Berri Barmera
COUNCIL

LONG TERM FINANCIAL PLAN

2027 – 2036

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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.

2. Overview

What is this Document? - This is the Long Term Financial Plan (LTFP) for Berri Barmera Council for the period 2027 - 2036. The Long Term Plan covers 10 years and is reviewed annually in regard to changes in the economic climate and forecasts on variables which impact the cost of council operations. Opportunities and challenges facing our community and region, and the context we work in, are always evolving and changing. Therefore, it's important we continually refine our financial forecasts with the latest information to help guide Council's decision making.

Purpose - The purpose of a LTFP is to guide the future direction of Council in a financially sustainable manner. The LTFP is designed as a 'high-level' summarised document focusing on the future planning of Council's financial operations, particularly in relation to key components such as rate increases, service levels to our community, asset replacement/renewal and loan indebtedness.

Legislation - Section 122 (1) of the Local Government Act 1999 ("the Act") requires that Councils must develop and adopt Strategic Management Plans including the LTFP which is an iterative document updated on a rolling basis over a ten year term.

Strategic Management Framework - Berri Barmera's LTFP provides the forecast financial framework to resource the community's needs and aspirations through alignment with Council's Strategic Plan and Asset Management Plans. The LTFP allows Council to plan, manage and communicate its future objectives having regard to the affordability of those plans with a focus on ensuring financial sustainability of council's operations over the long term.

Previous Version – The Council's previous version was adopted at Council's meeting 22 July 2025 and this annual update builds on that plan with updates on key assumptions. Those assumptions reflect a reassessment of the economic environment and prediction on variables which will impact council operations.

Roadmap - The LTFP is developed in the context of the Strategic Plan 2025-2035 and provides a roadmap which sets the high-level financial parameters that will guide the development and refinement of an affordable model for council's budgeted plans, strategies and actions for the coming decade.

Financial Position - Over the life of this plan, Council remains committed to achieving a positive operating surplus by 2032/33 and ongoing financial sustainability over the medium to long term, after a period of budget repair.

Financial Sustainability - Financial sustainability in local government is achieved when planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

Development of This Version of the LTFP - This version of LTFP was developed in consultation with Council's Executive Leadership Team and Elected Members. Several workshops were held that carefully considered/explored options that balanced the need to achieve financial targets, and resources to meet community expectations. Asset Management Plans have been informed by recently conducted condition audits for major asset classes and resulting valuations. This LTFP was reviewed by Councils Audit and Risk committee and undertook a period of community consultation before being adopted.

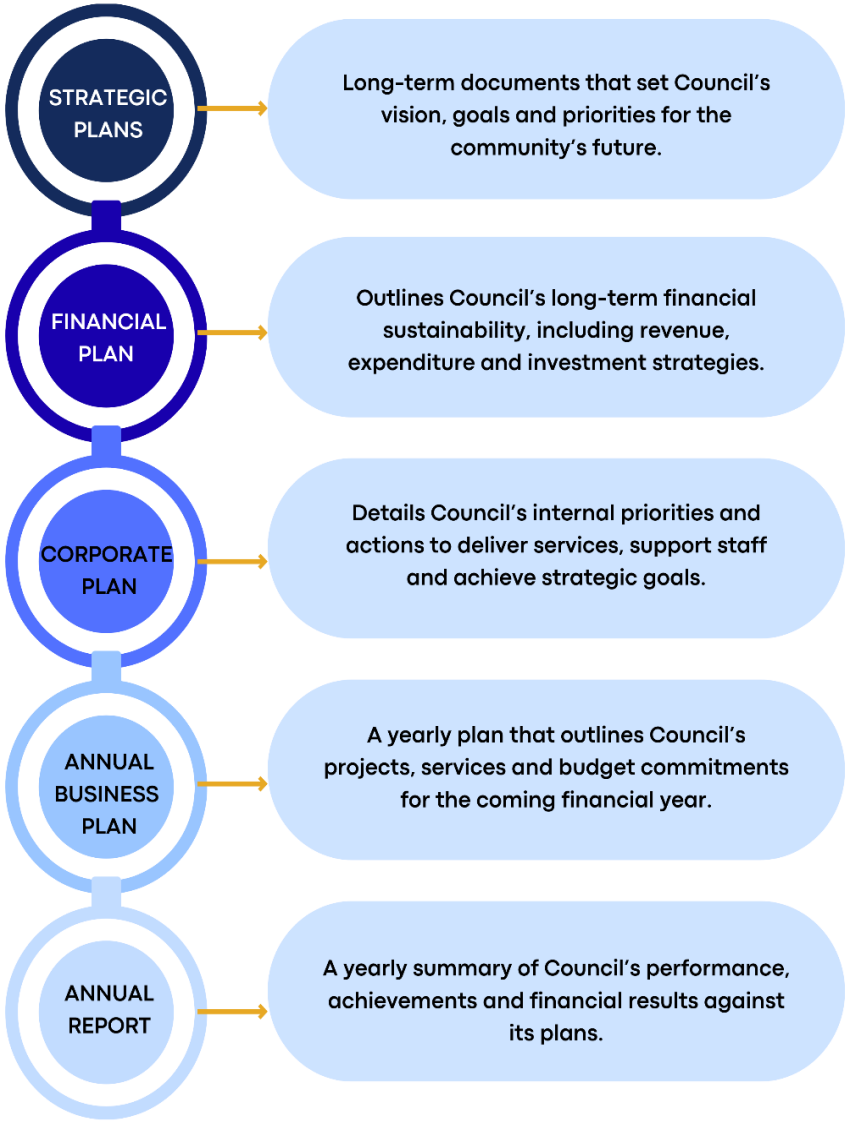
Financial Statements - At a high level, the LTFP forecasts:

- **Statement of Comprehensive Income** - Details the profit and loss account (operating surplus (deficit) and capital transactions);
- **Statement Of Financial Position (Balance Sheet)** - This presents the financial position of Council at a given date. It comprises three main components: assets, liabilities and equity;
- **Statement Of Cashflows** - This shows the amount of cash and cash equivalents entering and leaving the Council;
- **Uniform Presentation of Finances** - The net lending/(borrowing) for the financial year result is a measure that takes account of both operating and capital activities for the financial year and seeks to match funding with associated expenditure; and
- **Statement of Changes in Equity** - This reflects the movement in equity reserves during the period, being the financial performance of the year plus any other comprehensive income gains.

3. Strategic Management Plan Framework

The Strategic Management Plan Framework brings together the key planning documents to ensure that the vision, goals and objectives set by Council's Strategic Plan are implemented in the Long Term Financial Plan, Asset Management Plan Summary and Asset Management Plans, Corporate Plan, and Annual Business Plan.

- **Strategic Plan 2025-2035 (10 Years)** - Council has collaborated with the community to develop a community vision for our regional. This will serve as the guiding document to inform Council's planning and decision making for the next ten years. Once adopted this will influence the Corporate Plan that will inform future ABPs and LTFPs.
- **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 aligned with the first four years of delivery of the Strategic Plan. This will outline annual outcomes and actions across the four years that will form the starting point for each 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.

4. 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.

5. CEO Statement of Financial Sustainability

The key objective of preparing a comprehensive and informed Long Term Financial Plan (LTFP) is to enable Berri Barmera Council to maintain financial sustainability in the medium to long term, whilst achieving the objectives and standards detailed in Council's suite of strategic management plans.

The LTFP outlines Council's financial outlook over the term of the plan while still maintaining the level of services it currently provides to the community.

The LTFP needs to not only reflect community wants and needs but also what can be afforded without detriment to Council's longer term financial sustainability.

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. The report highlighted both the significant progress made in the past two years and the challenges that remain for 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 capability and direction.

The updated LTFP 2027/2036 builds on these foundations and each year is updated having regard to the changing economic climate and updates on key assumptions. Those assumptions

reflect a reassessment of the economic environment and prediction on variables which will impact council operations.

Council however are also mindful of the current cost of living pressures within the community and uncertain economic environment so it is pleasing that with tight budget discipline and the delivery of efficiencies in service provision this has enabled the updated LTFP 2027 – 2036 to forecast an improvement in the overall position of Council and reduction in forecast rates levied over the 10 years without compromising the return to financial sustainability of the council operations.

Council has three Key Industry Financial Indicators (KFIs) by which it measures its performance against established industry benchmarks. These are further explained in section 11 of this document. It should be noted that all three KFIs achieve the targets set by Council as shown below:

• **Operating Surplus Ratio** - The average ratio over the 10 year period is -2.9%. This is an improvement as against the previous LTFP -5.4%.

The ratio is positive for 4 years of the 10 year period, achieving a positive ratio from financial year 2032/33 onwards.

• **Net Financial Liabilities Ratio** - The average ratio over the LTFP is 14.6%, with a ratio of less than 100% in all 10 years and a peak ratio in FY28 of 63.8%.

• **Asset Renewal Ratio** - The Asset Renewal Ratio is 100% over the 10 years of the LTFP and shows council fully funding its adopted Asset Management Plans which it now has in place for all its major asset classes following revaluations.

The capital renewal model has been developed within an affordability Framework and while it does not fully meet the ideal capital renewal requirements, it adopts a strategic, service-level, and risk-based approach. This enables renewal of critical assets while extending the life of other assets where appropriate, ensuring a balanced and sustainable pathway forward.

These indicators are evaluated in more detail within this document and together, show that Council will achieve its financial sustainability in the medium to long term.

Despite the ongoing challenges of the current economy and rate increases higher than CPI over the forecast period until 2032/23, Council remains committed to returning to an ongoing sustainable operating position and will continue to focus on exploring opportunities to reduce its reliance upon rate revenue and in turn explore other revenue sources and reductions in expenditure.

Tim Pfeiffer
Chief Executive Officer

6. Significant Influences and Challenges

Overview

The LTFP is a long-term forecast and as such it is supported by many assumptions on key variables which are likely to impact the expected cost of services and infrastructure. Many of these factors inevitably are external to Council and as such outside of its control.

External Influences and Challenges

- **Local Government Reform** - The LTFP is a primary document that was reviewed by the Essential Services Commission of South Australia (ESCOSA) during the 2025/26 year under the Local Government Advice Scheme established through the Local Government Act 1999. The aim of the scheme is to provide independent, risk-based advice to assist councils when making long-term financial and investment decisions for the benefit of ratepayers.
- **State/Federal Government** - Local Government reforms and funding/cost shifting (e.g. increased governance and inadequate grant funding)
- **Local Economy** - The economic effect of the regional downturn in the wine sector, causing local flow-on economic challenges and cost of living pressures within the community.
- **The Economic Environment** - Economic uncertainty from geopolitical events and global supply chain resulting in significant cost increases for infrastructure and services including inputs such as fuel and bitumen.
- **Interest rates** - increasing interest rates for the current loan portfolio and on interest earned on average cash balances.
- **Climate Change** - Reducing emissions, managing climate risk and adapting to the impacts of climate change will influence asset management and planning.
- **Technology and data** - the risk of current systems being unsupported and significant investment required to enable greater efficiency through improved performance, automation, and integration capabilities within current funding constraints.

Internal Influences and Challenges

- **Asset Renewal Requirements** - Ensuring Council's infrastructure (roads, CWMS, stormwater, buildings, and recreation/open space) remains safe and functional.
- **Service Level Expectations** - Balancing community demands with available resources (both financial and human).

- **Staffing** - Attracting and retaining skilled staff in a regional location through a robust and competitive enterprise bargaining agreement.

- **Financial sustainability** – The decision by council to achieve a breakeven operating surplus position by 2032/33.

- **Council elections –** Changes in elected members following the council elections may result in differing future priorities.

- **Consumer Price Index (CPI) –** The March 2026 Adelaide CPI was 4.9% and with growing uncertainty in the economy the current projected forecast for CPI over the 10 years (3.7% 2026/27) may not adequately reflect the rising price of good and services and hence increased pressure on costs.

7. What has changed since the last LTFP?

Updated Assumptions - It should be noted the following assumptions have been updated:

- **Base Year** - The LTFP has been updated to include the latest forecast for 2025/26 and the Annual Business Plan and Budget for 2026/27.
- **General Rates** – Council's approach to rating has been reviewed in the context of its current financial position. Rate increases greater than CPI have been incorporated into the LTFP to ensure the council can achieve an operating surplus position by 2032/33 (i.e. operating revenue is equal to or greater than its operating expenses). It should be noted that due to tight budget discipline and a focus on achieving efficiencies the additional rates increase required to still achieve an operating surplus by 2032/33 has been reduced.
- **Strategic Plan** - This iteration of the LTFP is aligned with the Strategic Plan 2025-2035 that was adopted by Council 22 July 2025 and provides the vision and priorities for future sustainability of the Council, its area and the wider region.
- **Inflation Forecast** - Forecast CPI assumptions have been updated based on the latest RBA Statement on the Monetary Policy February 2026 for June 2026 of 3.7% and forecast long range inflation between 2-3% p.a (refer to the Assumptions Appendix for further details).
- **Interest Rates** - Interest rates have been updated to reflect actual interest/forecast rates for credit foncier loans and cash advance debentures using current LGFA rates as at April 2026.
- **Asset Management** – Further to condition audits and valuations undertaken over 2023/24 and 2024/25, CWMS and stormwater revaluations were undertaken for 2025/26. These inform Asset Management Plans and resultant depreciation, the capital works budget and the forward works program which underpin the LTFP.
- **Annual Indexation of Asset Values** - Aligned with Council's Asset Accounting Policy, all infrastructure asset classes are indexed annually in the intervening years between revaluations.
- **Asset Management Plan Summary** - This is a high-level summary of all Asset Management plans (excluding indexation) for all major asset classes and which inform the LTFP projections for renewals required to maintain the service potential of existing assets and any new/upgraded assets based on council endorsement.
- **Capital Works Program** - This program, aligned with the Asset Management Summary and supporting plans, have

been updated to reflect current data and has been reviewed by relevant staff and Council.

- **Operational Savings –** Savings achieved over 2025/26 have been quarantined to minimise the impact on future rate increases required to achieve an operating surplus by 2032/33. Over the consultation process, Council has been actively seeking further savings to minimise the impact on rate increases to the community. As a consequence, an additional savings target of $130k has been made to reduce the overall rate tax levied in 2026/27. The Long Term Financial Plan and relevant documents have been updated to reflect this prior to its final adoption.
- **CWMS/Waste** – Service charges have been updated to ensure those services remain fully funded based on total costs of providing those services and achieve a positive operating result over the long term.

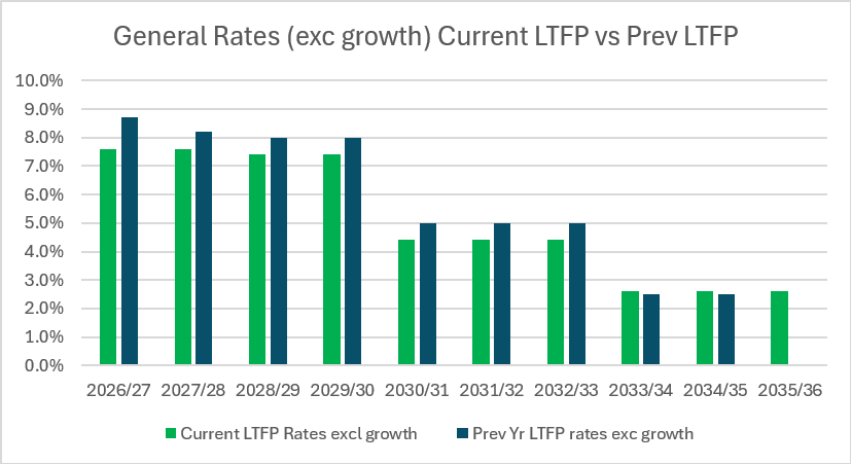
What do these changes in assumptions mean and what is the impact on the updated LTFP?

Council remains committed to achieving a positive operating surplus position by 2032/33 to ensure its revenues fully fund the cost of services provided to the community. This means the plan ensures continuity of current services and funds its adopted asset management plans which ensure the renewal of its existing assets based on independent assessments of asset life and condition.

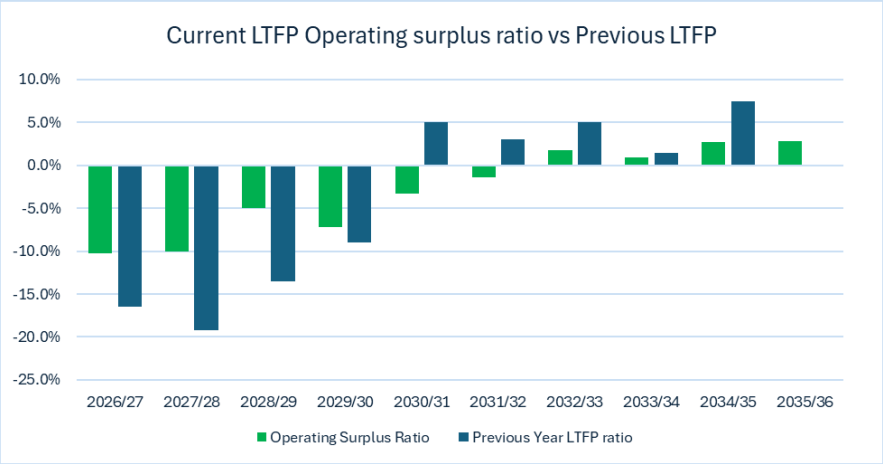
However, it is aware of the current cost of living pressures within the community and so it is focused on tight budget discipline and finding efficiencies in service provision to ensure the rates increases are minimised where possible without compromising the return to financial sustainability of the council operations.

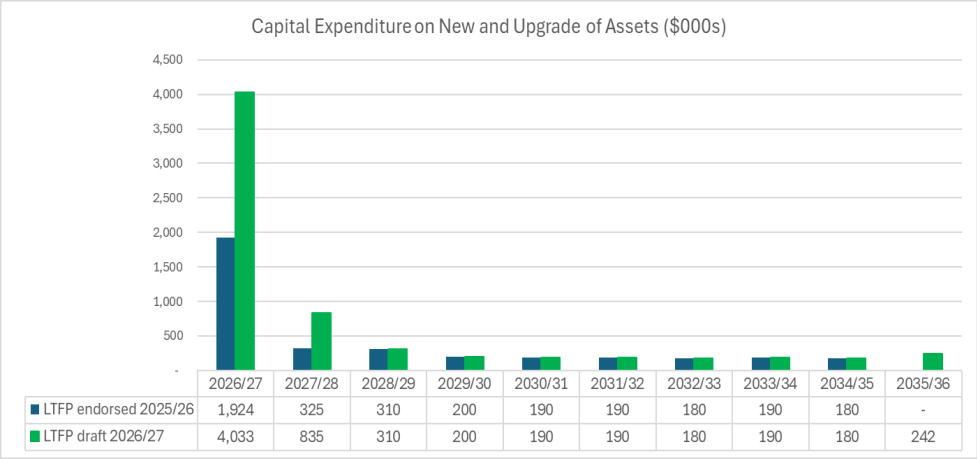
The following graphs provide a snapshot of the overall improvements to the previously adopted LTFP forecasts as a result of this commitment.

Overall forecast general rates are lower over the forecast period.



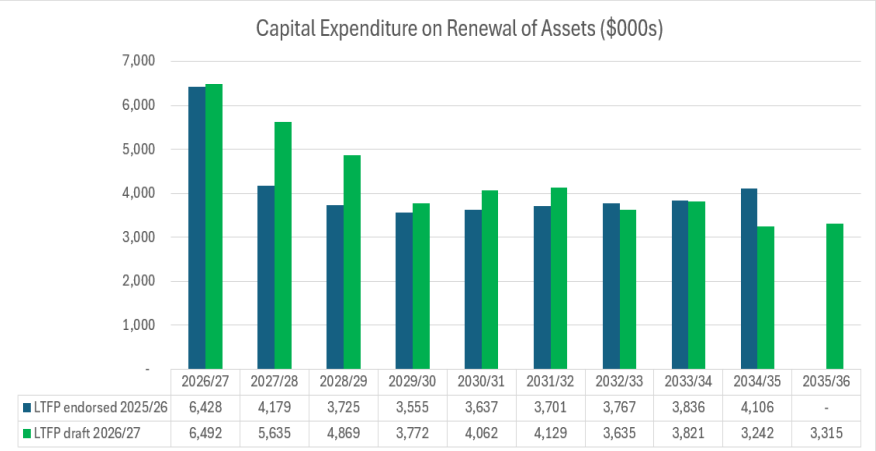
There is return to an operating surplus in 2032/33 but with an improved operating surplus position each year so that overall general rates can be reduced over the 10 years.





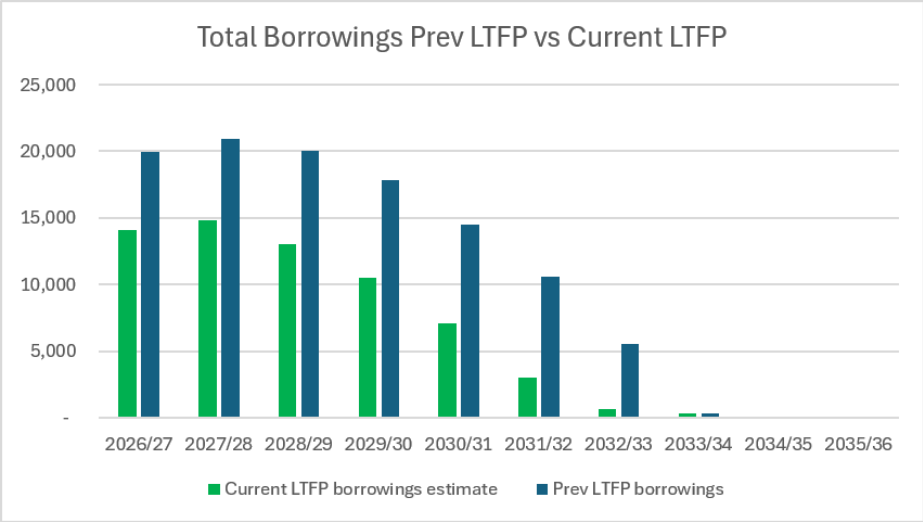
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
LTFP endorsed 2025/26	1,924	325	310	200	190	190	180	190	180	-
LTFP draft 2026/27	4,033	835	310	200	190	190	180	190	180	242

Capital expenditure includes all projects endorsed by Council plus funding of endorsed Asset Management Plans.



	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
LTFP endorsed 2025/26	6,428	4,179	3,725	3,555	3,637	3,701	3,767	3,836	4,106	-
LTFP draft 2026/27	6,492	5,635	4,869	3,772	4,062	4,129	3,635	3,821	3,242	3,315

Borrowings are repaid over the forward estimates, but overall borrowing requirements have reduced.

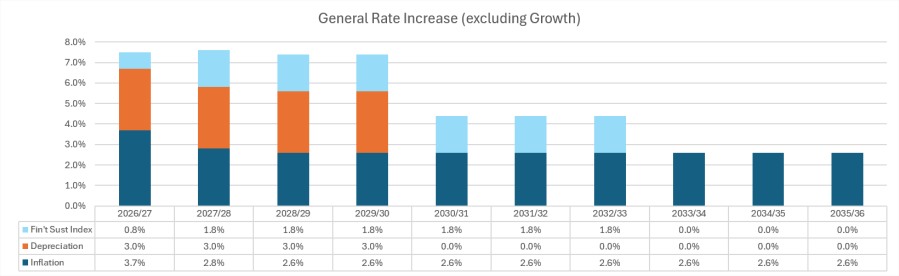


8. Rate Setting

Historic Rating - In previous years rates levied did not keep up with inflation and whilst previously adopted/reviewed LTFPs included increases they were not at a level that was aligned with the increasing costs of Council operations.

Balanced Approach - Council is committed to finding the right balance between resident expectations and what is appropriate and affordable for Council to provide with the revenue available.

General Rate Increase - Rating for this financial year and beyond considers a number of factors including the following:



	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Fin't Sust Index	0.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	0.0%	0.0%	0.0%
Depreciation	3.0%	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inflation	3.7%	2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%

- **CPI** – Based on the RBA June forecast which for 2026/27 is 3.7% and thereafter on the RBA forecast of between 2% to 3% over the life of the LTFP.

- **Depreciation** – Revaluations have been undertaken on all major asset classes in line with accounting standards to ensure they accurately reflect their true values and consequently there has been a significant increase to the value of these assets and therefore depreciation and the forecast cost of the forward capital works program. An element of the proposed rate increase attempts to recover the increase from 2023/24 (3% per annum over 5 years.)

  Financial Sustainability Index – Ensure Council achieves an operating surplus by 2032/33. This equates to 0.8% in 2026/27 and 1.8% until 2032/33. In the previous LTFP the modelled rate included a financial sustainability index of approximately 2.5% for the first eight years of the LTFP and council through strong budget discipline and quarantine of savings has been able to reduce the percentage increase required.

- **Assessment Growth** - Assessment growth has been considered in the LTFP and has been assumed to be 0.011% in FY 2027 based on actual information from the Valuer General. 1.5% per annum has been included in 2027/28 and 2028/29 with 0.9% in the future years of the LTFP. It should be noted that future growth is dependent upon Council's Growth Strategy outcomes.

- **Impact on Individual Ratepayers** - It should be noted that the average rate increase per annum is a guide based on the average increase expected for a ratepayer based on land use. The impact on individual ratepayers may be different based on the change in valuation of their property relative to the overall valuation changes across the council

area. That is those with greater than average valuation increases will be pay relatively more than those with lower increases in relative valuations.

Projected Service Charge Increase - Community Wastewater Management Scheme (CWMS) and Waste Management Scheme have been set at 6% p.a. with 4% increases until 2029/30 and thereafter at forecast CPI to ensure recovery of expenditure in relation to the prescribed services to ensure full cost recovery.

9. Funding Of This Plan

Overview

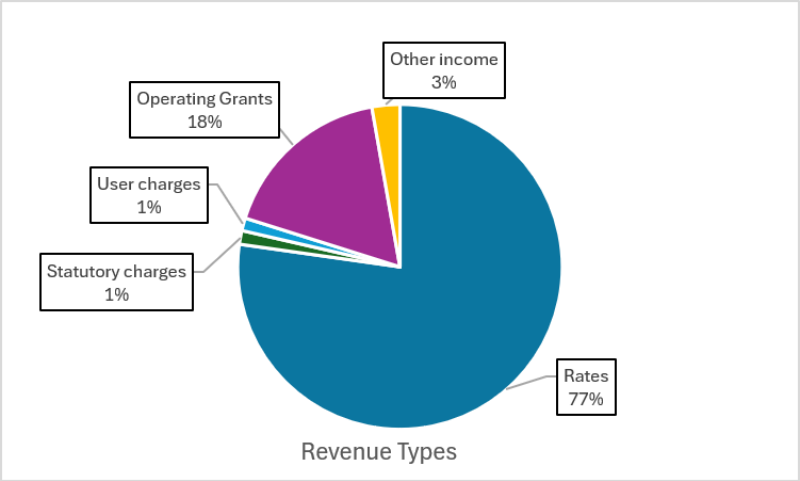
Council generates revenue and funds this plan from a number of sources to provide services, infrastructure and benefits to the community and ensure the economic, social and environmental sustainability of the region.

Funding is generated from revenue and borrowings aligned with relevant policies, plans and objectives to ensure a balanced approach in generating public value to the community. A summary of the funding that supports this LTFP is shown in the Uniform Presentation of Finances included in the appendix.

Revenue

Revenue - Council's main sources of revenue are as follows:

- **Rates** - Council generates approximately 78% of total revenue (operating and capital) across the life of the LTFP from rates. This revenue is in the form of:
  - General rates;
  - CWMS; and
  - Waste management charge.



- **Statutory Charges** - Are legislated charges that support environmental, development and public health including:
  - Planning and development fees;
  - Public health and support services; and
  - Animal management (including dog registration).
- **User Charges** - Are fees and charges associated with the provision of specific services to the community/businesses including:
  - Hall hire, sporting facilities hire;
  - Library fees and fines,
  - Cemetery fees,
- **Grants, Subsidies and Contributions** - Are external funds obtained from other levels of government or other bodies

that contribute to either Council's cost of operations or support capital projects over the life of the LTFP.

- **Other Income** - Is revenue from financial investments/loans to community groups, reimbursements or sundry income (such as Open Space fees) and sale of surplus assets.

Borrowings

Council's Debt - A key source of funding for this version of the LTFP is borrowings. The borrowings structure is made up of the following:

- **Credit Foncier Loans** - These are fixed term loans with varying terms that have been used to support community loans and other key capital expenditure projects.
- **Cash Advance Debentures (CADs)** - These are flexible loans where funds are drawn down and paid back as required.
- **Debt Structure** - The mix between fixed and variable debt has been considered throughout this version of the LTFP to ensure that required flexibility and capacity is available to Council.
- **Total Borrowings** - The level of total borrowings for each year has been included in the Key Financial Ratios section of this document.

Debt Structure/Strategy:

Debt structure assumptions i.e. the mix of borrowings between fixed debt and flexible debt and the term of the loans used to fund Council's activities have been considered in the context of the Draft Treasury Management Policy.

Current Debt Structure:

- **Individual Loans** - Details of the individual loans/debt capacity in terms of the expiry date and interest rate are as shown in the below table and is aligned with Council and Audit and Risk Committee reporting.

Proposed Debt Structure:

- As shown in the table the estimated additional borrowing required is for the current CAD facility of $8m to be extended until 2030/31. Council will engage with the Local Government Finance Authority ('LGFA') to secure the extension prior to expiry of the facility on 15/11/2027.

Facility	Purpose	Expiry Date	Interest Rate	Capacity forecast at 30 June 2026 ($000s)
Cash Advance Debenture 40	Community Group Loan	15/9/2026	6.05%	250
Credit Foncier 42	Community Group Loan	15/2/2028	4.50%	190
Credit Foncier 43	Community Group Loan	16/7/2028	4.40%	300
Credit Foncier 44	Community Group Loan	16/9/2029	2.75%	19
Credit Foncier 47	Community Group Loan	19/4/2032	4.25%	105
Community Loans				**864**
Credit Foncier 36	Capital Expenditure	15/6/2026	6.65%	-
Credit Foncier 38	Capital Expenditure	15/8/2028	5.80%	368
Credit Foncier 45	Capital Expenditure	15/5/2035	2.40%	2,569
Council Credit Foncier Loans				**2,937**
Cash Advance Debenture 37	Capital Expenditure	17/6/2028	5.60%	1,000
Cash Advance Debenture 39	Capital Expenditure	15/4/2031	5.60%	5,000
Cash Advance Debenture 48	Capital Expenditure	15/11/2027	5.60%	8,000
Council Cash Advance Debenture				**14,000**
Additional facility required	Contingent on LGFA and Elected Member approval	2027/28 to 2030/31	6.05%	8,000

10. Key Assumptions

Operating Revenue

- **General Rates** - Revenue has been increased by 7.5% in 2026/27 (excluding growth). The elements of the rate increase include forecast CPI of 3.7%, depreciation recovery of 3% and 0.8% financial sustainability. Until 2032/33 the rates increase comprises forecast CPI, depreciation recovery of 3% until 2029/30 and financial sustainability index of 1.8%.

- **CWMS** - Has been indexed by 6% in 2026/27, 4% for the subsequent 3 years and then forecast CPI from 2030/31 to ensure that revenue covers the cost of service.

- **Waste Management -** Has been indexed by 6% in 2026/27, 4% for the subsequent 3 years and then forecast CPI from 2030/31 to ensure that revenue covers the cost of service.

- **Council Operations User Charges** - CPI increases have been applied over the remaining 10 years aligned with the user pays principle for the majority of user charges.

- **Grant Funding (Recurrent)** - Such as the Financial Assistance Grants and Roads to Recovery (RTR) have been assumed to be received within the year they are paid.

  In particular for Financial Assistance Grants it has been assumed that 100% of the year's allocation will be paid in the current year and that the Special Local Roads Fund payment will continue.

  In 2024/25 Federal Government announced a significant increase in the Roads to Recovery program (to double the amount allocated per annum by the end of the five year program and continue at that level into the future), with specific payments for each year of the five-year program provided.

  Indexation where appropriate has been applied to other grant revenue based on CPI. It should be noted that there are some significant grants where no indexation has been applied historically, and this has been assumed to continue.

- **Grant Funding (One-off)** - Tied grant funding is applied in the same year that corresponding expenditure is planned.

- **Development Related Revenue** - Development Approval and Planning fees have been increased by CPI across the life of the LTFP.

- **Other revenue** - Other revenues including after trade sales have been indexed by forecast CPI across the life of the LTFP

Operating Expenditure

- **Employee Costs** – Standard increases are aligned with Council's enterprise agreement for the initial years of the LTFP, with anticipated increases thereafter. Superannuation costs have been assumed to increase in line with legislation. There is a 5% vacancy saving applied in line with current expectations.
- **FTEs** - The planned number of FTEs employed by Council over the life of the LTFP is assumed to remain constant at this stage.
- **Materials, Contracts & Other Expenditure** - Has been indexed in line with forecast CPI increases over the period of the plan. It should be noted that for some items the increase may be above CPI i.e. insurance and utilities, whilst for other expenditure without contractual agreements expenditure may be lower. A balanced approach has been taken to overall expenditure levels.
- **One off Significant expenditure** – to ensure assets are revalued in line with accounting standards funding has been allowed for to provide a rolling program of asset condition audits and revaluations. Election costs of $90k have been budgeted and indexed by CPI to occur every 4 years. The audit by ESCOSA every 4 years has also been factored based on the current costs of the program of $40k. The funding for the service review framework and strategic future planning is continuation of projects funded from the previous iteration of the LTFP.
- **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. Depreciation expense is calculated using the straight-line method having considered asset additions, disposals, useful asset lives and asset valuations as per the balance sheet.
- **Finance Costs** - Have been modelled factoring in the projected debt Council will hold in each year of the plan, and the forecast interest rate to be charged by the Local Government Finance Authority. In this plan the interest rate used has been modelled based on actual rates provided by the LGFA for credit foncier loans and indicative rates for Convertible Cash Advance Debentures (flexible borrowings) based on current interest rates.

Capital Expenditure

- **Asset Renewal** - Is provisioned to allow for Council to meet the renewal requirements as per the endorsed Asset Management Plans. Renewal, maintenance and depreciation of new and upgraded assets have been included in the plan to ensure these are funded. Indexation has been applied in line with inflation to minimise the

financial impact of revaluations over the life of the plan (noting that the forecast in the Asset Management Summary is uninflated).

- **New Capital/Upgrade** - Has been included in the plan and are based on Council's Asset Management Plan and endorsed council projects such as Lake Bonney Jetty. (noting that the forecast in the Asset Management Summary is uninflated).

Capital Revenue

- **Grants –** Grant funding for capital expenditure has been assumed where the funding is already or has high probability of being secured and if not secured the projects will not proceed. Currently funding is included for the following Major projects:
  - **Lake Bonney Jetty** (2026/27 $300k; 2027/28 $1,275k and 2028/29 $1,275k)
  - **Lake Bonney Caring for Country** (2026/27 $384k)
  - **Bruno Bay boat ramp** (2026/2027$1,210k)
  - **Berri West CWMS** (2026/27 $1,034k)
  - **Other** (2026/27 $344k)

Statement of Financial Position (Balance Sheet)

- **Assets** - Such as trade and other receivables, inventories and equity accounted investments have all been modelled based on historical averages, with no significant variances expected over the period of the plan.
- **Community Loans** - Have been included in the LTFP based on latest loan agreements and repayment schedules. It should be noted that at this stage no new loans have been included in this iteration of the LTFP.
- **Infrastructure, Property, Plant and Equipment** - Are modelled based on the cumulative effect of depreciation, capital expenditure, asset disposals and adjustments made to maintain valuations at fair value. It should be noted that CPI has been applied to assets that are revalued annually.

  The activities of Council are very asset intensive. Over the life of the LTFP the value of Councils infrastructure for which it has responsibility ranges from approximately $200 to $250 million dollars.

- **Liabilities** - Such as trade and other payables and provisions, have been modelled based on historical averages of Council, with no significant variances expected over the period of the plan.
- **Borrowings -** Debt structure is based upon current fixed loans (credit foncier) with additional debt to be in the form of flexible CADs.

Key assumptions

Assumptions	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Rates Revenue Increase										
CPI (based on RBA)	3.7%	2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Depreciation Recovery	3.0%	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial Sustainability Index	0.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	0.0%	0.0%	0.0%
Total General Rates Revenue Increase (excl. Growth)	**7.5%**	**7.6%**	**7.4%**	**7.4%**	**4.4%**	**4.4%**	**4.4%**	**2.6%**	**2.6%**	**2.6%**
Assessment Growth	0.1%	1.5%	1.5%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Total General Rates Revenue Increase (incl. Growth)	**7.6%**	**9.1%**	**8.9%**	**8.3%**	**5.3%**	**5.3%**	**5.3%**	**3.5%**	**3.5%**	**3.5%**
Service Charge - Effluent Drainage (CWMS)	6.0%	4.0%	4.0%	4.0%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Service Charge - Waste Management	6.0%	4.0%	4.0%	4.0%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Other CPI										
Other Operating Revenue	3.7%	2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Projected Expenditure Increase	3.7%	2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Wages Index - AWU (outside staff) EBA conditions	3.7%	2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Wages Index - ASU (inside staff) EBA conditions	3.7%	2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Other Assumptions										
Employee costs provision for vacancies	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

$000s	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Significant Operating Projects										
Service Review Framework and Delivery	45	20	20	0	0	0	0	0	0	0
Strategic / Future Planning	40	40	40	40	40	40	40	40	40	40
Lake Bonney detailed design (100% grant funded)	175									
Berri West feasibility study (offset by 70% grant funding)	183									
Berri West detailed design (not grant funded)	163									
Asset Management - condition assessments and valuations	0	275	0	400	0	290	0	410	0	305
Election Costs (every 4 years)	90	0	0	0	93	0	0	0	96	0
ESCOSA (4 year cycle)	0	0	0	40	0	0	0	40	0	0
Capital Expenditure										
Replacement of existing assets	6,492	5,635	4,869	3,772	4,062	4,129	3,635	3,821	3,242	3,315
Grant income for existing assets	2,014	1,275	1,275	0	0	0	0	0	0	0
Net cost to Council for renewal of assets	**4,478**	**4,360**	**3,594**	**3,772**	**4,062**	**4,129**	**3,635**	**3,821**	**3,242**	**3,315**
New and Upgrading assets	4,032	835	310	200	190	190	180	190	180	242
Grant income for new and upgrading assets	1,258	0	0	0	0	0	0	0	0	0
Net cost to Council for new and upgrading of assets	**2,774**	**835**	**310**	**200**	**190**	**190**	**180**	**190**	**180**	**242**
Total capital expenditure	**10,524**	**6,470**	**5,179**	**3,972**	**4,252**	**4,319**	**3,815**	**4,011**	**3,422**	**3,557**
Total grant income for all capital expenditure projects	**3,272**	**1,275**	**1,275**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net cost to Council for total capital expenditure	**7,252**	**5,195**	**3,904**	**3,972**	**4,252**	**4,319**	**3,815**	**4,011**	**3,422**	**3,557**

Treasury Management										
Closing Cash & Cash Equivalents	206	191	201	238	318	398	3,815	9,091	15,768	22,919
Total Closing Borrowings	14,118	14,853	13,019	10,520	7,090	3,029	619	313	0	0
LGFA Facilities										
LGFA Facilities pre-approved	16,537	7,123	6,773	6,495	1,210	918	620	313	0	0
Additional LGFA Facilities requiring approval	0	7,730	6,246	4,025	5,880	2,111	0	0	0	0

11. Key Financial Ratios

Overview

Local Government Sector Performance - The following Key Financial Indicators are deemed by the Local Government Sector to be the best indicators for evaluating a council's 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 endorsed by Council.

Additional Ratio - The borrowing to income ratio has been incorporated in the LTFP as an additional measure of financial sustainability.

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 shows if current ratepayers are fully paying for the cost of services provided (income > expenses) If the ratio is positive then the revenue generated is greater than the costs of services and the additional income can be used to fund infrastructure or repay debt. Alternatively if the ratio is negative it indicates the percentage increase in income required to achieve a break-even position.

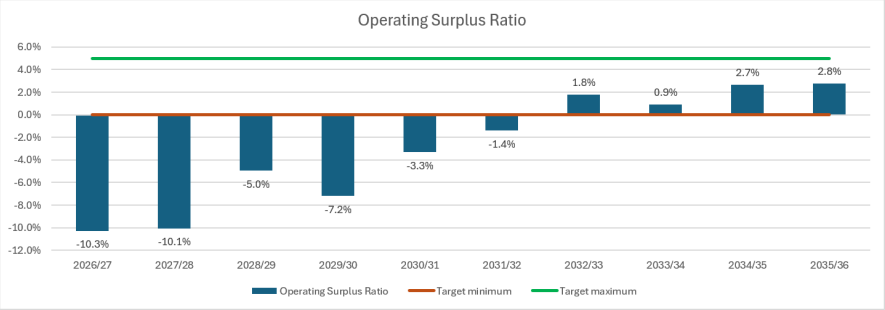
How is this ratio calculated?

Operating surplus as a percentage of total operating revenue.

What is the target?

The target is between 0 to 5% over the life of the LTFP as per Council's Treasury Management Policy. However, Council has been in budget repair since 2023/24 following the impact of significant asset revaluations and is seeking to achieve a

positive ratio by 2032/33 having regard to reducing the impact of rate increases greater than CPI on the community.



Result:

Council expects to return to a surplus ratio in FY 2032/33, delivering a positive ratio for 4 years of the LTFP.

The average ratio over the life of the LTFP is -2.9% (prev LTFP -5.4%

It should be noted that the surplus is required in future years for the repayment of debt.

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.

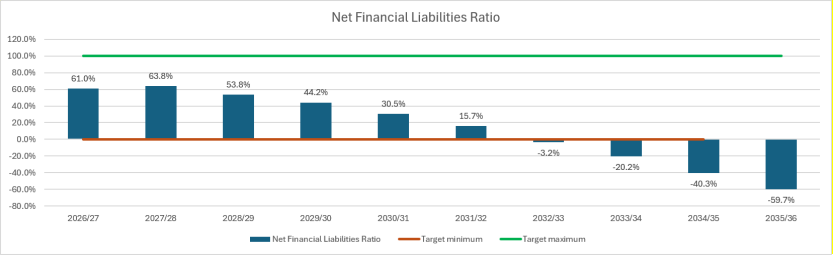
A council's total indebtedness is measured by its total net financial liabilities. Net financial liabilities (total liabilities less financial assets) is a broader and more appropriate measure of a council's indebtedness than the level of borrowings because it also includes items such as employee long service entitlements and other amounts payable in the future as well as taking into account a council's cash holdings and invested monies.

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.



Result:

Council achieves its target of less than 100% over the life of the LTFP with an average ratio of 14.6% over the forward 10 years and a peak ratio of 63.8% in FY 28.

Asset Renewal Funding Ratio

Are assts being replaced in line with Asset Management Plans.

What is the purpose of this ratio?

This financial indicator is useful in determining if Council is maintaining all of its assets.

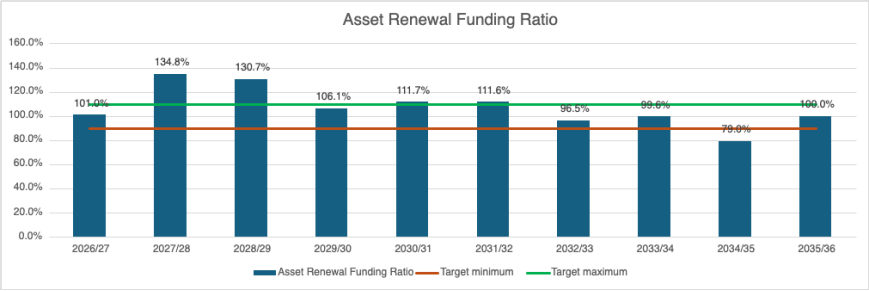
This is best demonstrated by comparing total Capital Renewal expenditure planned against Strategic Asset Management Plan requirements.

How is this ratio calculated?

Capital expenditure on renewal or replacement of existing assets as a percentage of asset management plan allocations.

What is the target?

The target is to maintain an asset renewal funding ratio of 100% of the Infrastructure and Asset Management Plan as a rolling average over the life of the LTFP as per Council's Treasury Management Policy.



Result:

Council will achieve over the period of the plan the required expenditure that is set out in the Asset Management Plan. Renewal expenditure for the future 10 years is expected to be aligned with the Asset Management Plan i.e. a ratio of 100%.

Borrowing To Income Ratio

What is the purpose of this ratio?

This is a way to measure Council's ability to make loan repayments comfortably without putting the organisation in financial hardship.

How is this ratio calculated? Total borrowings including CADs divided by total operating revenue.

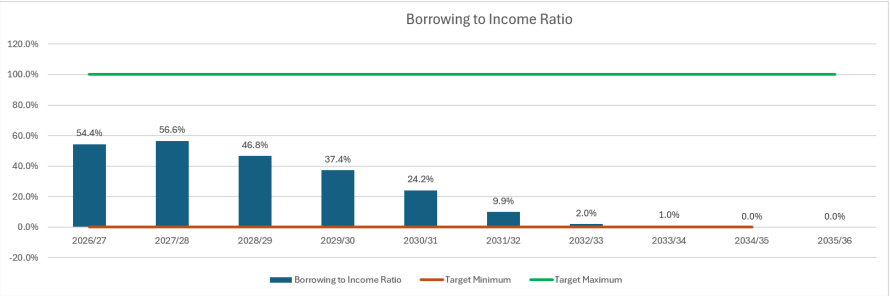
What is the target?

"Council will maintain a target of less than 100%".

Result:

As debt is repaid through rates revenue, it is important that we are mindful of how much we borrow and how quickly we can repay our debt.

That is why we have a long term view of debt and have focused on Council's debt structure and reducing debt from the peak of $14.8m in 28 FY to nil in FY 2035.



For all years of the LTFP the borrowing to income ratio is lower than the 100% target.

Debt structure assumptions i.e. the mix of borrowings between fixed debt and flexible debt and the term of the loans used to fund Council's activities have been considered in the context of the adopted Treasury Management Policy.

Appendix Forecast Financial Statements

BERRI BARMERA COUNCIL	2024/25 $000s	2025/26 $000s	2025/26 $000s	2026/27 $000s	2027/28 $000s	2028/29 $000s	2029/30 $000s	2030/31 $000s	2031/32 $000s	2032/33 $000s	2033/34 $000s	2034/35 $000s	2035/36 $000s
STATEMENT OF COMPREHENSIVE INCOME	**Audited Actual**	**Original Budget**	**Forecast**	**Original Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
INCOME													
Rates	15,192	16,525	16,581	17,761	19,104	20,531	21,987	22,989	24,040	25,143	25,964	26,813	27,690
Statutory charges	347	304	349	362	373	382	392	402	413	424	435	446	457
User charges	385	306	324	336	345	354	363	373	382	392	403	413	424
Grants, subsidies and contributions (capital)	1,061	4,860	5,150	2,014	1,275	1,275	0	0	0	0	0	0	0
Grants, subsidies and contributions (operating)	5,611	4,058	4,217	4,571	4,347	4,450	4,554	4,661	4,771	4,884	5,000	5,119	5,241
Investment income	112	60	48	31	17	8	6	5	4	4	4	4	4
Reimbursements	710	64	64	35	36	37	38	39	40	41	43	44	45
Other income	215	396	740	841	755	774	794	813	834	855	876	898	921
Total Income	**23,633**	**26,573**	**27,473**	**25,951**	**26,252**	**27,811**	**28,134**	**29,282**	**30,484**	**31,743**	**32,725**	**33,737**	**34,782**
EXPENSES													
Wages and Salaries	6,187	6,650	6,579	6,762	6,873	7,060	7,251	7,447	7,650	7,857	8,071	8,291	8,518
Materials, Contracts and Other Expenses	12,487	13,378	13,349	13,152	12,985	12,962	13,708	13,626	14,190	14,195	15,043	15,026	15,556
Depreciation, amortisation & impairment	7,045	7,525	7,610	7,907	8,124	8,317	8,513	8,713	8,869	9,078	9,295	9,516	9,745
Finance Costs	208	623	304	799	916	852	688	468	205	49	17	6	0
Total Direct Expenses	**25,927**	**28,176**	**27,842**	**28,620**	**28,898**	**29,191**	**30,160**	**30,254**	**30,914**	**31,179**	**32,426**	**32,839**	**33,819**
OPERATING SURPLUS / (DEFICIT)	**-2,294**	**-1,603**	**-369**	**-2,669**	**-2,646**	**-1,380**	**-2,026**	**-972**	**-430**	**564**	**299**	**898**	**963**
Asset disposal & fair value adjustments	-1,175	0	204	0	0	0	0	0	0	0	0	0	0
Amounts specifically for new or upgraded assets	6	382	224	1,258	0	0	0	0	0	0	0	0	0
Physical resources received free of charge		0	0	0	0	0	0	0	0	0	0	0	0
NET SURPLUS / (DEFICIT)	**-3,463**	**-1,221**	**59**	**-1,411**	**-2,646**	**-1,380**	**-2,026**	**-972**	**-430**	**564**	**299**	**898**	**963**
Changes in revaluation surplus - infrastructure, property, plant & equipment	25,867	7,814	17,621	7,477	5,937	5,619	5,688	5,719	5,748	5,773	5,795	5,811	5,822
TOTAL COMPREHENSIVE INCOME	**22,404**	**6,593**	**17,680**	**6,066**	**3,291**	**4,239**	**3,662**	**4,747**	**5,318**	**6,337**	**6,094**	**6,709**	**6,785**

- Note Forecast does not include impacts on any carry forwards.

BERRI BARMERA COUNCIL	2024/25 $000s	2025/26 $000s	2025/26 $000s	2026/27 $000s	2027/28 $000s	2028/29 $000s	2029/30 $000s	2030/31 $000s	2031/32 $000s	2032/33 $000s	2033/34 $000s	2034/35 $000s	2035/36 $000s
STATEMENT OF FINANCIAL POSITION	**Audited Actual**	**Original Budget**	**Forecast**	**Original Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
ASSETS													
Current Assets													
Cash and cash equivalents	869	251	237	206	191	201	238	318	398	3,815	9,091	15,768	22,919
Trade & other receivables	3,010	2,504	3,242	3,002	2,848	2,783	2,781	2,782	2,762	2,762	2,762	2,762	2,762
Inventories	211	95	211	211	211	211	211	211	211	211	211	211	211
Total Current Assets	**4,090**	**2,850**	**3,690**	**3,419**	**3,250**	**3,195**	**3,230**	**3,311**	**3,371**	**6,788**	**12,064**	**18,741**	**25,892**
Non-Current Assets													
Trade and other receivables	873	662	0	0	0	0	0	0	0	0	0	0	0
Other Non-Current Assets	69	921	454	214	128	108	89	69	69	69	69	69	69
Infrastructure, Property, Plant & Equipment	205,853	202,335	228,658	238,755	243,036	245,516	246,663	247,919	249,116	249,628	250,138	249,857	249,491
Total Non-Current Assets	**206,795**	**203,918**	**229,112**	**238,969**	**243,164**	**245,624**	**246,752**	**247,988**	**249,185**	**249,695**	**250,207**	**249,926**	**249,560**
TOTAL ASSETS	**210,885**	**206,768**	**232,802**	**242,388**	**246,414**	**248,819**	**249,982**	**251,299**	**252,556**	**256,483**	**262,271**	**268,667**	**275,452**
LIABILITIES													
Current Liabilities													
Trade & other payables (current)	3,002	1,989	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994
Short-term provisions	1,407	1,284	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372
Short-term borrowings	819	630	880	655	435	299	3,230	311	299	306	313	0	0
Total Current Liabilities	**5,228**	**3,903**	**5,246**	**5,021**	**4,801**	**4,665**	**7,596**	**4,677**	**4,665**	**4,672**	**4,679**	**4,366**	**4,366**
Non-Current Liabilities													
Trade & other payables	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term provisions	565	275	565	565	565	565	565	565	565	565	565	565	565
Long-term borrowings	5,498	15,322	9,718	13,463	14,418	12,720	7,290	6,779	2,730	313	0	0	0
Total Non-Current Liabilities	**6,063**	**15,597**	**10,283**	**14,028**	**14,983**	**13,285**	**7,855**	**7,344**	**3,295**	**878**	**565**	**565**	**565**
TOTAL LIABILITIES	**11,291**	**19,500**	**15,529**	**19,049**	**19,784**	**17,950**	**15,451**	**12,021**	**7,960**	**5,550**	**5,244**	**4,931**	**4,931**
NET ASSETS	**199,594**	**187,268**	**217,273**	**223,339**	**226,630**	**230,869**	**234,531**	**239,278**	**244,596**	**250,933**	**257,027**	**263,736**	**270,521**
EQUITY													
Accumulated Surplus	22,741	19,777	22,799	21,388	18,742	17,362	15,336	14,364	13,934	14,498	14,797	15,695	16,658
Asset Revaluation Reserve	174,573	165,197	192,194	199,671	205,608	211,227	216,915	222,634	228,382	234,155	239,950	245,761	251,583
Other Reserves	2,280	2,294	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280
TOTAL EQUITY	**199,594**	**187,268**	**217,273**	**223,339**	**226,630**	**230,869**	**234,531**	**239,278**	**244,596**	**250,933**	**257,027**	**263,736**	**270,521**

BERRI BARMERA COUNCIL	2024/25 $000s	2025/26 $000s	2025/26 $000s	2026/27 $000s	2027/28 $000s	2028/29 $000s	2029/30 $000s	2030/31 $000s	2031/32 $000s	2032/33 $000s	2033/34 $000s	2034/35 $000s	2035/36 $000s
STATEMENT OF CASH FLOWS	**Audited Actual**	**Original Budget**	**Forecast**	**Original Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
CASH FLOWS FROM OPERATING ACTIVITIES													
Receipts													
Rates	15,191	16,525	16,581	17,761	19,104	20,531	21,987	22,989	24,040	25,143	25,964	26,813	27,690
Statutory Charges	347	428	473	491	504	518	531	545	559	574	588	604	619
User Charges	375	182	200	207	213	219	224	230	236	242	249	255	262
Grants, subsidies and contributions (operating)	5,276	4,058	4,217	4,571	4,347	4,450	4,554	4,661	4,771	4,884	5,000	5,119	5,241
Investment Receipts	98	60	48	31	17	8	6	5	4	4	4	4	4
Reimbursements	721	64	64	35	36	37	38	39	40	41	43	44	45
Other Receipts	2,141	396	740	841	755	774	794	813	834	855	876	898	921
Payments													
Payments to employees	-5,900	-6,650	-6,579	-6,762	-6,873	-7,060	-7,251	-7,447	-7,650	-7,857	-8,071	-8,291	-8,519
Payments for materials, contracts and other expenses	-14,196	-13,633	-13,399	-13,153	-12,983	-12,963	-13,708	-13,624	-14,189	-14,195	-15,044	-15,028	-15,556
Finance Payments	-207	-623	-304	-799	-916	-852	-688	-468	-205	-49	-17	-6	0
Net Cash provided by (or used in) Operating Activities	**3,846**	**807**	**2,041**	**3,223**	**4,204**	**5,662**	**6,487**	**7,743**	**8,440**	**9,642**	**9,592**	**10,412**	**10,707**
CASH FLOWS FROM INVESTING ACTIVITIES													
Receipts													
Grants specifically for new or upgraded assets	261	382	224	1,258	0	0	0	0	0	0	0	0	0
Grants utilised for capital purposes	1,151	4,860	5,150	2,014	1,275	1,275	0	0	0	0	0	0	0
Sale of Replaced Assets	102	0	305	0	0	0	0	0	0	0	0	0	0
Repayments of Loans from Community Groups	214	136	256	480	240	85	21	19	19	0	0	0	0
Payments													
Capital Expenditure on renewal/replacement of assets	-2,386	-10,930	-11,814	-6,493	-5,634	-4,867	-3,772	-4,062	-4,128	-3,636	-3,820	-3,242	-3,314
Capital Expenditure on new/upgraded assets	-1,658	-1,351	-1,073	-4,033	-835	-310	-200	-190	-190	-180	-190	-180	-242
Net Cash provided by (or used in) Investing Activities	**-2,316**	**-6,903**	**-6,952**	**-6,774**	**-4,954**	**-3,817**	**-3,951**	**-4,233**	**-4,299**	**-3,816**	**-4,010**	**-3,422**	**-3,556**
CASH FLOWS FROM FINANCING ACTIVITIES													
Receipts													
Proceeds from Deposits or Bonds	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Borrowings	0	6,950	5,214	4,400	1,390	300	500	600	400	0	0	0	0
Payments													
Repayment of Borrowings	-1,289	-700	-817	-880	-655	-2,135	-2,999	-4,030	-4,461	-2,409	-306	-313	0
Repayment of principal portion of lease liabilities	-234	-122	-118	0	0	0	0	0	0	0	0	0	0
Net Cash used in Financing Activities	**-1,523**	**6,128**	**4,279**	**3,520**	**735**	**-1,835**	**-2,499**	**-3,430**	**-4,061**	**-2,409**	**-306**	**-313**	**0**
NET INCREASE (DECREASE) IN CASH HELD	**7**	**32**	**-632**	**-31**	**-15**	**10**	**37**	**80**	**80**	**3,417**	**5,276**	**6,677**	**7,151**
CASH AT BEGINNING OF YEAR	862	219	869	237	206	191	201	238	318	398	3,815	9,091	15,768
CASH AT END OF PERIOD	**869**	**251**	**237**	**206**	**191**	**201**	**238**	**318**	**398**	**3,815**	**9,091**	**15,768**	**22,919**

BERRI BARMERA COUNCIL	2024/25 $000s	2025/26 $000s	2025/26 $000s	2026/27 $000s	2027/28 $000s	2028/29 $000s	2029/30 $000s	2030/31 $000s	2031/32 $000s	2032/33 $000s	2033/34 $000s	2034/35 $000s	2035/36 $000s
STATEMENT OF CHANGES IN EQUITY	**Audited Actual**	**Original Budget**	**Forecast**	**Original Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
ACCUMULATED SURPLUS													
Opening balance at beginning of financial year	25,164	20,997	22,741	22,799	21,388	18,742	17,362	15,336	14,364	13,934	14,498	14,797	15,695
Net Surplus (Deficit) for the year	-3,463	-1,221	59	-1,411	-2,646	-1,380	-2,026	-972	-430	564	299	898	963
Transfer to/from reserves	1,040	1	-1										
Closing balance at end of period	**22,741**	**19,777**	**22,799**	**21,388**	**18,742**	**17,362**	**15,336**	**14,364**	**13,934**	**14,498**	**14,797**	**15,695**	**16,658**
ASSET REVALUATION RESERVE													
Opening balance at beginning of financial year	149,672	157,383	174,573	192,194	199,671	205,608	211,227	216,915	222,634	228,382	234,155	239,950	245,761
Transfer between reserves	(966)												
Gain/(loss) on revaluation of infrastructure, property, plant & equipment	25,867	7,814	17,621	7,477	5,937	5,619	5,688	5,719	5,748	5,773	5,795	5,811	5,822
Closing balance at end of period	**174,573**	**165,197**	**192,194**	**199,671**	**205,608**	**211,227**	**216,915**	**222,634**	**228,382**	**234,155**	**239,950**	**245,761**	**251,583**
OTHER RESERVES													
Opening balance at beginning of financial year	2,354	2,294	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280
Transfer from accumulated surplus	-74												
Closing balance at end of period	**2,280**	**2,294**	**2,280**	**2,280**	**2,280**	**2,280**	**2,280**	**2,280**	**2,280**	**2,280**	**2,280**	**2,280**	**2,280**
TOTAL EQUITY AT END OF REPORTING PERIOD	**199,594**	**187,268**	**217,273**	**223,339**	**226,630**	**230,869**	**234,531**	**239,278**	**244,596**	**250,933**	**257,027**	**263,736**	**270,521**

BERRI BARMERA COUNCIL	2024/25	2025/26	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
KEY FINANCIAL INDICATORS	**Audited Actual**	**Original Budget**	**Forecast**	**Original Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
Operating Surplus Ratio	-9.7%	-6.0%	-1.3%	-10.3%	-10.1%	-5.0%	-7.2%	-3.3%	-1.4%	1.8%	0.9%	2.7%	2.8%
Net Financial Liabilities Ratio	28.0%	61.0%	43.9%	61.0%	63.8%	53.8%	44.2%	30.5%	15.7%	-3.2%	-20.2%	-40.3%	-59.7%
Asset Renewal Funding Ratio	95%	100%	116%	101%	135%	131%	106%	112%	112%	97%	100%	79%	100%
Adjusted operating surplus ratio	-22.5%	-29.8%	-24.7%	-19.6%	-15.7%	-10.0%	-7.2%	-3.3%	-1.4%	1.8%	0.9%	2.7%	2.8%
Adjusted Net Financial Liabilties	39.0%	77.1%	54.0%	66.2%	67.0%	56.4%	44.2%	30.5%	15.7%	-3.2%	-20.2%	-40.3%	-59.7%

BERRI BARMERA COUNCIL CAPITAL EXPENDITURE	2024/25 $000s Audited Actual	2025/26 $000s Original Budget	2025/26 $000s Forecast	2026/27 $000s LTFP	2027/28 $000s LTFP	2028/29 $000s LTFP	2029/30 $000s LTFP	2030/31 $000s LTFP	2031/32 $000s LTFP	2032/33 $000s LTFP	2033/34 $000s LTFP	2034/35 $000s LTFP	2035/36 $000s LTFP
Replacement assets													
Building & Structures	341	2,325	3,030	1,950	1,955	1,855	580	650	650	650	650	650	650
Roads, Kerbs & Footpaths	1,685	6,259	6,475	2,675	2,041	1,874	1,922	1,972	2,023	2,077	2,131	2,187	2,195
Stormwater	0	378	378	299	91	91	91	91	91	91	0	0	0
CWMS	31	463	463	463	463	334	334	334	300	300	300	300	300
Plant & Equipment	534	1,155	1,468	1,005	985	615	745	965	1,015	467	690	55	120
Furniture & Fittings	51	350	0	100	100	100	100	50	50	50	50	50	50
Total Replacement assets	**2,642**	**10,930**	**11,814**	**6,492**	**5,635**	**4,869**	**3,772**	**4,062**	**4,129**	**3,635**	**3,821**	**3,242**	**3,315**
New assets													
Building & Structures	888	503	575	1,743	525	0	10	0	10	0	10	0	10
Roads, Kerbs & Footpaths	1,163	293	118	443	0	0	0	0	0	0	0	0	0
Stormwater	11	0	0	0	0	0	0	0	0	0	0	0	0
CWMS	5	380	380	1,847	310	310	190	190	180	180	180	180	232
Plant & Equipment	0	175	0	0	0	0	0	0	0	0	0	0	0
Furniture & Fittings	127	0	0	0	0	0	0	0	0	0	0	0	0
Total New assets	**2,194**	**1,351**	**1,073**	**4,033**	**835**	**310**	**200**	**190**	**190**	**180**	**190**	**180**	**242**
TOTAL CAPITAL EXPENDITURE	**4,836**	**12,281**	**12,887**	**10,525**	**6,470**	**5,179**	**3,972**	**4,252**	**4,319**	**3,815**	**4,011**	**3,422**	**3,557**

BERRI BARMERA COUNCIL	2024/25 $000s	2025/26 $000s	2025/26 $000s	2026/27 $000s	2027/28 $000s	2028/29 $000s	2029/30 $000s	2030/31 $000s	2031/32 $000s	2032/33 $000s	2033/34 $000s	2034/35 $000s	2035/36 $000s
UNIFORM PRESENTATION OF FINANCIAL STATEMENTS	**Audited Actual**	**Original Budget**	**Forecast**	**Original Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
INCOME													
Rates	15,192	16,525	16,581	17,761	19,104	20,531	21,987	22,989	24,040	25,143	25,964	26,813	27,690
Statutory charges	347	304	349	362	373	382	392	402	413	424	435	446	457
User charges	385	306	324	336	345	354	363	373	382	392	403	413	424
Grants, subsidies and contributions (capital)	1,061	4,860	5,150	2,014	1,275	1,275	0	0	0	0	0	0	0
Grants, subsidies and contributions (operating)	5,611	4,058	4,217	4,571	4,347	4,450	4,554	4,661	4,771	4,884	5,000	5,119	5,241
Investment income	112	60	48	31	17	8	6	5	4	4	4	4	4
Reimbursements	710	64	64	35	36	37	38	39	40	41	43	44	45
Other Income	215	396	740	841	755	774	794	813	834	855	876	898	921
Total Income	**23,633**	**26,573**	**27,473**	**25,951**	**26,252**	**27,811**	**28,134**	**29,282**	**30,484**	**31,743**	**32,725**	**33,737**	**34,782**
EXPENSES													
Employee costs	-6,187	-6,650	-6,579	-6,762	-6,873	-7,060	-7,251	-7,447	-7,650	-7,857	-8,071	-8,291	-8,518
Materials, contracts and other expenses	-12,487	-13,378	-13,349	-13,152	-12,985	-12,962	-13,708	-13,626	-14,190	-14,195	-15,043	-15,026	-15,556
Depreciation, amortisation and impairment	-7,045	-7,525	-7,610	-7,907	-8,124	-8,317	-8,513	-8,713	-8,869	-9,078	-9,295	-9,516	-9,745
Finance costs	-208	-623	-304	-799	-916	-852	-688	-468	-205	-49	-17	-6	0
less Operating Expenses	**-25,927**	**-28,176**	**-27,842**	**-28,620**	**-28,898**	**-29,191**	**-30,160**	**-30,254**	**-30,914**	**-31,179**	**-32,426**	**-32,839**	**-33,819**
OPERATING SURPLUS (DEFICIT)	**-2,294**	**-1,603**	**-369**	**-2,669**	**-2,646**	**-1,380**	**-2,026**	**-972**	**-430**	**564**	**299**	**898**	**963**
Timing adjustment for grant revenue	-1,761												
Less Grants, subsidies and contributions (capital)	-1,061	-4,860	-5,150	-2,014	-1,275	-1,275	0	0	0	0	0	0	0
ADJUSTED OPERATING SURPLUS (DEFICIT)	**-5,116**	**-6,463**	**-5,519**	**-4,683**	**-3,921**	**-2,655**	**-2,026**	**-972**	**-430**	**564**	**299**	**898**	**963**
NET OUTLAYS ON EXISTING ASSETS													
Capital Expenditure on Renewal and Replacement of Existing Assets	-2,100	-10,930	-11,814	-6,493	-5,634	-4,867	-3,772	-4,062	-4,128	-3,636	-3,820	-3,242	-3,314
add back Depreciation, Amortisation and Impairment	7,045	7,650	7,610	7,907	8,124	8,317	8,513	8,713	8,869	9,078	9,295	9,516	9,745
add back Proceeds from Sale of Replaced Assets	102	4,860	5,150	2,014	1,275	1,275	0	0	0	0	0	0	0
	5,047	**1,580**	**946**	**3,428**	**3,765**	**4,725**	**4,741**	**4,651**	**4,741**	**5,442**	**5,475**	**6,274**	**6,431**
NET OUTLAYS ON NEW AND UPGRADED ASSETS													
Capital Expenditure on New and Upgraded Assets	-1,658	-1,351	-1,073	-4,033	-835	-310	-200	-190	-190	-180	-190	-180	-242
add back Amounts Received Specifically for New and Upgraded Assets	1,280	382	5,150	2,014	1,275	1,275	0	0	0	0	0	0	0
add back Proceeds from Sale of Surplus Assets	0	0	305	0	0	0	0	0	0	0	0	0	0
	-378	**-969**	**4,382**	**-2,019**	**440**	**965**	**-200**	**-190**	**-190**	**-180**	**-190**	**-180**	**-242**
ANNUAL NET IMPACT TO FINANCING ACTIVITIES (SURPLUS/(DEFICIT))	**-447**	**-5,852**	**-191**	**-3,274**	**284**	**3,035**	**2,515**	**3,489**	**4,121**	**5,826**	**5,584**	**6,992**	**7,152**

Glossary of Terms Appendix

Term	Definition
Annual net impact to financing activities (surplus (deficit))	Annual net impact to financing activities (surplus (deficit)) equals Operating surplus / (deficit), less net outlays on non-financial assets. The Annual net impact to financing activities (surplus (deficit)) result is a measure of the Council's overall (i.e. Operating and Capital) budget. Achieving a zero result Annual net impact to financing activities (surplus (deficit)) measure in any one year means that the Council has met its expenditure (both operating and capital) from the current year's revenues.
Asset Management Plan (AMPs)	An operational plan for Council's Building and Structures, Infrastructure (Roads & Kerbing, Footpaths, Stormwater), CWMS, Plant and Equipment and Sundry physical assets with the objective of providing the required level of service, maintenance and renewal of such assets in the most cost effective and efficient manner.
Asset Renewal Funding Ratio	The asset renewal funding ratio is calculated by measuring the actual level of capital expenditure on renewal and replacement of assets (or proposed in the budget) with the optimal level identified in the asset management plan.
Enterprise resource planning (ERP)	Is a software system that helps organisations streamline their core business processes—including finance, HR, manufacturing, supply chain, sales, and procurement—with a unified view of activity and provides a single source of truth.
ESCOSA	Essential Services Commission of South Australia.
Financial Assets	Financial Assets include cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses, inventories and land held for resale.
Financial Sustainability	Financial Sustainability is where planned long-term service and infrastructure levels and standards are met without unplanned and disruptive increases in rates or cuts to services.
FSIP	Local Government Association (LGA) Financial Sustainability Information Papers are documents that provide guidance with regards to legislation and best practice. There are a number of FSIPs that are relevant to the LTFP including the following: Paper 01 Financial Sustainability, Paper 06 Infrastructure and Asset Management, Paper 08 Long Term Financial Plans, Paper 09 Financial Indicators, Paper 10 Debt, Paper 15 Treasury Management, and Paper 20 Rating and Other Funding Policy Options.
Financial Year ('FY')	The financial year from 1 July to 30 June of a particular year.
Net Financial Liabilities Ratio	Is Net Financial Liabilities as a percentage of total operating revenue. The ratio allows interested parties to readily equate the outstanding level of the Council's accumulated financial obligations

	against the level of one-year's operating revenue. Where the ratio reduces over time, it indicates that the Council's capacity to meet its financial obligations is strengthening.
Non-financial or physical asset	Non-financial or physical assets refers to infrastructure, land, buildings, plant, equipment, furniture and fittings, and inventories.
Operating deficit	Where operating revenues are less than operating expenses (i.e. operating revenue is therefore not sufficient to cover all operating expenses).
Operating expenses	Operating expenses are operating expenses shown in the Income Statement, including depreciation, but excluding losses on disposal or revaluation of non-financial assets.
Operating revenues	Operating revenues are incomes shown in the Income Statement but exclude profit on disposal of non–financial assets and amounts received specifically for new/upgraded assets (e.g. from a developer).
Operating surplus	Operating surplus is where operating revenues are greater than operating expenses (i.e. operating revenue is therefore sufficient to cover all operating expenses).
Operating Surplus Ratio (OSR)	Operating Surplus Ratio expresses the operating surplus (deficit) as a percentage of operating revenue.