

2025-2034

DRAFT LONG TERM FINANCIAL PLAN



Yorke Peninsula Council

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Overview

Section 122 (1a) (a) of the Local Government Act 1999 requires Councils to develop a Long Term Financial Plan (LTFP) as a key part of their Strategic Management Plans.

The objective of this LTFP for the financial year commencing 2024/2025 through to 2033/2034, is to ensure that Council is financially sustainable in the short to medium term (1 - 5 years) and able to provide at least the current level of services and infrastructure over the ten (10) years of the Plan in line with Council's goals as stated in its 2021 - 2025 Strategic Management Plan (SMP) and Asset Management Plans (AMP).

To this end Council will review its LTFP annually using the latest available financial and service level data, cost indices and incorporating all known future projects and variations to ensure a realistic forecast is presented to the community.

This LTFP is an update to the LTFP 2024 - 2033 previously endorsed by Council in April 2023 and will replace it should Council adopt this version following public consultation. This LTFP is reflective of current data (financial and service levels), cost indices, internal and external factors, current economic and political environment, revenue streams, updated asset information, limitations and known community needs.

Chief Executive Officer's Report on Financial Sustainability

The revised LTFP indicates that Council is on track to achieving its aim of being financial sustainable. Financial sustainability is achieved in the short term (Y2) and is maintained over the life of the plan. However, it must be noted, that the measure to which the outcomes forecast in the plan are achieved rest upon the extent to which, future operations and movements in the boarder economic environment, occur in accordance with the underlying assumptions of the plan. Given a 10-year time horizon the reader should keep in mind that projections contained within this plan are inherently less reliable as time progresses. To ensure responsiveness to changing conditions, Council conducts an annual review of its LTFP revisiting assumptions based on the latest data.

Key Targets

The key targets in this LTFP remain unchanged as follows:

- Positive Operating Surplus Ratio (OSR) i.e. operating surplus, in the short to medium term (1 – 5 years);
- Spending on asset renewal consistent with AMP identified needs and Asset Renewal Funding Ratio (ARFR) to be a minimum 100% annually (where practical);
- Net Financial Liabilities Ratio (NFLR) to be within the recommended Local Government target of 100% of Operating Income annually;
- No new services or assets or increases to existing services to be introduced without consideration of the impact on the LTFP.

The key targets require the support of an appropriate rating strategy which is outlined below.

Rating Strategy

Section 150a of the Local Government Act 1999 provides that rates constitute a system of taxation for local government purposes (generally based on the value of land). This LTFP recommends a rating strategy that seeks to achieve a degree of stability, predictability and equity

over the next ten (10) years, while ensuring current levels of service and infrastructure are maintained for the Community. Rates will be set at affordable levels having regard to Council's strategic direction, social and economic goals and external economic environment, balanced against the Community's ability to pay and its desire for services and infrastructure.

Rate revenue forecasts are set relative to Consumer Price Index (CPI) assumptions plus a Road Maintenance and Renewal Loading (RMRL) which is to be applied over and above CPI to ensure to ensure targets are met and asset renewal backlog is reduced. CPI inflation results for the December Quarter 2023 (Adelaide City) and the Reserve Bank of Australia (RBA) November 2023 Economic Outlook have been used for Y1 and Y2 respectively. It is further assumed that inflation will gradually return to the RBA targeted range (2.5%) by Y3 of the plan. It should be noted, for context, that the annual CPI (All groups, Adelaide) for the 2023 September quarter was 5.9%.

The table below shows the forecast CPI compared to the general rate increases¹ proposed.

| General Rates | Year 1 24/25 | Year 2 25/26 | Year 3 26/27 | Year 4 27/28 | Year 5 28/29 | Year 6 29/30 | Year 7 30/31 | Year 8 31/32 | Year 9 32/33 | Year 10 33/34 |
|----------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| General Rate Increase | 4.80% | 3.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Road Maintenance and Renewal Loading (RMRL)* | 2.00% | 2.00% | 1.75% | 1.50% | 1.50% | 1.25% | 1.25% | 1.00% | 0.75% | 0.75% |
| Total Rate Increase | 6.80% | 5.25% | 4.25% | 4.00% | 4.00% | 3.75% | 3.75% | 3.50% | 3.25% | 3.25% |
| LTFP CPI Estimate | 4.80% | 3.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

** Income generated through the RMRL will be quarantined specifically for use in capital road renewal projects within the Council area. Historic reductions to Financial Assistance Grant (General Component), largely driven by the increasing value of Primary Production land and relatively low rating thereof, have contributed to the need for this loading.*

Rate revenue is vital in enabling the delivery of Council services over the next ten (10) years and beyond. General rate revenue (i.e. - excluding service charges, special rates and the regional landscape levy) provides 60.2% of total operating income across the life of the plan. Rate revenue funds many Council services, is used to create new and upgrade existing Council assets and to maintain and renew existing Council assets to ensure they operate at a safe and functional standard in line with Community needs and expectations. Council's ten (10) year rate revenue forecasts are explained in detail later in this LTFP. Council is presently conducting an independent review of its approach to rating. The outcome of this review may impact future rating assumptions and future rating practices.

¹ The phrase "general rate increase" refers to the percentage increase in total general raised by Council for a given year (e.g. – If Council raised \$22.4M rates, inclusive of rebates, in the prior year and then applied a general rate increase of 6.8% this would equate to an approximate increase of \$1.5M in total general rates raised in the current year). **It must be stressed that the actual change in general rates payable by any individual ratepayer may be more or less than the forecast general rate increase depending on the relative movement in the capital value of their property, as set by the Valuer General (externally), and setting of differential rates for land use categories, as set by Council (internally), for each individual year of the Plan.**

Other Rate Income

Other rate income includes service charges, separate rates and the State Government landscape levy and represents approximately 15% of total operating income over the life of the Plan. Council raises service charges on rateable land where it provides or makes available a prescribed service, such that, the beneficiaries effectively pay for the service they receive. Council applies a service charge in relation to the following services: Community Wastewater Management System, Water Supply and Waste Collection and Recycling. Service charges are set with reference to the cost to Council of establishing, operating, maintaining, improving and replacing the services in its area and any additional external pricing regulation which may apply.

Legislation requires Council to collect the landscape levy, a State Government tax, through its rating process. The levy raised is remitted to the Northern and Yorke Landscape Board less a small fee (<\$10,000 per annum) for Council's services. In the 2023/2024 financial year Council was required to collect \$1.15m from Council ratepayers which was then provided directly Northern and Yorke Landscape Board after subtracting externally predetermined collection fee. Separate rates are payable to Council, in addition to general rates and service charges, by a select group of rate payers in Chinaman Wells and Point Turton to cover the cost of finance facilitated by Council to enable the construction of seawalls to protect specific private property.

Other Sources of Income

Other sources of revenue provide the remaining 24.8% of total operating income across the life of the plan. Other sources of revenue include statutory charges, user charges (e.g. – caravan parks, boat ramps, bush camping, disability services), grants, subsidies and contributions, investment income, reimbursements and other income. Many of these other sources of revenue continue to provide a similar proportion of income to that forecast in the previous plan. Effort continues to be made to ensure other sources of income are maximised. However, Council will likely rely on increases to rate revenue to fund operations and achieve its strategic objectives.

Capital Expenditure

Continuing its focus on the renewal of existing assets, Council over the life of this LTFFP, is proposing to allocate \$160.9m towards renewal and replacement of existing assets. An additional \$14.3m over ten (10) years is allocated for upgrades to assets and acquisition of new assets. It should be noted, that both renewal and new/upgrade allocations assume receipt of grant funding for several major projects (refer table on page 21 for further information).

Financial Sustainability Indicators (Ratios)

This LTFFP shows that Council will return to a positive Operating Surplus Ratio (OSR) in 2025/2026 (Y2) which matches the forecast of the current adopted LTFFP. However, the revised LTFFP provides for a more subtle return to positive territory on account of updated operating expenditure estimates and reduced expectations around future increases to Council rates over and above CPI in the later part of the plan.

It should be noted, that from time to time, during the period of the LTFFP Council's financial results are materially distorted by individually significant events (i.e. – amounts that are either unusual in nature, or usual in nature but unusual in amount) which may convey a false impression of Council's underlying operations. The revised draft LTFFP contains several one-off grant funded projects which are individually significant and as such have the potential to create material variances in the plan should these projects not proceed.

Council's forecast Net Financial Liabilities Ratio (NFLR) continues to be well below Local Government recommended maximum limits and Council's LTFP maximum threshold of 100% of Operating Income. Two new loans are planned to be drawn down in 2025/2026 with a third new loan to be drawn upon in 2026/27. This will see the NFLR peak early in the LTFP but with no further loans predicted the ratio will then decline over the life of the plan. Should Council generate sufficient operating surpluses there is scope to increase future borrowings to fund major renewal requirements and net positive business case projects.

The Asset Renewal Funding Ratio (ARFR) fluctuates significantly compared to Council's minimum target of 100% annually, however the annual average over the ten (10) year period is 136% which is higher than Council's 100% minimum annual target and represents an 6% increase on the current LTFP annual average result.

The reasons for variations to Council's financial sustainability ratios are detailed in the 'Measuring Our Performance' section of this LTFP.

Overall Impact

The LTFP builds on Council's historical efforts to improve its financial performance. The Plan seeks to secure the level of income required to achieve financial sustainability, whilst seeking to manage expenditure in a responsible manner. The data, graphs and financial statements in this Plan provide more detail on Council's financial position over the next ten (10) years.

If Council's financial performance and position continues as proposed in this LTFP, Council will achieve its objectives as stated. Council must also continue to review its operations to realise savings resulting from increased productivity, efficiency and effectiveness. Any such gains will be reflected in future revisions of the LTFP.

Council expects to achieve financially sustainable in the short term and maintain this position over the life of the plan where the underlying assumptions of the plan are realised. However, possible variances from plan assumptions exist, further unforeseen situations have the possibility of modifying forecasts requiring reassessment of Council the financial sustainability.

Key Challenges and Opportunities

The key challenges and opportunities faced by Council in achieving the objectives of this LTFP are:

- Ensuring ongoing financial sustainability of Council.
- Meeting ongoing expectations of our community for increased, or new, services.
- Maximising funding for renewal and replacement of ageing assets in line with improved asset management principles and practices.
- Improved data for Council's asset base and ongoing review of asset inventory.
- Managing impact of cost shifting from other levels of Government.
- Managing political and legislative changes and their impact.
- Minimising the impact of economic instability and inflationary pressure.
- Monitoring impact of decisions made outside this LTFP.
- Rationalisation of underutilised or surplus assets to provide one-off capital injections and reduce maintenance and other operating costs.

- Use of debt to leverage funding for asset renewal and acquisition of assets.
- Review of services to reduce expenditure, increase efficiency and effectiveness and increase value for money to ratepayers.
- Use technology to reduce costs, increase productivity, efficiency and effectiveness.
- Explore ways to increase existing revenue streams, and find new ones, by taking a commercial approach to Council business.
- Environmental and climate related risks.

Planning Framework

The financial basis of this LTFP is consistent with the audited Annual Financial Statements as at 30 June 2023, the 2023/2024 Annual Business Plan and the 2023/2024 Budget. The LTFP forecasts have been based on the September 2023 (and significant December 2023) quarter revised Budget along with current Asset Management Plans (AMP), financial policies and a set of assumptions which are necessary, given the high-level nature of an LTFP and the long-term assumptions which sit beneath all forecasts proposed.

The LTFP is primarily used as a tool to establish and communicate Council's general financial direction over the longer term (10 years) and to assist in the assessment of Council's current financial position in conjunction with its Annual Business Plan and Annual Budget preparation together with ongoing quarterly Budget reviews.

This is intended to be a "live" document requiring adjustment and assessment as Council makes financial decisions which may impact its long-term financial position. Council will review this Plan at least annually, post audit of its Financial Statements, and prior to development of its Annual Business Plan and Budget. Other updates will be made when considered necessary.

Council's Annual Business Plan and Budget will be prepared with reference to this LTFP and with consideration of new information at hand regarding economic, political and social factors at time of preparation.

The LTFP is prepared using multiple assumptions, especially regarding projected rate income, fees, charges, grants, future operational and capital expenditure requirements. Given the long-term nature of this Plan and forecasts derived from an estimate of future performance, it should be noted that actual results have the potential to vary from the information contained in this LTFP. It should also be noted that some of these variations could be material.

The accuracy of predictions decreases over time and difficulties can arise in accurately predicting capital expenditure requirements for Council's significant asset base. Council has prepared AMP's for its major asset classes to assist in determining the funding impact of maintaining and replacing assets when required. These projections are based on current understanding of asset management needs at a point in time and with reference to Council's LTFP. Council's AMPs seek to ensure that assets are maintained at a safe and functional standard to meet Community needs and expectations within the funding available while keeping rates affordable. It should be noted that all AMPs of Council are required to be updated during the 2024 calendar year.

This LTFP does not rely on asset sales to fund core services or renewal of infrastructure, however, three (3) new loans totalling \$4.6m of which have been included. These loans represent Council's contribution (or a portion thereof) towards the following major projects:

- Upgrade of Robert Street, Maitland - \$3.0M loan with a fixed term of fifteen (15) years.
- Renewal of Clinton Road (Stage 1) - \$1.1M loan with a fixed term of ten (10) years.
- Yorketown Power Line Undergrounding Project - \$500k loan with a fixed term of ten (10) years.

More detail about these projects can be found later in this LTFP. These project and subsequent loan borrowings are forecast to commence in 2025/26 (Y2) and 2026/27 (Y3) of the plan.

Debt will be regarded primarily as a strategic tool to be used for the acquisition of new assets or upgrade or renewal of existing assets.

Debt will be considered:

- In the context of Council's SMP;
- In the context of LTFP forecasts and targets;
- In the context of AMP asset renewal requirements;
- As funding for long term asset acquisition;
- To enable intergenerational equity; and
- As a mechanism to fund temporary cash shortfalls.

Financial sustainability will be measured using the Local Government (Financial Management) Regulations 2011 specified financial indicators (ratios). The three ratios used are:

- Operating Surplus Ratio (OSR) – measures the extent to which operating income meets operating expenditure.
- Net Financial Liabilities Ratio (NFLR) – indicates the extent to which the net financial liabilities of Council could be met by its operating income.
- Asset Renewal Funding Ratio (ARFR) – measure of the amount spent by Council on renewing or replacing existing assets compared to expenditure required in its AMP's.

Ideally, at a minimum, Council should raise enough operating revenue to cover all operating expenditure including depreciation on an annual basis. When this occurs, Council will have a positive or break even OSR meaning that ratepayers in that year are paying for all resources consumed. Operating deficits are not sustainable or equitable in the long term as they result in services consumed by current ratepayers being paid for by future ratepayers (i.e. intergenerational inequity). A fair and equitable tax system is one in which taxes paid by each generation are proportional to the benefits which that generation receives.

The LTFP forecasts are presented as a series of reports and financial statements (ten (10) year forecasts) in a format required in the SA Model Financial Statements and comprise the following:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Cashflows
- Statement of Changes in Equity
- Uniform Presentation of Finances

Please refer to Attachments 1 – 5 for more information.

Measuring our performance

The Local Government (Financial Management) Regulations 2011 set out three (3) financial indicators (ratios) that allow assessment of Council’s long term financial performance and financial sustainability. Each of the three (3) ratios have been forecast over the life of this LTFP and compared to Council targets which have been set relative to recommendations provided in the LGA’s Financial Sustainability Information Paper 9: Financial Indicators.

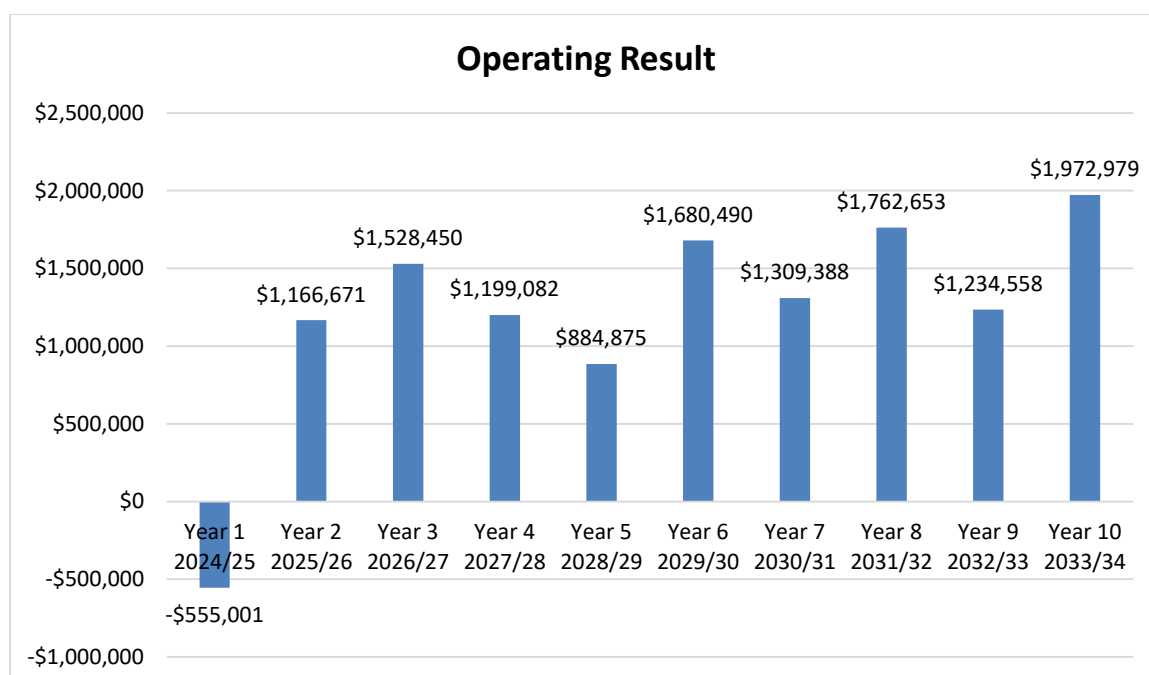
Council’s targets aim to achieve and maintain a positive OSR and to maximise the ARFR, over the term of the Plan, building a solid foundation beyond Year 10 of this LTFP. Achieving and maintaining financial sustainability assists Council in minimising the impact of future risks and uncertainty while maintaining current levels of service and infrastructure without excessive rate increases.

The annual targets set by Council are:

| Financial Sustainability Indicator | Target |
|------------------------------------|-----------|
| Operating Surplus Ratio | 0% to 10% |
| Net Financial Liabilities Ratio | <100% |
| Asset Renewal Funding Ratio | >100% |

Operating Surplus Ratio

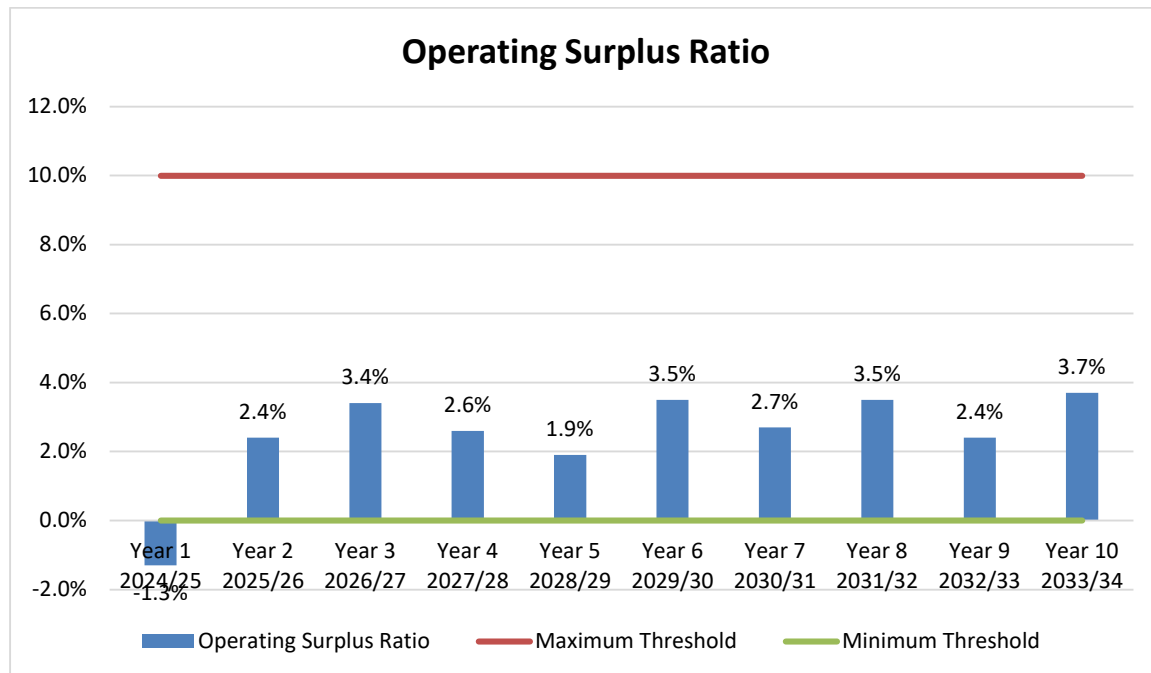
This ratio measures the extent to which operating income covers operating expenditure (including depreciation). It is calculated by expressing the operating surplus (deficit) as a percentage of operating income. This indicator is by far the most important. If Council consistently achieves a modest positive operating surplus ratio and has soundly based forecasts showing that it can continue to do so in future, having regard to asset management and its community’s service level needs, then it is financially sustainable. Council’s forecast ten (10) year Operating Surplus/(Deficit) is shown in the graph below.



The graph on page 11 shows that Council will achieve an Operating Surplus in Y2 (2025/2026) and maintain an Operating Surplus over the life of the Plan. This result is in line with the objectives of this LTFP.

Though returning consistent operating surplus Council has the flexibility to invest additional funds to into renewal of existing assets, afford repayments on any potential new loans, consider the provision of new services to meet the needs of its community and meet its financial sustainability targets as stated in this LTFP.

Based on the Operating Surplus/(Deficit) forecast in the graph on page 10 above the forecast OSR for this LTFP is shown in the graph below.

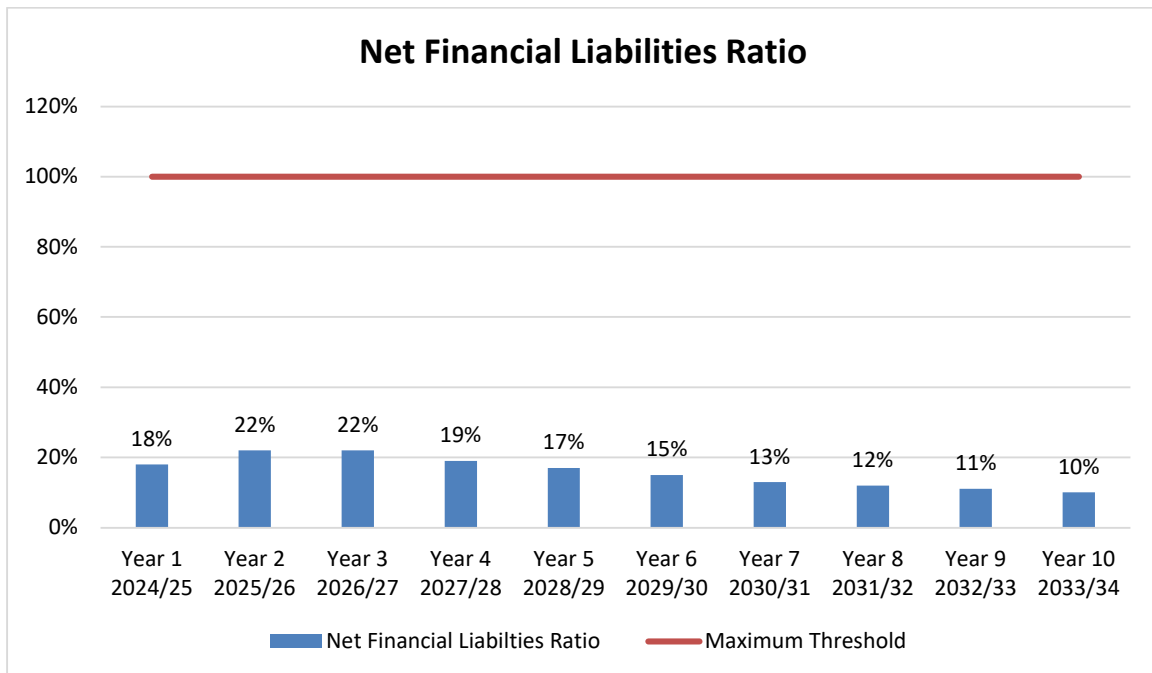


The trends in the OSR graph above is reflective of the movement in the forecast operating surplus/ (deficit) shown in the graph on page 11.

Net Financial Liabilities Ratio

This ratio indicates the extent to which the net financial liabilities of Council can be met by its annual operating income. Net financial liabilities can be defined as the total liabilities (debt, employee leave entitlements and other amounts payable in future) of Council less financial assets (cash holdings, invested funds etc.). This ratio is calculated by expressing net financial liabilities at the end of the financial year as a percentage of operating income for the year. If the ratio falls over time, this indicates that Council’s capacity to meet its financial obligations from operating income is strengthening. It may also allow Council to increase its borrowings for strategic capital expenditure.

Over the life of the Plan this ratio is forecast as shown in the graph below.



The graph shows that Council's forecast NFLR is well below the ceiling of 100% over the life of this LTFP, with 22% being the highest (Y2 and Y3) and 10% being the lowest (Y10). This is well within the financial sustainability targets of this LTFP.

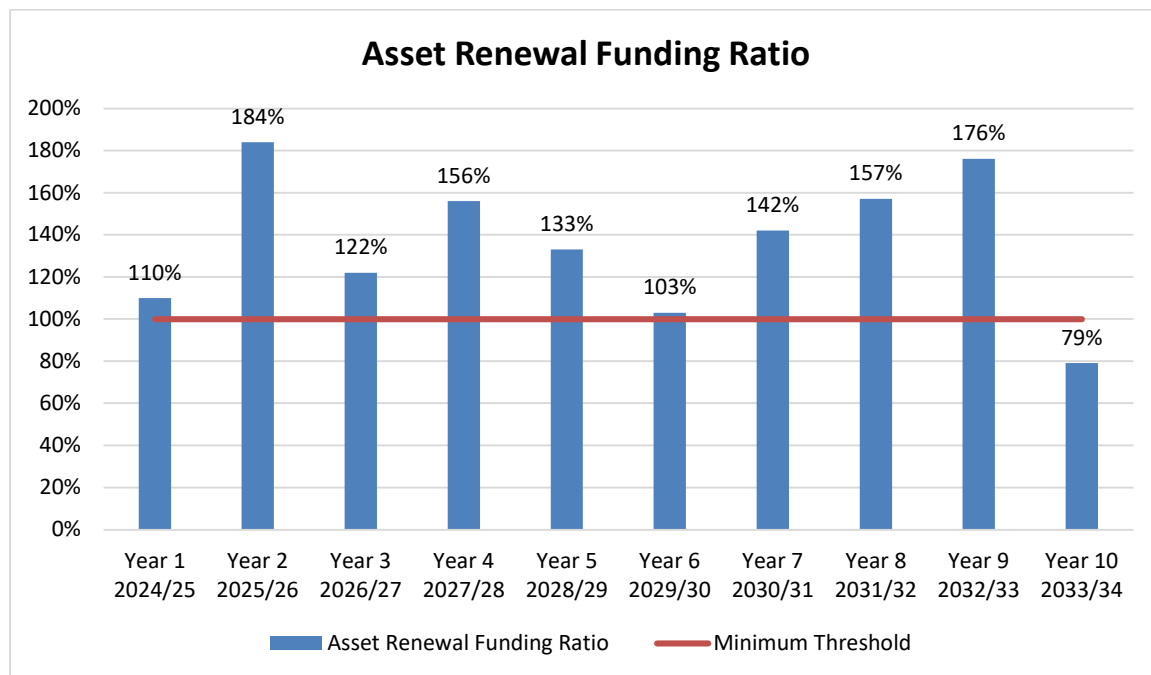
As stated, earlier three (3) new loans totalling \$4.6m are forecast over Y2 and Y3 to assist in Council's contribution to several major projects.

The decreasing ratio provides Council with the opportunity to continue borrowing to undertake strategic capital projects as long as the capacity to repay exists.

Asset Renewal Funding Ratio

This ratio indicates the extent to which Council's non-financial assets are being renewed and replaced compared to expenditure identified in Council's AMP. It is calculated by measuring capital expenditure on renewal and replacement of assets in any given year divided by the expenditure required on renewal of assets in Council's AMP in that year. This Plan uses AMP to calculate this ratio and allocate available capital renewal funding across Council's various asset classes.

The ARFR results are provided in the graph below.



The minimum Asset Renewal Funding Ratio target of 100% is achieved throughout the Plan except for Y10. The average ratio result over the life of the revised LTFP is 136% which is 6% greater than the average result for the ratio in the current adopted LTFP. An average ratio greater than the minimum target of 100% ensures that portion of the asset renewal backlog is being addressed. An asset renewal backlog is created when required asset renewal is not undertaken in accordance with the timing indicated in the AMP. When this continues over a length of time assets generally deteriorate at a rapid rate due to lack of investment and require increased funding to bring them up to a satisfactory standard.

The inconsistent nature of the revised ratio is reflective of the use of AMP renewal targets (rather than depreciation) in calculation of this ratio. AMP's are a better measure of asset renewal than depreciation as they more accurately and consistently reflect the timing and quantity asset of renewal required to be undertaken annually. A ratio greater than 100% indicates that Council is addressing some of the asset renewal backlog that exists from previous years. For the purposes of this plan AMP values have been indexed from the date of last revaluation using a combination of the Local Government Price Index (LGPI) and CPI indices.

It should be noted that whilst the Plan contains assumptions around asset revaluations, the actual outcomes of the revaluation of several major asset classes, presently in progress, are unknown. Further, Asset Management Plans (AMP) for all major asset classes are due to be updated by November 2024. These updates are likely to see adjustments to asset renewal requirements impacting the calculation of this ratio and projections into the future. The results of asset revaluations and updated AMPs will be reflected in future iterations of the Plan.

Key assumptions, influences and priorities

This LTFP is based on a 'business as usual' model, as far as practicable, inclusive of potential grant funding for, and expenditure on several major projects. The plan includes known impacts of completed service level reviews, variations to current levels of service and Council's current asset stock. Based on the historical data for the Council area, nil growth in the number rateable assessments has been assumed.

The external and internal influences which impact this LTFP are listed below. Furthermore multiple assumptions have been made in the preparation of this plan and are detailed later in this document.

External

- CPI (All groups, Adelaide)
- Local Government Price Index (LGPI)
- Landscape Levy
- Solid Waste Levy increases and associated refuse and recycling costs
- Utility and fuel costs
- Interest rates and current fiscal environment
- Legislative compliance cost increases
- Government policy changes
- Broader economic environment
- Government grants and subsidy amounts and distribution models
- Climate change and environmental policy
- Risk management and insurance
- ESCOSA full cost recovery requirement for CWMS and Water supply operations

Internal

- Enterprise Bargaining Agreements (EBA) and associated employee costs
- Asset sustainability and service levels
- Asset revaluations
- New and upgraded assets
- Increased focus on asset renewal
- Treasury management policy
- Service level reviews leading to real savings
- Need to increase productivity, efficiency and effectiveness leading to real savings
- One-off Council decisions outside the LTFP
- Caravan parks funding framework
- IT Strategic Plan requirements

CPI

While individual income and expenditure items will have varying degrees of increases, an underlying CPI has been assumed to determine variations in this LTFP. A mixture of The Australian Bureau of Statistics December 2023 CPI (All groups, Adelaide) and the RBA's November 2023 Economic Outlook assumptions have been used to forecast CPI for this LTFP's Y1 and Y2. From Y3 CPI is assumed normalise to the RBA target rate of 2.5% which is then retained for the life of the plan. Forecast CPI can be found in the table on page 6 of this Plan.

Borrowings

As stated earlier, three (3) new loans totalling \$4.6m has been included in this LTFF, to be drawn down in Y2 (2025/2026) and Y3 (2026/27). These new loans enable and/or assist Council in providing its required contribution to the following projects without drawing on its existing cash balance:

- Upgrade of Robert Street, Maitland – \$3.0M loan with a fixed term of fifteen (15) years.
- Renewal of Clinton Road (Stage 1) – \$1.1M loan with a fixed term of ten (10) years.
- Yorketown Power Line Undergrounding Project – \$500k loan with a fixed term of ten (10) years.

Indexation

The table below summarises the approximate changes in income and expenditure types compared to the September 2023 quarter (and significant major December 2023) quarterly budget reviews. It should be noted that there are individual items which may have increased or decreased at a different rate than stated below and that the list below is not exhaustive. These the reasons for the movements are outlined in more detail later in this LTFF.

| Income Type | Y1 24/25 | Y2 25/26 | Y3 26/27 | Y4 27/28 | Y5 28/29 | Y6 29/30 | Y7 30/31 | Y8 31/32 | Y9 32/33 | Y10 33/34 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| General Rates | 6.80% | 5.25% | 4.25% | 4.00% | 4.00% | 3.75% | 3.75% | 3.50% | 3.25% | 3.25% |
| Landscape Levy | 4.00% | 3.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Waste Charge | 5.00% | 4.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| CWMS Charge | 4.00% | 3.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Water Supply Charge | 4.00% | 3.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Statutory Charges | 4.00% | 3.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| User Charges | 4.00% | 3.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Other Income | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Other Income (Fuel Credits) | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

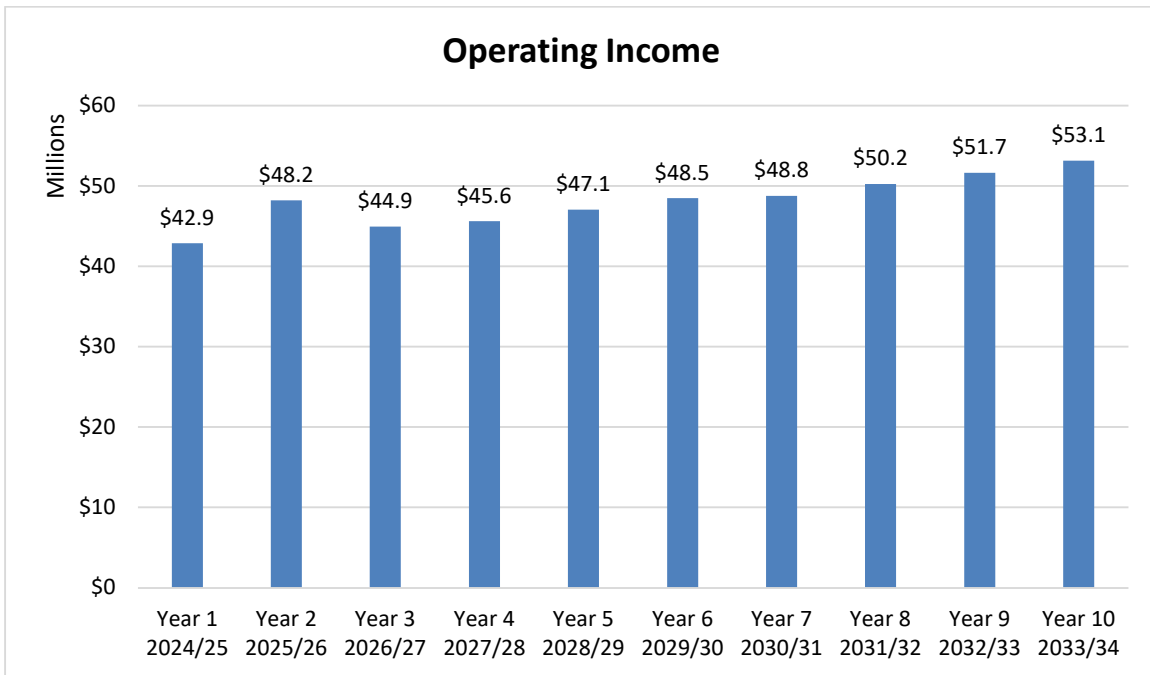
| Expenditure Type | Y1 24/25 | Y2 25/26 | Y3 26/27 | Y4 27/28 | Y5 28/29 | Y6 29/30 | Y7 30/31 | Y8 31/32 | Y9 32/33 | Y10 33/34 |
|---------------------------------|-------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Employee (Salary/Wage) | Assumptions not provided as EBA negotiations are currently in progress. | | | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Employee (Leave Expense) | | | | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Employee (Workers Compensation) | | | | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Employee (Income Protection) | | | | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Superannuation | | | | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |

| | | | | | | | | | | |
|------------------------------------------|-------|-------|-------|--------|-------|-------|-------|-------|--------|-------|
| Insurance | 5.00% | 5.00% | 5.00% | 15.00% | 5.00% | 5.00% | 5.00% | 5.00% | 15.00% | 5.00% |
| Landscape Levy | 4.00% | 3.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Utilities (Electricity & Gas) | 0.00% | 3.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Utilities (Water) | 0.00% | 3.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Waste & Recycling | 5.00% | 4.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |

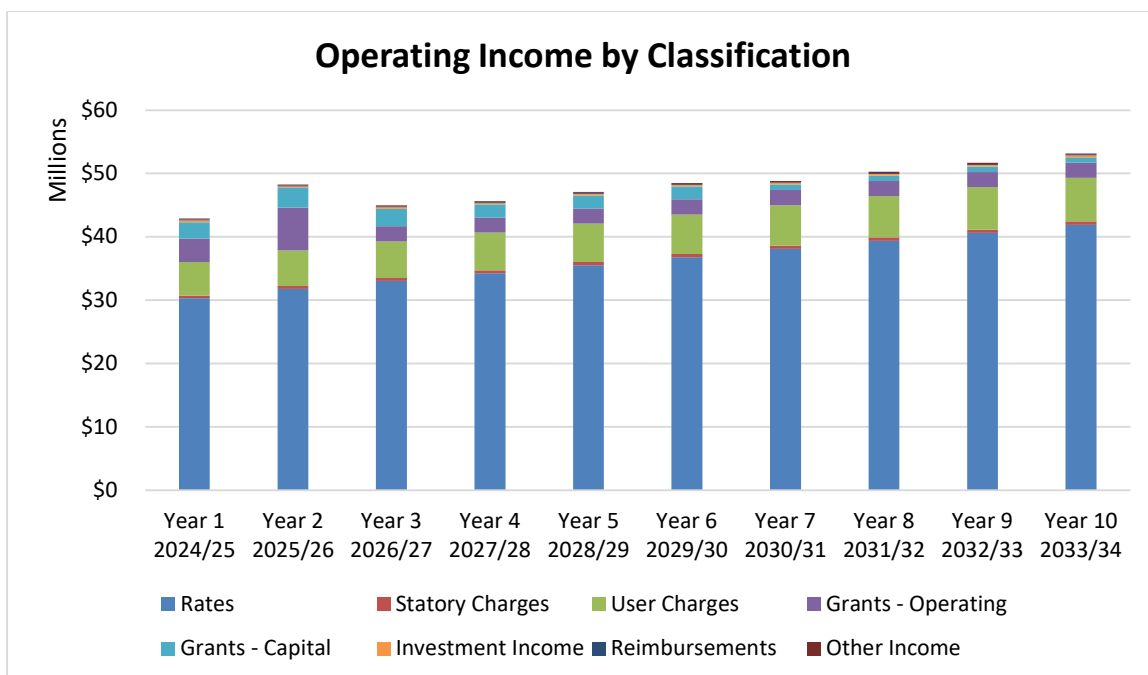
Operating Income

Council’s operating income base on which this Plan is built is \$42.9m (Y1) of which approximately 71% is derived from Rates (inclusive of service charges, separate rates and the landscape levy). At the end of the Plan (Y10), operating income is forecast to be \$53.1m (keeping in mind that \$1 today will not be worth that in Y10 2033/2034). Values as presented in this LTFP are in future (nominal) values (i.e. they have been adjusted each year by a forecast inflation rate – CPI or higher).

The forecast for operating income over the life of this LTFP is best shown by the following graph:



The graph on page 18 provides a visual breakdown of operating income by classification. From the graph below it can be observed that there is an increased reliance upon rates (Y1 70.6%; Y10 78.8%) and user charges (Y1 12.3%; Y10 12.9%) to generate operating income over the life of the plan and a decline in the overall contribution of grants, subsidies and contributions (Y1 14.6%; Y10 6.1%).



For more information on Council’s forecast operating income and the various income streams refer to Attachment 1: Statement of Comprehensive Income.

Rates and Service Charges

Rates (\$30.3m Y1 base) include revenue from General Rates, Service Charges (Refuse Collection, CWMS and Water Supply), Landscape Levy collected on behalf of State Government, Special Rates (where applicable), fines for late payment and rebates available for each category.

The table on page 6 and below, lists the total proposed annual general rate revenue increase for this LTFP including the additional financial sustainability increase over and above the forecast CPI related annual increase. The increase shown in the table below is the overall increase to general rate revenue, actual changes to rates will vary dependant on valuations and other criteria². As mentioned previously at this stage no growth has been modelled over the life of this LTFP.

| General Rates | Year 1 24/25 | Year 2 25/26 | Year 3 26/27 | Year 4 27/28 | Year 5 28/29 | Year 6 29/30 | Year 7 30/31 | Year 8 31/32 | Year 9 32/33 | Year 10 33/34 |
|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Rate Increase | 6.80% | 5.25% | 4.25% | 4.00% | 4.00% | 3.75% | 3.75% | 3.50% | 3.25% | 3.25% |

As stated earlier, the LTFP includes a Road Maintenance and Renewal Loading (RMRL) which is to be applied over and above CPI to ensure to ensure targets are met and asset renewal backlog is reduced. Rate increases proposed in this LTFP range between 3.25% and 6.8% with increases being higher earlier in the plan to assist Council in navigating known cost pressures in current operations.

Council has tried to ensure rate increases are manageable, consistent and adhere to the principles of intergenerational equity with no large spikes across this LTFP. The rate increases are set to ensure current levels of service and infrastructure continue to be provided while

² Refer also to footnote one on Page 6.

managing ongoing cost pressures and internal and external factors impacting Council's operations.

The proposed rate increases are the minimum required to meet the objectives of this LTFFP and maintain it for the remainder of this LTFFP and beyond.

Rates are Council's main source of income. They are used to provide the funds to deliver services and maintain infrastructure required by the community. Rates are a form of property taxation and property values play an important part in determining how much each individual ratepayer contributes. As it is a system of taxation, the rates paid may not directly relate to the services used by each ratepayer. Generally, the higher the value of the property the higher the rates paid. Along with most other Councils, we use capital value to value all properties. Capital value is the value of the land and all improvements.

In determining how rates are applied, Council uses a differential rating system with a fixed charge. Differential rates allow us to set a different rate depending on the use to which the land is put - whether it be residential, commercial, primary production, etc. A fixed charge is a fixed, or flat amount, which all ratepayers must contribute to equally. Differential rates are calculated on top of a fixed charge.

In addition to General Rates, as described above, Council also raises service charges for waste collection and recycling, CWMS and water supply.

Waste Collection and Disposal

Refuse and recycling service charges (\$2.8m Y1 base) are modelled in the revised LTFFP at approximately 3% increase p.a. (except for Y1 5.0% and Y2 4.0%) based on inflationary expectations, contract terms, forecast variations in the cost of fuel, forecast increases to the State Government's waste levy impacting disposal costs, growth in collections and forecast increases to recycling processing costs. As permitted by legislation this service is charged on a full cost recovery basis and funds the collection and disposal of waste and recycling material collected from properties. Council calculates one service charge for properties entitled to receive a two-bin service and another for those properties entitled to receive a three-bin service. This service charge is subject to a specific provision of the Local Government Act 1999 and Council is required to reduce the amount payable by residents depending on the distance of their property access point to the nearest collection point. Therefore the two-bin service charge may be reduced depending on a property's distance to the nearest collection point. The proposed LTFFP has not modelled any potential changes to Council's waste collection and disposal income (or expenditure) which might occur under implementation of a food organics/green organics waste management collection service in the future.

Community Wastewater Management System (CWMS) and Water Supply

CWMS (community effluent or sewerage: \$2.1m Y1 base) and Water Supply (\$199k Y1 base) service charges are currently forecast to increase in line with inflation for the purpose of the plan. Further modelling is undertaken during annual budget preparation utilising a Local Government Association (LGA) costing model compliant with LG legislation and Essential Services Commission of South Australia (ESCOSA) full cost recovery requirements. Council operates 18 CWMS sites and provides water supply to 3 settlements (excluding Marion Bay desalination plant which seeks to meet cost recovery requirements solely based on usage).

A service charge is calculated each year with the intention of achieving full cost recovery including the cost of capital and an allowance for risk for CWMS and Water supply operations. A different CWMS service charge is set each year for occupied and unoccupied properties.

Landscape Levy

The forecast annual increase to the Landscape Levy (\$1.2m Y1 base) is based on CPI assumptions. Exact annual amounts are generally confirmed by the Board in May/June each year. Council is required to collect an amount each year as advised by the Board. The amount collected (net of rebates) is then paid to the Board. Capital value of properties are used to determine how much each ratepayer will pay.

Statutory Charges

Statutory Charges (\$427k Y1 base) are fees related to the regulation of activities including Development Applications (set by State Government), Animal Registration and various Licence Fees.

Total income from these charges is expected to increase by 25.8% between Y1 and Y10 of the Plan. The timing and quantum of increases is in accordance with forecast CPI assumptions.

User Charges

This category of income (\$5.3m Y1 base) consists of fees and charges for recovery of service delivery costs (i.e. user pays). This includes income from Caravan Parks, Council's Leisure Options service (NDIS), Boat Ramps and Bush Camping sites. Bush camping and Council operated Caravan Parks have seen a significant increases due to changes in travel patterns over recent years leading to a substantial increase to the base and a flow on effect throughout over the course of the LTFP.

The amount charges for the individual fees and charges which generate user charges income are generally set at the discretion of Council and are reviewed annually during the Annual Business Plan and Budget setting process. A full list of all Council fees and charges can be found on Council's website. User charges income is expected to increase in line with CPI assumptions over the life of this LTFP. Council operated Caravan Parks generate average of 67% of the total user charges income generated by Council each year.

Grants & Subsidies (Operating and Capital)

This income source (\$6.3m Y1 base) is forecast to fluctuate significantly over the life of the plan due to the inclusion on anticipated one-off/major project operating grant income (refer table on page 21). However, there is an underlying assumption that regular sources of grant income will reduce early in the Plan before stabilising.

Some variations to regular grant income are as follows:

- Supplementary Local Roads Funding – provided to SA Councils by the Federal Government. These funds are not tied to any specific purpose and can be used at Council's discretion. Council received an annual allocation of approximately \$400k per between 2019/2020 and 2023/2024. This funding is not anticipated to continue beyond Y2 of the plan.
- Local Government Grants Commission – made up of two (2) components: General and Roads. These funds are not tied to any specific purpose and can be used at Council's

discretion. Between 2015/2016 and 2023/2024 Council's annual general-purpose allocation has declined by \$315k. Council is wary of further reductions to the general-purpose allocation. A decline in this grant is assumed for Y1 of the plan as a safeguard.

- Roads to Recovery (R2R) – provided by the Federal Government to all Councils in Australia and while Council can decide which projects to spend it on, it must be spent on roads. Council's present annual allocation is approximately \$822k. This grant commences a new five-year funding period in Y1 of the plan, an annual allocation of \$850k has been included (unindexed) across the life of the plan.
- Point Pearce MUNS funding – Council received approximately \$107k in 2023/2024 to provide maintenance services to the Point Pearce community. This amount has been maintained at historical levels for the life of this LTFP.
- Leisure Options grants – reduction to historical levels in Y1 then stable for the life of this LTFP, increased reliance on user pays NDIS income.
- Library grants - no increase due to uncertainty of funding. Maintained at historical levels for the life of this LTFP.

Impact of Major Projects on Grant Income

The table below provides an overview of major projects included in the LTFP and assumed funding sources. Many of these projects materially impact financial results in the year they are undertaken.

| Project | Anticipated Timing ³ | Classification | Total Cost (\$'000) | External Funding (\$'000) ⁴ | Required Contribution (\$'000) | Funded by General Revenue (\$'000) | Funded by New Loans (\$'000) |
|-------------------------------------------------|---------------------------------|-----------------------|---------------------|----------------------------------------|--------------------------------|------------------------------------|------------------------------|
| Clinton Road (Stages 1 to 5) | 2025/2026 to 2029/2030 | Capital (Renewal) | 12,260 | 7,800 | 4,460 | (3,360) | (1,100) |
| Edithburgh Dive Stairs | 2024/2025 | Capital (New/Upgrade) | 788 | 552 | 236 | (236) | Nil |
| Future Major Projects Allowance | 2030/2031 to 2033/2034 | Capital (Renewal) | 5,500 | Nil | 5,500 | (5,500) | Nil |
| North Coast Road (Stage 3) | 2024/2025 | Capital (Renewal) | 3,250 | 1,720 | 1,530 | (1,530) | Nil |
| Robert Street Maitland Upgrade (DPTI) | 2025/2026 | Operating Expense | 3,000 | 3,000 | Nil | Nil | Nil |
| Robert Street Maitland Upgrade (Council) | 2025/2026 | Capital (New/Upgrade) | 9,000 | 6,000 | 3,000 | Nil | (3,000) |
| Yorketown PLEC | 2024/2025 to 2025/2026 | Operating Expense | 3,000 | 2,000 | 1,000 | (500) | (500) |
| Totals | | | 36,798 | 21,072 | 15,726 | (11,126) | (4,600) |

³ The anticipated timing of these major projects is often subject to circumstances outside of Council's ability to control (i.e. – availability of grant funding).

⁴ Funding assumptions are subject to change and are dependent on circumstances outside of Council's ability to control. Changes to the level of funding provided to Council for specific projects can increase and decrease at the discretion of the funding body.

Investment Income

Investment Income (\$299k base) is derived from interest on Council investments and surplus cash at bank and includes reimbursement of interest paid by Council on community loans. Income has been forecast based on government bond rates applied to cash flow projections over the life of the Plan and scheduled community loan reimbursements. The current cash rate and investment rates have also been used as a guide.

Council's Treasury Management Policy ensures available funds are managed on a regular basis to maximise returns.

Interest rates on offer have risen significantly over following the Reserve Bank's multiple increases to the cash rate since May 2022. With inflation easing this LTFP has forecast a decrease to interest rates over the early part of the plan with stabilisation through the middle and latter part of the plan.

Reimbursements

This category includes reimbursements by Community Groups, Sporting Clubs and individuals for expenses incurred by Council on their behalf and on-charged. This category also includes any amounts charged for Private Works performed by Council. With a \$148k Y1 base this makes up a very small component of Council's total operating income. This income source is forecast to remain unchanged over the life of the plan.

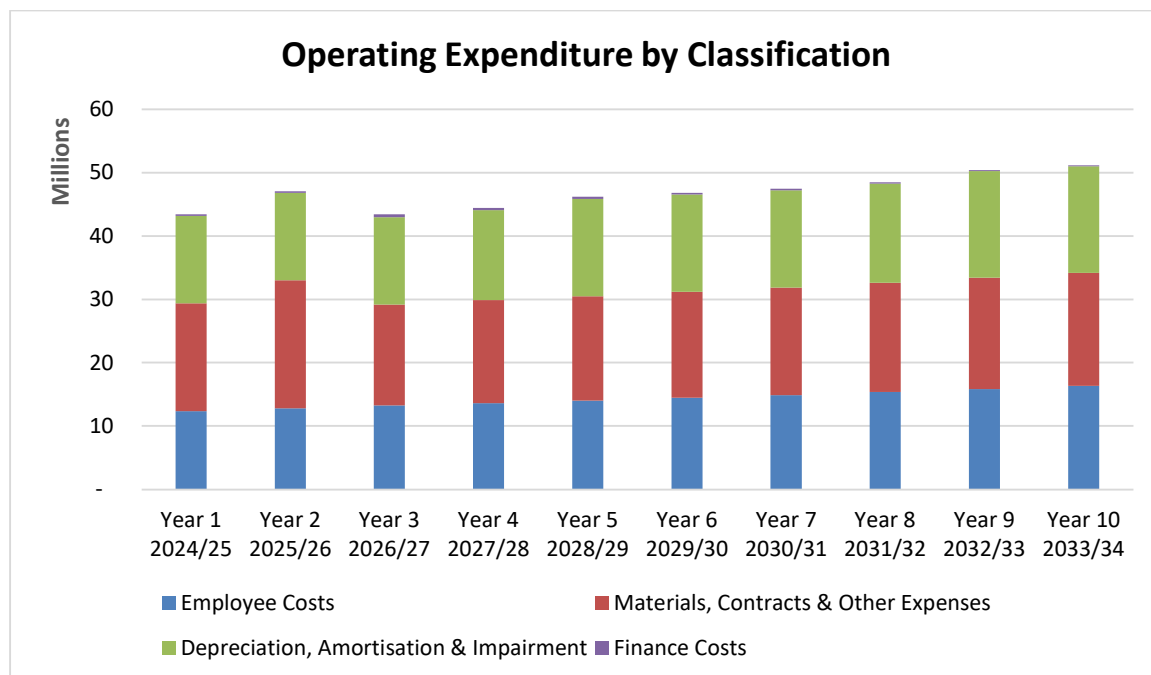
Other Revenue

All income that cannot be classified in the categories above is included here. The Y1 base is \$151k with the biggest item being the ATO's fuel tax credits.

Operating Expenses

Council's operating expense base, on which this LTFP is built, is \$43.4m of which approximately 39% (or \$17.0m) consists of materials, contracts and other expenses. Approximately one third consists of employee costs (operating only), one third is for depreciation and the balance is for finance costs (interest on loans). At the end of this LTFP operating expenditure is forecast to be \$51.2m (keeping in mind that \$1 today will not be worth that in Y10: 2033/2034). Values as presented in this LTFP are in future (nominal) values i.e. they have been adjusted each year by a forecast inflation rate – CPI or higher.

The forecast for operating expenditure over the life of this LTFP is best shown by the following graph:



There is a steady increase to total operating expenditure based on the proposed indexation factors detailed earlier. Annual variations range between -7.8% and 8.4% (1.9% average). When compared to the previously endorsed LTFP 2024 - 2033, overall LTFP expenditure is \$42.6m greater across a ten (10) year period. While an underlying CPI has been applied to most expense types, one-off adjustments and forecast increases above CPI have been applied to a multiple of expenditure items where required over the life of the plan. The inclusion of several major operating projects accounts for the significant fluctuations anticipated in Y1 to Y3.

For more information on Council’s forecast operating expenses refer to Attachment 1: Statement of Comprehensive Income.

Employee Costs

Includes all operating employee costs and is inclusive of salaries, wages and overheads such as allowances, superannuation, leave entitlements and workers compensation insurance. Wage costs (including allocation of staff overheads) relating to capital projects are included in the total capital expenditure for renewal and replacement of existing assets. The split between operating and capital can vary from year to year depending on capital projects approved by Council, however overall the LTFP assumes the trend on this split remains reasonably consistent across the life of this LTFP. Approximately \$1.4m (indexed annually) has been allocated in capital wages every year. The remaining total employee cost base (operating) is approximately \$12.3m in Y1 (including labour on cost and other overheads).

The LTFP continues to provide for legislated annual increases in the superannuation guarantee rate moving from 10% to 12% between 2021/2022 to 2025/2026 in annual increments of 0.5%.

Salary and wage increases are forecasts of the Enterprise Bargaining Agreements (EBA’s) currently being negotiated. The current EBA’s conclude on 30 June 2024. Future iterations of the LTFP will reflect the most up to date EBA’s once finalised.

An annual allowance of 0.5% has been forecast for reclassifications, step increments, contract negotiations and market factors. No increases in FTE are factored into this LTFFP.

This LTFFP forecasts an average annual increase of approximately 3.2% over the life of the plan.

Materials, Contracts and Other Expenses

Materials cover payments for physical goods including the purchase of road making materials, water, fuel, electricity and office consumables. Contracts include payments to external entities for provision of services to Council including Waste Management, electrical, plumbing, fire and safety, building maintenance, line marking, insurance etc. This category also includes payments to consultants and legal fees incurred by Council and all other expenses that do not fit into the categories Employee Costs, Depreciation or Finance Costs. The total materials, contracts and other expenses base (operating only) is approximately \$17.0m.

As mentioned earlier, while an underlying CPI increase is built into most expense lines in this category of expenditure, some expense lines have increased by more than CPI or have had to be adjusted to reflect their one-off nature. Further savings have been made to several discretionary expense lines based on efficiency in operations, reviewing of costs and service level reviews. One-off adjustments made to the base have impacted overall expenditure for this category in Y1 (2024/2025) resulting in a net reduction of approximately \$0.9m (5%) compared to the September 2023 (including significant December 2023) quarter budget review projections for 2023/2024 year end.

Major variations that have impacted this iteration of the LTFFP are:

- Roadside tree trimming – \$200k increase to annual allocation;
- Jetty pylon replacement – \$400k increase to annual allocation;
- Electricity expenditure – \$110k decrease to Y1 based on new contract, then CPI adjustment annually;
- Waste collection, disposal and processing – increase by 5.0% in Y1, 4.0% in Y2 and then 3% from Y3 onwards on a base of \$2.8m. Costs are reflective of inflation, historical increases, contract terms, and variations in fuel costs, forecast increases to the State Government's waste levy impacting disposal costs, growth in collections and forecast increases to recycling processing costs. Costs are recovered through an annual service charge levied to users as permitted by legislation;
- Water costs to remain at current year budget allocation for Y1, then forecast to increase by CPI annually;
- Insurance increases over the life of this Plan;
- Undergrounding of powerline project at Yorketown \$3m over two (2) years dependent on grant funding; and
- Robert Street, Maitland Upgrade facilitation of Department of Infrastructure and Transport (DIT) component of project (dependent on grant funding for Council portion of the project and full reimbursement by DIT for their component).

Depreciation

Depreciation is an accounting charge to Operating Expenses showing the rate of consumption of Council's infrastructure, buildings, plant and equipment and other fixed assets.

Depreciation in the LTFP is calculated based on best estimates of consumption of Council's assets over their useful lives. The estimate is also reflective of existing AMP's, latest asset revaluations, current asset data held and updated by Council and the strategic direction taken by Council to increase renewal expenditure on assets and minimise spending on new assets unless significant grant funding can be sourced to assist.

The average annual increase in this LTFP is 2.3%. Base depreciation has been set at \$13.8m which represents a significant increase on forecasts provided in the previous LTFP. This increase is based upon knowledge of Council's current inventory of assets, their age and condition, replacement value, increased capital investment over the last few years and improving accuracy of Council's asset management data. Assumptions regarding the outcome of asset revaluations for several major asset classes (transport, CWMS, Stormwater and Water) which are presently in progress have also been included.

Increases in depreciation have an unfavourable impact on Council's operating bottom line and its Operating Surplus Ratio.

As mentioned earlier this LTFP proposes to provide approximately \$160.9m over ten (10) years for renewal of existing assets with an additional \$14.3m for upgrade of existing assets and acquisition of new assets.

Finance Costs

Finance Costs include interest on borrowings inclusive of community loans and are based on loan repayment schedules for existing loans.

As stated earlier in this LTFP three (3) new loans totalling \$4.6m are included in the plan.

Financing forecasts in the LTFP have been made with consideration of Council's current Treasury Management Strategy. For more information please refer to Council's Treasury Management policy available on its website.

Capital Expenditure

In line with Council's SMP and AMP's one of the major aims of this Plan is to maximise the provision of funds for the renewal and replacement of existing assets.

The table on page 26 highlights the individual asset classes and the indexed AMP asset renewal requirements over the life of this LTFP. AMP values are required to be indexed for inclusion in the LTFP to account for the effect of inflation on prices since the time the AMP was prepared. Both the Local Government Price Index (Capital) and CPI have been used in calculating indexed renewal values for the LTFP. Failure to index AMP renewal values may result in an overstatement of Council's ability to meet renewal requirements.

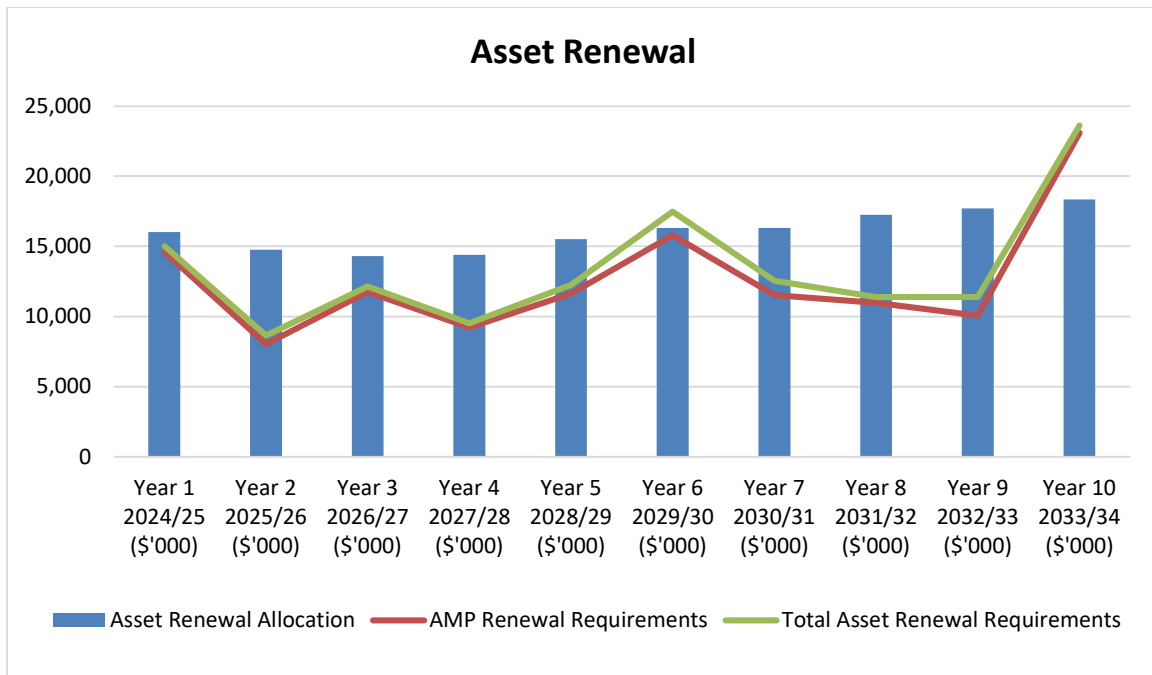
| Asset Class | LTFP Renewal Allowance 2025-2034 (\$'000) | AMP Required Renewal 2025-2034 (\$'000) | Current AMP Endorsement Date | Last Revaluation Date |
|----------------------------------------|-------------------------------------------------------|-----------------------------------------------------|---------------------------------------|-----------------------------|
| Transport | 120,010 | 65,944 | Mar-21 | Jul-19 |
| Building & Other Structures | 10,714 | 34,521 | Nov-19 | Jul-22 |
| CWMS | 3,884 | 3,884 | Mar-21 | Jul-19 |
| Water | 591 | 591 | Mar-21 | Jul-19 |
| Stormwater | 1,000 | 1,000 | Mar-21 | Jul-19 |
| Major Plant | 17,904 | 20,724 | Mar-21 | Held at Cost |
| Minor Plant, Equipment & Other Assets* | 6,759 | 7,266 | N/A | Held at Cost |
| Total | 160,861 | 133,930 | | |

* Asset renewal requirements for Minor Plant, Equipment & Other Assets have been calculated using unindexed asset expiry dates in the absence of a formal asset management plan. The renewal projections for this asset class have not been included in calculation of the denominator for the Asset Renewal Funding Ratio.

It is clear from the table above that the Transport asset class (majority Road assets), which is Council's biggest asset class, requires the largest investment. It is followed by Land, Buildings and Structures and Major Plant.

The table below and graph which follows provide indexed AMP identified asset renewal requirements by asset class which have been used as a starting point to allocate the \$160.9m funding available for renewal and replacement of existing assets in this LTFP.

| Asset Class | Year 1 24/25 (\$'000) | Year 2 25/26 (\$'000) | Year 3 26/27 (\$'000) | Year 4 27/28 (\$'000) | Year 5 28/29 (\$'000) | Year 6 29/30 (\$'000) | Year 7 30/31 (\$'000) | Year 8 31/32 (\$'000) | Year 9 32/33 (\$'000) | Year 10 33/34 (\$'000) |
|---------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Transport | 7,922 | 4,216 | 7,256 | 5,088 | 7,682 | 7,387 | 5,644 | 2,847 | 1,230 | 16,674 |
| Building & Other Structures | 4,194 | 2,417 | 1,356 | 914 | 2,061 | 5,180 | 4,099 | 4,978 | 6,537 | 2,786 |
| CWMS | 337 | 266 | 679 | 350 | 256 | 355 | 385 | 171 | 760 | 325 |
| Water | 37 | - | 121 | 24 | 80 | 63 | 49 | 131 | 40 | 46 |
| Stormwater | 79 | 70 | 33 | 87 | 167 | 190 | 210 | 27 | 69 | 69 |
| Major Plant | 2,028 | 1,064 | 2,303 | 2,762 | 1,388 | 2,614 | 1,131 | 2,813 | 1,417 | 3,203 |
| Total AMP Renewal Requirements | 14,597 | 8,032 | 11,747 | 9,224 | 11,634 | 15,789 | 11,518 | 10,968 | 10,053 | 23,102 |
| Minor Plant, Equipment & Other Assets (no AMP) | 406 | 612 | 389 | 285 | 622 | 1,687 | 1,032 | 405 | 1,319 | 509 |
| Total Asset Renewal Requirements | 15,003 | 8,644 | 12,136 | 9,509 | 12,256 | 17,476 | 12,550 | 11,373 | 11,372 | 23,611 |
| Less: Forecast LTFP Renewal (Over)/Under Renewal | -16,012 | -14,750 | -14,300 | -14,400 | -15,500 | -16,300 | -16,300 | -17,250 | -17,700 | -18,350 |
| | -1,009 | -6,106 | -2,164 | -4,890 | -3,244 | 1,176 | -3,750 | -5,877 | -6,328 | 5,260 |



Graphs presented earlier in this Plan show that Council meets the minimum ARFR target of 100% in all years of the plan except Y10 with the average ARFR over the life of this LTFP is 136%. An average ARFR result greater than 100% means Council's backlog⁵ is being somewhat addressed.

It should be noted that the table and chart above do not consider Council's infrastructure backlog. Further funding in addition to that provided for in this LTFP is likely required to address this backlog. The table below presents for a \$42.9m backlog in asset renewal at 30 June 2023.

The table below is a snapshot of how the level of funding for renewal and replacement of assets compares to the AMP's and Council's backlog or renewal gap. The forecast funding of \$160.9m for asset renewal over the period 2025 – 2034 is approximately \$26.9 more than what is required per Council's AMP and asset register renewal data for the period. However, this extra funding still falls just short of addressing the total asset renewal backlog as demonstrated in the table below.

| Asset Class | Amount (\$'000) |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| AMP Renewal Requirements (indexed AMP and unindexed asset register) | 133,930 |
| Asset Register Identified Backlog (indexed values representing calculated asset renewal backlog as at 30/06/2023, excluding 23/24 capital renewal) | 42,929 |
| Less: | |
| LTFP Renewal Allocation | (160,862) |
| Equals: | |
| Estimated Remaining Asset Renewal Backlog (Y10) | 15,997 |

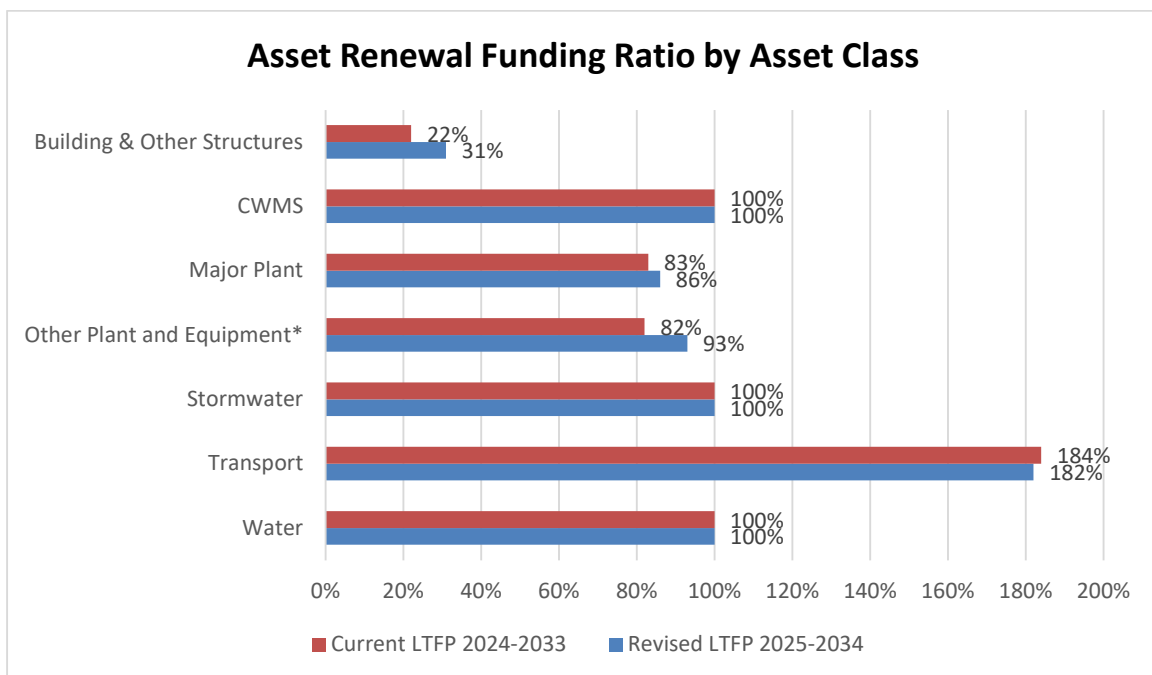
⁵ Asset Renewal Backlog (Unfunded Renewal) refers to the total value of renewal works that need to be undertaken to bring a Council's (or other entity's) asset stock up to an acceptable standard. The backlog value presented above has been generated by Council's asset management system. Further inspection of the physical condition of Council's assets may be required to further refine calculation.

Asset Renewal

The table below sets out the annual proposed allocation (estimate only) for each asset class for renewal and replacement of existing assets. The funding provided each year is the forecast cash available after funding operating expenses, loan repayments and other liabilities and maintaining a small working capital allocation (\$800k annual average).

| Asset Class | Year 1 24/25 (\$'000) | Year 2 25/26 (\$'000) | Year 3 26/27 (\$'000) | Year 4 27/28 (\$'000) | Year 5 28/29 (\$'000) | Year 6 29/30 (\$'000) | Year 7 30/31 (\$'000) | Year 8 31/32 (\$'000) | Year 9 32/33 (\$'000) | Year 10 33/34 (\$'000) | Total 2025- 2034 |
|--------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------|
| Transport | 12,250 | 12,100 | 11,800 | 11,920 | 12,120 | 12,320 | 11,700 | 11,900 | 12,100 | 11,800 | 120,010 |
| Building & Other Structures | 839 | 483 | 271 | 183 | 762 | 1,036 | 1,517 | 1,842 | 1,830 | 1,950 | 10,714 |
| CWMS | 337 | 266 | 679 | 350 | 256 | 355 | 385 | 171 | 760 | 325 | 3,884 |
| Water | 37 | 0 | 121 | 24 | 80 | 63 | 49 | 131 | 40 | 46 | 591 |
| Stormwater | 79 | 70 | 33 | 87 | 167 | 190 | 210 | 27 | 69 | 69 | 1,000 |
| Major Plant | 2,064 | 1,219 | 1,103 | 1,562 | 1,492 | 1,049 | 1,408 | 2,773 | 1,581 | 3,652 | 17,904 |
| Minor Plant, Equipment & Other Assets | 406 | 612 | 293 | 274 | 622 | 1,287 | 1,032 | 405 | 1,319 | 509 | 6,759 |
| Total Funding | 16,012 | 14,750 | 14,300 | 14,400 | 15,500 | 16,300 | 16,300 | 17,250 | 17,700 | 18,350 | 160,861 |

The table above shows that 74.6% of the \$160.9m funding is directed towards the Transport (primarily Roads) asset class. This is in keeping with the table presented earlier highlighting that Transport assets make up a substantial portion of the AMP required spend, thus requiring majority funding for renewal. The table below presents the Asset Renewal Funding Ratio by Asset Class.



Included within the amounts listed above and the following major renewal projects, most of which are dependent on the receipt of grant funding.

| Major Project | Year 1 24/25 (\$'000) | Year 2 25/26 (\$'000) | Year 3 26/27 (\$'000) | Year 4 27/28 (\$'000) | Year 5 28/29 (\$'000) | Year 6 29/30 (\$'000) | Year 7 30/31 (\$'000) | Year 8 31/32 (\$'000) | Year 9 32/33 (\$'000) | Year 10 33/34 (\$'000) | Total 2025- 2034 |
|----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------|
| North Coast Road - Stage 3 | 3,250 | | | | | | | | | | 3,250 |
| Clinton Road | | 2,900 | 2,400 | 2,320 | 2,320 | 2,320 | | | | | 12,260 |
| Unclassified Major Renewal | | | | | | | 1,500 | 1,500 | 1,500 | 1,000 | 5,500 |
| Total | 3,250 | 2,900 | 2,400 | 2,320 | 2,320 | 2,320 | 1,500 | 1,500 | 1,500 | 1,000 | 21,020 |

It should be noted that individual projects under each asset class will be determined annually as part of Council's Annual Business Plan and Budget preparation and are subject to Council approval. The allocations presented in the tables above is a guide only and may be varied during Annual Business Plan and Budget preparation.

New or Upgraded Assets

With a focus on renewal and replacement of assets a minimal regular allocation of \$450k p.a. (\$4.5m over 10 years) in this LTFP. In addition to this regular allocation Council has identified several major projects totalling a further \$9.8m for inclusion in the LTFP which it has reasonable prospects on achieving grant assistance for inclusion in the plan. The timing and value of these projects is provided in the table below:

| Major Project | Year 1 24/25 (\$'000) | Year 2 25/26 (\$'000) | Year 3 26/27 (\$'000) | Year 4 27/28 (\$'000) | Year 5 28/29 (\$'000) | Year 6 29/30 (\$'000) | Year 7 30/31 (\$'000) | Year 8 31/32 (\$'000) | Year 9 32/33 (\$'000) | Year 10 33/34 (\$'000) | Total 2025- 2034 |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------|
| Robert Street, Maitland | | 9,000 | | | | | | | | | \$9,000 |
| Edithburgh Dive Stairs | 788 | | | | | | | | | | \$788 |
| Totals | 788 | 9,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,788 |

It should be noted that individual projects will be determined annually as part of Council's Annual Business Plan and Budget preparation and are subject to Council approval.

Attachment 1 – Statement of Comprehensive Income

Attachment 2 – Statement of Financial Position

Attachment 3 – Statement of Cashflows

Attachment 4 – Statement of Changes in Equity

Attachment 5 – Uniform Presentation of Finances

Yorke Peninsula Council
10 Year Financial Plan for 2025-2034
STATEMENT OF COMPREHENSIVE INCOME - GENERAL FUND

| | Projected Years | | | | | | | | | |
|-------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income | | | | | | | | | | |
| Rates | 30,274,022 | 31,756,675 | 33,005,378 | 34,238,749 | 35,519,183 | 36,777,388 | 38,080,857 | 39,354,690 | 40,592,366 | 41,869,227 |
| Statutory Charges | 427,419 | 441,310 | 452,343 | 463,652 | 475,243 | 487,124 | 499,302 | 511,785 | 524,579 | 537,694 |
| User Charges | 5,285,382 | 5,629,938 | 5,784,899 | 5,929,521 | 6,077,759 | 6,229,703 | 6,385,446 | 6,545,082 | 6,708,709 | 6,876,427 |
| Grants, Subsidies and Contributions - operating | 3,700,022 | 6,738,306 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 |
| Grants, Subsidies and Contributions - capital | 2,570,000 | 3,150,000 | 2,750,000 | 2,050,000 | 2,050,000 | 2,050,000 | 850,000 | 850,000 | 850,000 | 850,000 |
| Investment Income | 299,421 | 205,588 | 231,989 | 230,953 | 235,327 | 239,977 | 249,977 | 254,977 | 259,977 | 279,977 |
| Reimbursements | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 |
| Other Income | 150,714 | 153,427 | 156,191 | 159,007 | 161,877 | 164,801 | 167,780 | 170,816 | 173,909 | 177,061 |
| Net gain - equity accounted Council businesses | - | - | - | - | - | - | - | - | - | - |
| Total Income | 42,855,453 | 48,223,718 | 44,921,711 | 45,612,794 | 47,060,301 | 48,489,904 | 48,774,274 | 50,228,261 | 51,650,451 | 53,131,297 |
| Expenses | | | | | | | | | | |
| Employee Costs | 12,330,053 | 12,785,693 | 13,226,488 | 13,617,975 | 14,000,234 | 14,435,960 | 14,885,197 | 15,348,363 | 15,825,886 | 16,318,208 |
| Materials, Contracts & Other Expenses | 17,047,516 | 20,230,392 | 15,961,058 | 16,270,321 | 16,499,449 | 16,736,326 | 16,981,234 | 17,234,466 | 17,594,918 | 17,870,650 |
| Depreciation, Amortisation & Impairment | 13,770,281 | 13,792,729 | 13,797,808 | 14,163,624 | 15,360,330 | 15,365,409 | 15,365,409 | 15,672,844 | 16,808,690 | 16,808,690 |
| Finance Costs | 262,605 | 248,232 | 407,907 | 361,793 | 315,413 | 271,719 | 233,045 | 209,936 | 186,399 | 160,770 |
| Net loss - Equity Accounted Council Businesses | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | 43,410,454 | 47,057,046 | 43,393,262 | 44,413,712 | 46,175,425 | 46,809,414 | 47,464,886 | 48,465,608 | 50,415,893 | 51,158,318 |
| Operating Surplus / (Deficit) | (555,001) | 1,166,671 | 1,528,450 | 1,199,082 | 884,875 | 1,680,490 | 1,309,388 | 1,762,653 | 1,234,558 | 1,972,979 |
| Asset Disposal & Fair Value Adjustments | - | - | - | - | - | - | - | - | - | - |
| Amounts Received Specifically for New or Upgraded Assets | 1,591,747 | 6,000,000 | - | - | - | - | - | - | - | - |
| Physical Resources Received Free of Charge | - | - | - | - | - | - | - | - | - | - |
| Operating Result from Discontinued Operations | - | - | - | - | - | - | - | - | - | - |
| Net Surplus / (Deficit) | 1,036,746 | 7,166,671 | 1,528,450 | 1,199,082 | 884,875 | 1,680,490 | 1,309,388 | 1,762,653 | 1,234,558 | 1,972,979 |
| Other Comprehensive Income | | | | | | | | | | |
| Amounts which will not be reclassified subsequently to operating result | | | | | | | | | | |
| Changes in Revaluation Surplus - I,PP&E | 4,823,965 | - | - | 4,758,976 | 15,315,563 | 2,967,171 | - | - | 2,449,753 | - |
| Total Other Comprehensive Income | 4,823,965 | - | - | 4,758,976 | 15,315,563 | 2,967,171 | - | - | 2,449,753 | - |
| Total Comprehensive Income | 5,860,711 | 7,166,671 | 1,528,450 | 5,958,058 | 16,200,438 | 4,647,661 | 1,309,388 | 1,762,653 | 3,684,312 | 1,972,979 |

Yorke Peninsula Council
10 Year Financial Plan for 2025-2034
STATEMENT OF CASH FLOWS - GENERAL FUND

| | Projected Years | | | | | | | | | |
|-------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash Flows from Operating Activities | | | | | | | | | | |
| Receipts: | | | | | | | | | | |
| Rates Receipts | 30,214,988 | 31,707,841 | 32,964,250 | 34,198,126 | 35,477,010 | 36,735,946 | 38,037,925 | 39,312,734 | 40,551,601 | 41,827,172 |
| Statutory Charges | 426,803 | 440,790 | 451,930 | 463,228 | 474,809 | 486,679 | 498,846 | 511,317 | 524,100 | 537,202 |
| User Charges | 5,277,461 | 5,617,025 | 5,779,091 | 5,924,101 | 6,072,204 | 6,224,009 | 6,379,609 | 6,539,099 | 6,702,577 | 6,870,141 |
| Grants, Subsidies and Contributions (operating purpose) | 3,682,657 | 6,747,121 | 2,312,802 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 |
| Investment Receipts | 299,490 | 206,926 | 231,613 | 230,968 | 235,265 | 239,911 | 249,834 | 254,906 | 259,906 | 279,692 |
| Reimbursements | 149,056 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 |
| Other Revenue | 70,726 | 73,325 | 122,147 | 163,519 | 166,474 | 169,485 | 172,553 | 175,679 | 178,864 | 182,110 |
| Payments: | | | | | | | | | | |
| Payments to Employees | (12,267,252) | (12,761,498) | (13,202,840) | (13,596,508) | (13,979,115) | (14,412,280) | (14,860,807) | (15,323,241) | (15,800,010) | (16,291,556) |
| Payments for Materials, Contracts & Other Expenses | (17,089,219) | (20,078,945) | (16,161,561) | (16,254,551) | (16,487,441) | (16,723,929) | (16,968,433) | (17,221,247) | (17,576,610) | (17,856,318) |
| Finance Payments | (262,605) | (248,232) | (407,907) | (361,793) | (315,413) | (271,719) | (233,045) | (209,936) | (186,399) | (160,770) |
| Net Cash provided (or used in) Operating Activities | 10,502,106 | 11,852,826 | 12,237,997 | 13,308,002 | 14,184,704 | 14,989,014 | 15,817,393 | 16,580,223 | 17,194,939 | 17,928,586 |
| Cash Flows from Investing Activities | | | | | | | | | | |
| Receipts: | | | | | | | | | | |
| Amounts Received Specifically for New/Upgraded Assets | 1,721,561 | 5,857,512 | 193,939 | - | - | - | - | - | - | - |
| Grants utilised for capital purposes | 2,625,868 | 3,150,000 | 2,750,000 | 2,050,000 | 2,050,000 | 2,050,000 | 850,000 | 850,000 | 850,000 | 850,000 |
| Sale of Replaced Assets | 300,000 | 330,000 | 360,000 | 480,000 | 510,000 | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| Sale of Surplus Assets | - | - | - | - | - | - | - | - | - | - |
| Repayments of Loans by Community Groups | 100,089 | 89,796 | 28,917 | 14,744 | 12,606 | - | - | - | - | - |
| Payments: | | | | | | | | | | |
| Expenditure on Renewal/Replacement of Assets | (16,011,790) | (14,750,001) | (14,300,000) | (14,400,000) | (15,500,000) | (16,300,000) | (16,300,000) | (17,250,000) | (17,700,000) | (18,350,000) |
| Expenditure on New/Upgraded Assets | (1,238,210) | (9,450,000) | (450,000) | (450,000) | (450,000) | (450,000) | (450,000) | (450,000) | (450,000) | (450,000) |
| Net Cash provided (or used in) Investing Activities | (12,502,482) | (14,772,693) | (11,417,145) | (12,305,256) | (13,377,394) | (14,100,000) | (15,300,000) | (16,250,000) | (16,700,000) | (17,350,000) |
| Cash Flows from Financing Activities | | | | | | | | | | |
| Receipts: | | | | | | | | | | |
| Proceeds from CAD | - | - | - | - | - | - | - | - | - | - |
| Proceeds from Borrowings | - | 4,100,000 | 500,000 | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | |
| Repayments of CAD | - | - | - | - | - | - | - | - | - | - |
| Repayments of Borrowings | (1,369,317) | (1,314,752) | (1,450,816) | (987,775) | (948,728) | (909,463) | (398,334) | (421,467) | (445,944) | (471,844) |
| Net Cash Flow provided (used in) Financing Activities | (1,369,317) | 2,785,248 | (950,816) | (987,775) | (948,728) | (909,463) | (398,334) | (421,467) | (445,944) | (471,844) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (3,369,693) | (134,619) | (129,963) | 14,970 | (141,419) | (20,449) | 119,059 | (91,244) | 48,994 | 106,741 |
| plus: Cash & Cash Equivalents - beginning of year | 4,584,143 | 1,214,450 | 1,079,831 | 949,868 | 964,838 | 823,419 | 802,970 | 922,029 | 830,785 | 879,779 |
| Cash & Cash Equivalents - end of the year | 1,214,450 | 1,079,831 | 949,868 | 964,838 | 823,419 | 802,970 | 922,029 | 830,785 | 879,779 | 986,520 |
| <hr/> | | | | | | | | | | |
| Cash & Cash Equivalents - end of the year | 1,214,450 | 1,079,831 | 949,868 | 964,838 | 823,419 | 802,970 | 922,029 | 830,785 | 879,779 | 986,520 |
| Investments - end of the year | - | - | - | - | - | - | - | - | - | - |
| Cash, Cash Equivalents & Investments - end of the year | 1,214,450 | 1,079,831 | 949,868 | 964,838 | 823,419 | 802,970 | 922,029 | 830,785 | 879,779 | 986,520 |

Yorke Peninsula Council
10 Year Financial Plan for 2025-2034
STATEMENT OF FINANCIAL POSITION - GENERAL FUND

| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Projected Years | | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | 2028/29 | 2029/30 | \$ | \$ | \$ | \$ |
| ASSETS | | | | | | | | | | |
| Current Assets | | | | | | | | | | |
| Cash & Cash Equivalents | 1,214,450 | 1,079,831 | 949,868 | 964,838 | 823,419 | 802,970 | 922,029 | 830,785 | 879,779 | 986,520 |
| Trade & Other Receivables | 1,851,141 | 2,060,295 | 1,802,414 | 1,853,631 | 1,894,533 | 1,947,634 | 2,002,631 | 2,056,920 | 2,112,375 | 2,167,788 |
| Other Financial Assets | - | - | - | - | - | - | - | - | - | - |
| Inventories | 568,523 | 668,519 | 536,133 | 546,545 | 554,473 | 562,659 | 571,111 | 579,839 | 591,928 | 601,391 |
| Other Current Assets | - | - | - | - | - | - | - | - | - | - |
| Non-current assets classified as "Held for Sale" | - | - | - | - | - | - | - | - | - | - |
| Total Current Assets | 3,634,114 | 3,808,645 | 3,288,414 | 3,365,013 | 3,272,425 | 3,313,262 | 3,495,770 | 3,467,543 | 3,584,081 | 3,755,699 |
| Non-Current Assets | | | | | | | | | | |
| Financial Assets | 56,267 | 27,350 | 12,606 | - | - | - | - | - | - | - |
| Equity Accounted Investments in Council Businesses | - | - | - | - | - | - | - | - | - | - |
| Investment Property | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, Property, Plant & Equipment | 321,283,147 | 331,360,419 | 331,952,611 | 336,917,963 | 352,313,196 | 356,064,959 | 356,849,551 | 358,276,707 | 361,467,771 | 362,859,081 |
| Intangible Assets | - | - | - | - | - | - | - | - | - | - |
| Non-current assets classified as "Held for Sale" | - | - | - | - | - | - | - | - | - | - |
| Other Non-Current Assets | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Assets | 321,339,414 | 331,387,769 | 331,965,217 | 336,917,963 | 352,313,196 | 356,064,959 | 356,849,551 | 358,276,707 | 361,467,771 | 362,859,081 |
| TOTAL ASSETS | 324,973,529 | 335,196,414 | 335,253,631 | 340,282,976 | 355,585,622 | 359,378,221 | 360,345,321 | 361,744,251 | 365,051,852 | 366,614,780 |
| LIABILITIES | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | |
| Cash Advance Debenture | - | - | - | - | - | - | - | - | - | - |
| Trade & Other Payables | 3,386,328 | 3,701,001 | 3,199,128 | 3,255,668 | 3,304,033 | 3,355,815 | 3,409,192 | 3,464,216 | 3,530,680 | 3,589,650 |
| Borrowings | 1,295,734 | 1,440,798 | 996,775 | 957,728 | 918,463 | 407,334 | 430,467 | 454,944 | 480,844 | 406,007 |
| Provisions | 2,289,782 | 2,289,782 | 2,289,782 | 2,289,782 | 2,289,782 | 2,289,782 | 2,289,782 | 2,289,782 | 2,289,782 | 2,289,782 |
| Other Current Liabilities | - | - | - | - | - | - | - | - | - | - |
| Liabilities relating to Non-Current Assets classified as "Held for Sale" | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 6,971,844 | 7,431,581 | 6,485,685 | 6,503,178 | 6,512,278 | 6,052,931 | 6,129,441 | 6,208,943 | 6,301,307 | 6,285,440 |
| Non-Current Liabilities | | | | | | | | | | |
| Cash Advance Debenture | - | - | - | - | - | - | - | - | - | - |
| Trade & Other Payables | 202,149 | 158,441 | 139,897 | 142,420 | 144,990 | 147,609 | 150,278 | 152,997 | 155,767 | 158,590 |
| Borrowings | 3,578,072 | 6,218,256 | 5,711,463 | 4,762,735 | 3,853,272 | 3,454,938 | 3,033,471 | 2,587,527 | 2,115,682 | 1,718,675 |
| Provisions | 157,218 | 157,218 | 157,218 | 157,218 | 157,218 | 157,218 | 157,218 | 157,218 | 157,218 | 157,218 |
| Liability - Equity Accounted Council Businesses | - | - | - | - | - | - | - | - | - | - |
| Other Non-Current Liabilities | - | - | - | - | - | - | - | - | - | - |
| Liabilities relating to Non-Current Assets classified as "Held for Sale" | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | 3,937,438 | 6,533,914 | 6,008,577 | 5,062,372 | 4,155,480 | 3,759,765 | 3,340,966 | 2,897,741 | 2,428,667 | 2,034,483 |
| TOTAL LIABILITIES | 10,909,282 | 13,965,495 | 12,494,263 | 11,565,550 | 10,667,758 | 9,812,696 | 9,470,408 | 9,106,684 | 8,729,974 | 8,319,923 |
| Net Assets | 314,064,247 | 321,230,918 | 322,759,368 | 328,717,426 | 344,917,864 | 349,565,525 | 350,874,913 | 352,637,566 | 356,321,878 | 358,294,857 |
| EQUITY | | | | | | | | | | |
| Accumulated Surplus | (2,035,718) | 5,130,953 | 6,659,403 | 7,858,485 | 8,743,360 | 10,423,850 | 11,733,238 | 13,495,891 | 14,730,449 | 16,703,428 |
| Asset Revaluation Reserves | 311,232,965 | 311,232,965 | 311,232,965 | 315,991,941 | 331,307,504 | 334,274,675 | 334,274,675 | 334,274,675 | 336,724,429 | 336,724,429 |
| Available for Sale Financial Assets | - | - | - | - | - | - | - | - | - | - |
| Other Reserves | 4,867,000 | 4,867,000 | 4,867,000 | 4,867,000 | 4,867,000 | 4,867,000 | 4,867,000 | 4,867,000 | 4,867,000 | 4,867,000 |
| Total Equity | 314,064,247 | 321,230,918 | 322,759,368 | 328,717,426 | 344,917,864 | 349,565,525 | 350,874,913 | 352,637,566 | 356,321,878 | 358,294,857 |

Yorke Peninsula Council
10 Year Financial Plan for 2025-2034
STATEMENT OF CHANGES IN EQUITY - GENERAL FUND

| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Projected Years | | | | | |
|------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening Balance | 308,203,536 | 314,064,247 | 321,230,918 | 322,759,368 | 328,717,426 | 344,917,864 | 349,565,525 | 350,874,913 | 352,637,566 | 356,321,878 |
| Net Surplus / (Deficit) for Year | 1,036,746 | 7,166,671 | 1,528,450 | 1,199,082 | 884,875 | 1,680,490 | 1,309,388 | 1,762,653 | 1,234,558 | 1,972,979 |
| Other Comprehensive Income | | | | | | | | | | |
| - Gain (Loss) on Revaluation of I,PP&E | 4,823,965 | - | - | 4,758,976 | 15,315,563 | 2,967,171 | - | - | 2,449,753 | - |
| - Available for Sale Financial Instruments: change in fair value | - | - | - | - | - | - | - | - | - | - |
| - Impairment (loss) reversal relating to I,PP&E | - | - | - | - | - | - | - | - | - | - |
| - Transfer to Accumulated Surplus on Sale of I,PP&E | - | - | - | - | - | - | - | - | - | - |
| - Transfer to Acc. Surplus on Sale of AFS Financial Instruments | - | - | - | - | - | - | - | - | - | - |
| - Share of OCI - Equity Accounted Council Businesses | - | - | - | - | - | - | - | - | - | - |
| - Other Equity Adjustments - Equity Accounted Council Businesses | - | - | - | - | - | - | - | - | - | - |
| - Other Movements | - | - | - | - | - | - | - | - | - | - |
| Other Comprehensive Income | 4,823,965 | - | - | 4,758,976 | 15,315,563 | 2,967,171 | - | - | 2,449,753 | - |
| Total Comprehensive Income | 5,860,711 | 7,166,671 | 1,528,450 | 5,958,058 | 16,200,438 | 4,647,661 | 1,309,388 | 1,762,653 | 3,684,312 | 1,972,979 |
| Transfers between Equity | - | - | - | - | - | - | - | - | - | - |
| Equity - Balance at end of the reporting period | 314,064,247 | 321,230,918 | 322,759,368 | 328,717,426 | 344,917,864 | 349,565,525 | 350,874,913 | 352,637,566 | 356,321,878 | 358,294,857 |

Yorke Peninsula Council
10 Year Financial Plan for 2025-2034
UNIFORM PRESENTATION OF FINANCES - GENERAL FUND

| | Projected Years | | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income | | | | | | | | | | |
| Rates | 30,274,022 | 31,756,675 | 33,005,378 | 34,238,749 | 35,519,183 | 36,777,388 | 38,080,857 | 39,354,690 | 40,592,366 | 41,869,227 |
| Statutory Charges | 427,419 | 441,310 | 452,343 | 463,652 | 475,243 | 487,124 | 499,302 | 511,785 | 524,579 | 537,694 |
| User Charges | 5,285,382 | 5,629,938 | 5,784,899 | 5,929,521 | 6,077,759 | 6,229,703 | 6,385,446 | 6,545,082 | 6,708,709 | 6,876,427 |
| Grants, Subsidies and Contributions - operating | 3,700,022 | 6,738,306 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 | 2,392,438 |
| Grants, Subsidies and Contributions - capital | 2,570,000 | 3,150,000 | 2,750,000 | 2,050,000 | 2,050,000 | 2,050,000 | 850,000 | 850,000 | 850,000 | 850,000 |
| Investment Income | 299,421 | 205,588 | 231,989 | 230,953 | 235,327 | 239,977 | 249,977 | 254,977 | 259,977 | 279,977 |
| Reimbursements | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 | 148,474 |
| Other Income | 150,714 | 153,427 | 156,191 | 159,007 | 161,877 | 164,801 | 167,780 | 170,816 | 173,909 | 177,061 |
| Net gain - equity accounted Council businesses | - | - | - | - | - | - | - | - | - | - |
| Total Income | 42,855,453 | 48,223,718 | 44,921,711 | 45,612,794 | 47,060,301 | 48,489,904 | 48,774,274 | 50,228,261 | 51,650,451 | 53,131,297 |
| Expenses | | | | | | | | | | |
| Employee Costs | 12,330,053 | 12,785,693 | 13,226,488 | 13,617,975 | 14,000,234 | 14,435,960 | 14,885,197 | 15,348,363 | 15,825,886 | 16,318,208 |
| Materials, Contracts & Other Expenses | 17,047,516 | 20,230,392 | 15,961,058 | 16,270,321 | 16,499,449 | 16,736,326 | 16,981,234 | 17,234,466 | 17,594,918 | 17,870,650 |
| Depreciation, Amortisation & Impairment | 13,770,281 | 13,792,729 | 13,797,808 | 14,163,624 | 15,360,330 | 15,365,409 | 15,365,409 | 15,672,844 | 16,808,690 | 16,808,690 |
| Finance Costs | 262,605 | 248,232 | 407,907 | 361,793 | 315,413 | 271,719 | 233,045 | 209,936 | 186,399 | 160,770 |
| Net loss - Equity Accounted Council Businesses | - | - | - | - | - | - | - | - | - | - |
| Total Expenses | 43,410,454 | 47,057,046 | 43,393,262 | 44,413,712 | 46,175,425 | 46,809,414 | 47,464,886 | 48,465,608 | 50,415,893 | 51,158,318 |
| Operating Surplus / (Deficit) | (555,001) | 1,166,671 | 1,528,450 | 1,199,082 | 884,875 | 1,680,490 | 1,309,388 | 1,762,653 | 1,234,558 | 1,972,979 |
| Timing adjustment for grant revenue | - | - | - | - | - | - | - | - | - | - |
| Adjusted Operating Surplus / (Deficit) | (555,001) | 1,166,671 | 1,528,450 | 1,199,082 | 884,875 | 1,680,490 | 1,309,388 | 1,762,653 | 1,234,558 | 1,972,979 |
| Net Outlays on Existing Assets | | | | | | | | | | |
| Capital Expenditure on Renewal and Replacement of Existing Assets | (16,011,790) | (14,750,001) | (14,300,000) | (14,400,000) | (15,500,000) | (16,300,000) | (16,300,000) | (17,250,000) | (17,700,000) | (18,350,000) |
| add back Depreciation, Amortisation and Impairment | 13,770,281 | 13,792,729 | 13,797,808 | 14,163,624 | 15,360,330 | 15,365,409 | 15,365,409 | 15,672,844 | 16,808,690 | 16,808,690 |
| add back Proceeds from Sale of Replaced Assets | 300,000 | 330,000 | 360,000 | 480,000 | 510,000 | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| Total Net Outlays on Existing Assets | (1,941,509) | (627,271) | (142,192) | 243,624 | 370,330 | (334,591) | (334,591) | (977,156) | (291,310) | (941,310) |
| Net Outlays on New and Upgraded Assets | | | | | | | | | | |
| Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments) | (1,238,210) | (9,450,000) | (450,000) | (450,000) | (450,000) | (450,000) | (450,000) | (450,000) | (450,000) | (450,000) |
| add back Amounts Received Specifically for New and Upgraded Assets | 1,721,561 | 5,857,512 | 193,939 | - | - | - | - | - | - | - |
| add back Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments & non-current assets held for sale) | - | - | - | - | - | - | - | - | - | - |
| Total Net Outlays on New and Upgraded Assets | 483,351 | (3,592,488) | (256,061) | (450,000) | (450,000) | (450,000) | (450,000) | (450,000) | (450,000) | (450,000) |
| Annual Net Impact to Financing Activities (surplus / (deficit)) | (2,013,159) | (3,053,088) | 1,130,196 | 992,706 | 805,205 | 895,898 | 524,797 | 335,497 | 493,248 | 581,669 |

Attachment 6 - Financial Terms Glossary

Accrual Accounting An accounting approach by which expenses, revenue, assets and liabilities are recognised in the reporting period to which they relate even though cash may have exchanged hands in different periods. It recognises expenses as they are incurred and revenue when it is earned.

Annual Budget A Council's statement of its intended operating expenses, revenue and capital expenditure that give effect to its annual business plan for the reporting period, its cash inflows and outflows associated with intended operating, investing and financing activities, and its projected financial position at the end of the reporting period.

Annual Business Plan (ABP) A Council's statement of its intended programmes and outcomes for the year.

Annual Financial Statements The Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity prepared in accordance with Australian Accounting Standards together with notes and certification statements as prescribed in the SA Model Financial Statements.

Assets Resources controlled by an entity the value of which can be reliably measured and from which future economic benefits are expected to flow to the entity.

Asset Maintenance Costs Costs incurred in holding and operating an asset so that it is capable of delivering service levels up to its design capacity over its useful life.

Asset Renewal/ Replacement Costs Costs associated with renewing or replacing an asset in order to maintain existing service level capacity.

Capital Expenditure Expenditure on items which will provide benefits that extend into future financial periods. It includes expenditure to acquire or enhance existing assets to provide expanded, or a higher level of, services.

Classes of Assets/ Asset Categories A grouping of assets of a similar nature and use in an entity's operations.

Community Wastewater Management Systems (CWMS) Systems designed to collect and treat septic tank effluent or effluent from properties.

Depreciation The value of the assets of a Council consumed and systematically allocated as an expense to a particular reporting period.

Financial Sustainability Occurs when expenditure, revenue raising, and service level decisions are made such that planned long-term service and infrastructure levels and standards can be achieved without unplanned increases in rates or disruptive cuts to services.

Infrastructure A term used to describe physical assets such as roads, buildings stormwater drainage and community wastewater management systems controlled by Council.

Asset Management Plan (AMP) A plan that projects the timing and level of cash flows associated with cost-effectively optimising acquisition of replacement and new additional assets and asset maintenance and disposal in order to be able to achieve desired service levels from assets.

Key Financial Indicators Financial measures or ratios that are used in management plans, annual reports and other internal and external reports to guide or assess the financial performance and position of Council.

Long Term Financial Plan (LTFP) A plan that projects a forecast of Council's financial performance and position over a period of at least ten (10) years.

Model Financial Statements A template format for the presentation of Annual Financial Statements for Councils in SA and other bodies established pursuant to the Local Government Act.