	100	100	100
less Amounts received specifically for new	1,447	750	1,430	75	50	50	50	50	50	50	50
Net Outlays on New and Upgraded	(5,405)	(3,464)	(4,737)	(1,398)	(717)	(691)	(524)	(568)	(568)	(584)	(615)
Equals: Net Lending / (Borrowing) for Financial Year	(7,449)	(3,215)	(3,330)	267	673	774	1,315	1,443	1,554	1,730	2,111

In any one year, the financing transactions identified below are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result.

FINANCING TRANSACTIONS	2022-23 Plan	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan
FINANCING TRANSACTIONS	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
New Borrowings	2,712	1,715	228	237	214	224	68	19	15	10	5
Principal Repayments on Borrowings	(684)	(988)	(1,114)	(1,156)	(1,096)	(1,138)	(936)	(818)	(841)	(800)	(764)
(Increase)/Decrease in Cash and Cash											
Equivalents	5,392	2,474	4,182	631	187	118	(471)	(668)	(753)	(965)	(1,123)
(Increase)/Decrease in Receivables Increase/(Decrease) in Payables and	88	(157)	(122)	(74)	(195)	(81)	(83)	(85)	(87)	(89)	(16)
Provisions	356	(271)	165	102	257	109	112	115	118	121	(212)
Other – including movement in		, ,									, ,
inventories	164	(169)	(9)	(6)	(14)	(6)	(6)	(6)	(6)	(7)	(3)
Equals: Financing Transactions	8,027	2,604	3,330	(266)	(647)	(774)	(1,315)	(1,443)	(1,554)	(1,730)	(2,113)



Financial Indicators

The Local Government Act 1999 requires Council to "state the measures (financial and non-financial) that are to be used to monitor and assess the performance of council over the relevant period."

> The SA Local Government Financial Management Group have developed and standardised a set of indicators applicable to all Councils. The use of these indicators assists in the steering of Council's financial performance and sustainability.

The indicators used by Councils and their explanation are as follows:



Operating Surplus Ratio

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

An operating surplus (or deficit) arises when operating revenue exceeds (or is less than) operating expenses for a period. A council's long term financial sustainability is dependent upon ensuring that, on average, its expenses are less than its revenues. If a council is not generating an operating surplus in most periods, then it is effectively living beyond its means and is unsustainable.

The operating surplus ratio is the operating surplus (or deficit) expressed as a percentage of general and other rates net of rate rebates and revenues from the Regional Landscape Levy.

A positive ratio indicates the percentage of rates available to fund capital expenditure.

A negative ratio indicates the percentage increase required in rates to achieve a break-even operating result. If in the event of a positive ratio and that amount is not required for that particular year, it can be held over for future capital works or can be used to reduce existing debt.

Council's target – to incrementally achieve a ratio of 0% or better over the course of the 10-year plan.



Net Financial Liabilities Ratio

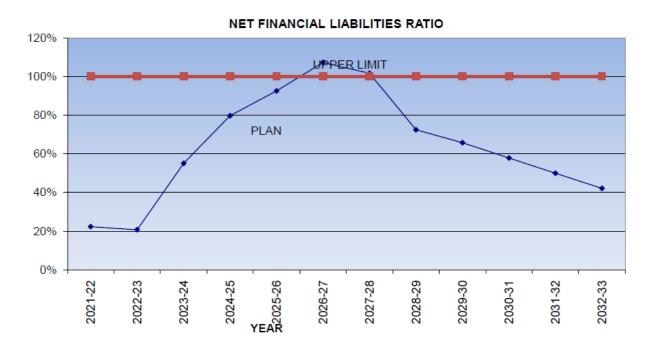
How significant is the net amount owed compared with operating revenue.

This ratio indicates the extent to which net financial liabilities of a council could be met by its operating revenue. Where the ratio is falling over time indicates that the Council's capacity to meet its financial obligations from operating revenue is strengthening. Net financial liabilities are a broader and more appropriate measure of indebtedness than just the level of borrowings as it includes items such as employee long service leave entitlements and other amounts payable.

A council would need to consider the impact of interest payments associated with borrowings on its operating result, however councils with a healthy operating surplus may decide to address any asset renewal and rehabilitation backlog as well as provide additional services to its community through the acquisition of additional assets without detracting from its financial sustainability.

There have been minimal loans factored into the term of the plan.

Council's target – to be between 0% and 100% of operating revenue.





Interest Cover Ratio

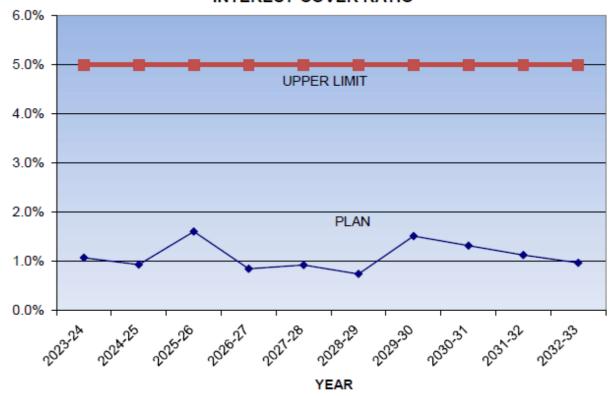
How much income is used in paying interest on loans.

This ratio indicates how much of Council's operating revenues are committed to interest expense. There is no right or wrong ratio, but a Council must be aware to manage this ratio within a range it is comfortable with.

Council's target – less than 5%



INTEREST COVER RATIO



Asset Renewal Funding Ratio

Are assets being replaced at the rate they are wearing out.

This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate the assets are wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the optimal level of such expenditure proposed in Council's infrastructure and asset management plans.

If capital expenditure on renewing or replacing existing assets is at least equal to the level proposed in the infrastructure and asset management plans, then council is ensuring service levels derived from its existing assets are maintained. Any material underspending on the renewal and replacement of assets over the medium term is likely to adversely impact on service levels.

Council's target – between 90% and 110%.

ASSET SUSTAINABILITY RATIO

