

DRAFT
2027-2036

LONG-TERM

FINANCIAL PLAN



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Purpose of the Long-Term Financial Plan

Councils are required to prepare a number of long-term plans including a Strategic Management Plan (SMP) which must cover a period of at least 4 years, a Long-term Financial Plan (LTFP) which must cover a period of at least 10 years and Strategic Asset Management Plan (SAMP)¹ for major assets which must also cover a period of at least 10 years. Together, these are known as Strategic Management Plans (SMPs).

Whilst it may not be obvious, most of the Council's business, financial and management decisions revolve around community infrastructure, assets and associated services. The infrastructure itself may provide a direct service (roads, footpaths) or the infrastructure may be used to deliver a service (buildings used to deliver community programs or services such as the YP Leisure Options and Council Offices).

The SMP outlines the long-term vision, which helps Council to identify the key infrastructure that will be needed to deliver on this vision.

The SAMP then detail how each major asset class will be managed to ensure they can provide the services needed by the community now and into the future in the most cost-effective manner.

The revised draft LTFP (this document²) makes projections about the funding of Council's plans (i.e., through rates, grants and/or borrowings) based on several assumptions and helps council to assess the impact of their proposed plans on the future financial sustainability of the council and the potential impact on ratepayers. This document is an update to the current adopted LTFP 2026-2035, which was previously endorsed by Council in May 2025, and will replace it should Council adopt this version following public consultation.

If identified projects or actions would have a significant impact on the future financial sustainability of Council, Council will need to consider how this can be managed or addressed via alternative scenarios and/or trade-offs (e.g., adjusting timing, making the project dependent on external grant funding, delivering the project to a lower service level or standard, using budget surpluses or increasing borrowings).

The SMP and SAMP are available on council's website at: [Corporate publications – Yorke Peninsula Council](#)

¹ Section 122(1a)(b) of the Local Government Act 1999 refers to an Infrastructure and Asset Management Plan; Council has elected the naming convention "Strategic Asset Management Plan" for its document.

² Once endorsed by Council this document will be declared as Council's LTFP as required by section 122(8) of the Local Government Act 1999.

Key Targets

The key targets in this draft LTFP have been revised to better align with industry expectations:

- Positive Operating Surplus Ratio (OSR) within the recommended Local Government target of range of 0% to 10% per annum.
- Net Financial Liabilities Ratio (NFLR) to be within the recommended Local Government target range of less than 100%.
- Asset Renewal Funding Ratio (ARFR) within the recommended Local Government target of range of 90% to 110% per annum.

To assist in achieving these targets no new services, assets or increases to existing services are to be introduced without consideration of the impact on the LTFP.

Key Challenges and Opportunities

The key challenges and opportunities faced by Council in achieving the objectives of the revised draft 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 Strategic Asset Management Plan requirements.
- Improved data for Council's asset base and ongoing review of asset inventory.
- Managing the impact of cost shifting from other levels of Government.
- Managing political and legislative changes and their impacts.
- Minimising the impact of economic instability and inflationary pressure.
- Monitoring the impact of decisions made outside the revised draft 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 the community.
- Use of technological advances 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.
- Greater than expected residential development and new business growth.
- Changes to grants and subsidies received from other levels of government.

Council will also continue to investigate funding opportunities as they become available which may alter the priorities in the SMPs (i.e. a project identified for a particular year may be brought forward or delayed).

Planning Framework

The financial basis of the revised draft LTFP is consistent with the audited Annual Financial Statements as at 30 June 2025 and the 2025/26 Annual Business Plan and Budget. Forecasts also incorporate September 2025 quarter budget revisions, material anticipated December 2025 quarter Budget revisions, proposed revised SAMP renewal requirements, are reflective of current financial policies and include a set of assumptions which are necessary, given the high-level nature of a LTFP and the long-term assumptions which sit beneath all forecasts proposed.

The revised draft 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 (ABP) and 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 may be made when considered necessary.

Council's ABP 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 revised draft LTFP is prepared using multiple assumptions, especially regarding projected rate income, fees, charges, grants, asset values, depreciation and 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 the revised draft LTFP. It should also be noted that some of these variations could be material.

Long Term Financial Plan (including Funding Plan)

Councils are required by the Local Government (Financial Management) Regulations 2011 to present certain information on a uniform and consistent basis. The data presented below and on the next page provides ten-year projections for income, expenditure and the expected operating result (surplus and/or (deficit)), along with projected outlays required to maintain existing and/or acquire or upgrade assets and infrastructure³.

Table 1: Long Term Financial Plan (Funding Plan)

Forecast 25/26		Year 1 26/27	Year 2 27/28	Year 3 28/29	Year 4 29/30	Year 5 30/31	Year 6 31/32	Year 7 32/33	Year 8 33/34	Year 9 34/35	Year 10 35/36
Income											
32,530	Rates	34,346	36,038	37,430	38,930	40,491	41,776	43,103	44,382	45,700	47,059
566	Statutory Charges	591	615	631	647	664	681	699	717	736	755
5,323	User Charges	5,730	6,195	6,416	6,602	6,793	6,949	7,150	7,315	7,526	7,701
2,212	Grants, Subsidies and Contributions - operating	3,439	3,442	3,540	3,615	3,719	3,798	3,906	3,991	4,104	4,193
5,589	Grants, Subsidies and Contributions - capital	4,361	3,044	2,344	2,344	2,344	1,644	1,644	1,644	1,644	1,644
565	Investment Income	124	187	271	275	257	263	256	266	264	263
100	Reimbursements	80	82	84	86	88	91	93	95	98	100
165	Other Income	172	176	181	185	191	195	201	205	211	216
47,049	Total Income	48,844	49,778	50,897	52,683	54,547	55,397	57,051	58,615	60,282	61,930
Expenses											
12,789	Employee Costs	13,391	13,782	14,170	14,569	14,980	15,402	15,837	16,283	16,743	17,215
21,795	Materials, Contracts & Other Expenses	17,208	17,651	18,148	18,707	19,938	19,814	20,412	20,972	21,671	22,003
16,834	Depreciation, Amortisation & Impairment	17,153	17,921	18,476	18,993	19,532	20,100	20,643	21,216	21,821	22,439
208	Finance Costs	183	123	79	50	31	29	26	23	19	16
51,625	Total Expenses	47,936	49,476	50,874	52,319	54,481	55,345	56,917	58,494	60,254	61,673
(4,575)	Operating Surplus/(Deficit)	908	302	23	364	66	53	134	121	28	257
(5,589)	Less: Grants, subsidies and contributions – Capital	(4,361)	(3,044)	(2,344)	(2,344)	(2,344)	(1,644)	(1,644)	(1,644)	(1,644)	(1,644)
(10,164)	Adjusted Operating Surplus / (Deficit)	(3,454)	(2,742)	(2,320)	(1,980)	(2,278)	(1,591)	(1,510)	(1,523)	(1,616)	(1,387)

³ Data is presented in the Uniform Presentation of Finances (UPF) format as required by the Local Government (Financial Management) Regulations Part 2, Section 5(1)(b). Elements of the UPF for which no income or expenditure has been forecast have been removed from the data (e.g. – timing adjustment for grant revenue).

Forecast 25/26		Year 1 26/27	Year 2 27/28	Year 3 28/29	Year 4 29/30	Year 5 30/31	Year 6 31/32	Year 7 32/33	Year 8 33/34	Year 9 34/35	Year 10 35/36
Net Outlays on Existing Assets											
(21,964)	Capital Expenditure on Renewal and Replacement of Existing Assets	(19,268)	(15,181)	(17,812)	(19,163)	(19,773)	(20,252)	(21,010)	(21,500)	(22,000)	(22,500)
16,834	add back Depreciation, Amortisation and Impairment	17,153	17,921	18,476	18,993	19,532	20,100	20,643	21,216	21,821	22,439
5,589	add back Grants, subsidies and contributions – Capital Renewal	4,361	3,044	2,344	2,344	2,344	1,644	1,644	1,644	1,644	1,644
376	add back Proceeds from Sale of Replaced Assets	340	520	450	462	474	486	499	512	525	539
834	Total Net Outlays on Existing Assets	2,586	6,303	3,458	2,635	2,577	1,978	1,776	1,871	1,990	2,122
Net Outlays on New and Upgraded Assets											
(5,666)	"Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)"	(200)	(200)	(300)	(400)	(400)	(450)	(450)	(500)	(500)	(500)
3,802	add back Amounts Received Specifically for New and Upgraded Assets	156	-	-	-	-	-	-	-	-	-
-	Proceeds from Sale of Surplus Assets	350	650	250	50	50	50	50	50	50	50
(1,864)	Total Net Outlays on New and Upgraded Assets	306	450	(50)	(350)	(350)	(400)	(400)	(450)	(450)	(450)
(11,194)	Annual Net Impact to Financing Activities (surplus / (deficit))	(562)	4,012	1,088	306	(52)	(13)	(134)	(101)	(76)	285

Key Assumptions

The measure to which the outcomes forecast in the revised draft LTFP are achieved rest upon the extent to which future operations and movements in the broader 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.

Significant Base Year Adjustments

The forecast result for the base year of the revised draft LTFP (2025/26) reflects September 2025 quarter budget revisions and significant anticipated December 2025 quarter budget revisions listed below:

- Grants, Subsidies and Contributions (operating) - \$1.3m decrease due to advanced payment of 50% of Council's 2025/26 Financial Assistance Grant allocation received and recognised in 2024/25 (timing adjustment).
- Depreciation, Amortisation & Impairment - \$1.9m increase to incorporate impact of actual (2024/25) and forecast (2025/26) and annual indexations⁴ of asset values⁵ and allowance for Marine and Coastal Asset and Right of Use Asset depreciation increases.
- Borrowings - removal of \$5.0m in new fixed term loans budgeted for 2025/26 in favour of using Council's existing Cash Advance Debenture (CAD) facility which applies a variable interest rate.

Inflation

The revised draft LTFP assumes annual inflation⁶ movement based on the Consumer Price Index (CPI) forecast data as presented in the Reserve Bank of Australia's (RBA) Statement of Monetary Policy – November 2025. It is assumed that inflation will fall within the RBA target range of 2%-3% from the 2027/28 financial year and remain in that territory for the life of the plan.

Table 2: Inflation Assumptions

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Inflation	3.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%

⁴ This revision of the LTFP is the first to reflect annual indexation of asset values for asset classes subject to revaluation.

⁵ Due to the timing of receipt of asset indexation reports as at 1 July 2024 the impact of asset value indexations in 2024/25 was not incorporated into the 2025/26 Annual Business Plan and Budget. As such, the \$1.9m adjustment here reflects resultant increases to depreciation for 2 years of asset value indexation.

⁶ Inflation is an increase in the level of prices of the goods and services that households buy. It is measured as the rate of change of those prices.

Operating Income

General Assumptions

The table below broadly summarises forecast annual adjustments for general income areas. It should be noted that several individual income line items within these broader categories have increased or decreased at rates independent of the assumptions below.

Table 3: General Operating Income Assumptions

	Year 1 2026/27	Year 2 2027/28	Year 3 2028/29	Year 4 2029/30	Year 5 2030/31	Year 6 2031/32	Year 7 2032/33	Year 8 2033/34	Year 9 2034/35	Year 10 2035/36
General Rates and Rebates	5.2%	5.2%	4.1%	4.1%	4.1%	3.1%	3.1%	2.9%	2.9%	2.9%
Landscape Levy (State Gov't Tax)	5.2%	5.2%	4.1%	4.1%	4.1%	3.1%	3.1%	2.9%	2.9%	2.9%
Waste Collection (Service Charge)	5.5%	4.5%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
CWMS (Service Charge)	3.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Water Supply (Service Charge)	3.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Statutory Charges	3.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
User Charges (Caravan Parks)	1.9%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
User Charges (Other)	3.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Reimbursements	3.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Other income (excluding ATO Fuel Tax Credits)	3.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%

The revised draft LTFP assumes that Council's operating income, excluding rate and grant income, will generally move in concert with inflation.

General Rates

Rates constitute a system of taxation for local government purposes (generally based on the value of land)⁷. The revised draft 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.

Forecast rate increases are set with reference to inflation (as measured by the CPI), growth assumptions (i.e. – additional of new assessments, heavy industry growth) and the inclusion of a financial sustainability levy (over the first five years). Council is set to commence service level reviews across the entire organisation with the view to improving service provision and identifying cost savings. Where cost savings are identified it is anticipated that the financial sustainability increase to rates will be reduced accordingly. The service review process is anticipated to take several years to complete.

The table below shows the components which make up the total proposed general rate increase⁸.

Table 4: Forecast General Rate Increases

	Year 1 2026/27	Year 2 2027/28	Year 3 2028/29	Year 4 2029/30	Year 5 2030/31	Year 6 2031/32	Year 7 2032/33	Year 8 2033/34	Year 9 2034/35	Year 10 2035/36
CPI	3.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Natural Growth	1.0%	2.0%	1.0%	1.0%	1.0%	0.5%	0.5%	0.3%	0.3%	0.3%
Financial Sustainability Levy	0.5%	0.5%	0.5%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Proposed General Rates (including Rebate)	5.2%	5.2%	4.1%	4.1%	4.1%	3.1%	3.1%	2.9 %	2.9 %	2.9 %

Rate revenue is vital in enabling the delivery of Council services over the next ten years and beyond. General rate revenue (i.e. - excluding service charges, special rates and the regional landscape levy) provides 59.1% of total operating income across the life of the plan.

⁷ Section 150(a) of the Local Government Act 1999.

⁸ The phrase “general rate increase” refers to the percentage increase in total general rates raised by Council for a given year (e.g. – If Council raised \$25.8m general rates, inclusive of rebates, in the prior year and then applied a general rate increase of 5.2% this would equate to an approximate increase of \$1.3m 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 Rates

Other rate income includes service charges, separate rates and the State Government imposed landscape levy. Other rate income provides approximately 15.3% 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 (CWMS), 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 2025/26 financial year Council was required to collect approximately \$1.34m from Council ratepayers which was then provided directly Northern and Yorke Landscape Board after subtracting the externally predetermined collection fee. Separate rates are payable to Council, in addition to general rates and service charges, by a select group of ratepayers in Chinaman Wells, Point Turton and Rogues Point to cover the cost of finance facilitated by Council to enable the construction of seawalls to protect specific private property.

Statutory Charges

Statutory Charges are fees from regulatory services. This income is associated with the granting of a licence, the regulation of an activity or penalties for non-compliance with a regulatory activity. Statutory charges include planning and development fees, rates search fees, animal registration fees and fines, septic tank registration and inspection fees and other licences, permits, fines and penalties.

Statutory charges are generally set external to Council by the State Government, with increases to these fees generally following CPI. The cost to deliver services related to Statutory Charges exceeds the level of income generated by associated fees. As such these services are partially funded through Council's general revenue. Over the life of the revised draft LTFP Statutory Charges account for 1.2% of Council's total operating income, providing approximately \$6.7m.

User Charges

This category of income consists of fees and charges for recovery of service delivery costs (i.e. user pays). This includes income from Caravan Parks, Council's YP Leisure Options service (NDIS), boat ramps and Bush Camping sites. Bush Camping and Council-operated Caravan Parks have provided solid performance over recent years but have been impacted by the harmful algal bloom. The Plan assumes a return to pre-harmful algal bloom

performance in 2027/28. It must be stressed that this assumption does not rest on any scientific basis. Caravan Park operations provide a return to Council and fund their own capital works program through profits generated as a separate business unit of Council.

The fees and charges which generate user charges income are generally set at the discretion of Council. These fees and charges 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 the revised draft LTFP. Council operated Caravan Parks generate average of 74.0% of the total user charges income generated by Council each year.

Over the life of the revised draft LTFP User Charges account for 12.4% of Council's total operating income, providing approximately \$68.4m.

Grants (capital and operating)

South Australian Local Government financial management guidance requires Council's to classify grant income as either:

- Grants, subsidies and contributions – Operating (to fund projects which are deemed operational in nature)
- Grants, subsidies and contributions – Capital (to fund projects related to asset construction which replaces or renews existing assets)
- Amounts received specifically for new or upgrade assets (to fund projects to acquire or construct new assets or to upgrade to existing assets)⁹

Council relies on several regular grant (capital and operating) programs to fund ongoing service delivery and infrastructure maintenance and renewal requirements. General assumptions in relation to the more significant programs are listed below:

- **Financial Assistance Grants** - Consisting of two components: General Purpose Grants and Identified Local Roads. These funds are not tied to any specific purpose and can be used at Council's discretion. The LTFP holds the General-Purpose Grant component to current funding levels due to recent fluctuations in this component but indexes the Identified Local Roads component by CPI across the life of the LTFP.
- **Roads to Recovery Grant** - 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 allocation for 2025/26 is approximately \$1.3m. This financial year represents the second year of a five-year funding period; the allocation will rise annually in accordance with existing published funding documents till it reaches approximately \$1.6m in 2028/29. From 2029/30 the plan assumes a fixed annual allocation of \$1.6m in Roads to Recovery Funding. However, it must be kept in mind that this funding source is not guaranteed beyond 2028/29.
- **Supplementary Local Roads Grant** - 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 2019/20 and 2025/26. This

⁹ This classification of grant income is discussed later in the document.

funding source is not guaranteed beyond 2025/26 but has been included across the life of the plan under the expectation that the Federal Government will resolve to continue this funding stream. Should this assumption prove incorrect Council's operating result will be negatively impacted, further capital renewal expenditure would also need to be reduced accordingly.

- **Municipal Services Program** - Council receives approximately \$100k per annum to provide municipal services to the Point Pearce community. This amount has been indexed by CPI for the life of this LTFP.
- **Jetties Renewal Program** - Provided by the State Government to fund maintenance and repair to leased jetties. The plan includes an annual allowance¹⁰ for grant funding and associated expenditure in relation to the renewal of leased jetties for the period 2026/27 to 2030/31.

Over the life of the revised draft LTFP, Grants, Subsidies and Contributions Income (Operating and Capital) accounts for 11.0% of Council's total operating income, providing approximately \$60.4m.

Investment Income

Investment Income is derived from interest on Council investments and available cash at bank and includes reimbursement of interest paid by Council on loans to community groups. 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 (P0139) Treasury Management Policy ensures available funds are managed on a regular basis to maximise returns. With inflation easing and Council's available cash balance reducing early in the revised draft LTFP a significant reduction in investment income, compared to prior years has been forecast.

Over the life of the revised draft LTFP Investment Income accounts for 0.4% of Council's total operating income, providing approximately \$2.4m.

Reimbursements

This income category includes reimbursements received from Community Groups, Sporting Clubs, Government bodies and individuals for expenses incurred by Council in undertaking work on their behalf and then on-charged.

Over the life of the revised draft LTFP Reimbursement Income accounts for 0.2% of Council's total operating income, providing approximately \$0.9m.

¹⁰ The funding allocation included in the plan is subject to negotiation, assumes continued offer by the State Government and the ongoing desire of Council to access available funding.

Other Income

All income that cannot be classified in the categories above is included here. Examples of income within this classification include insurance recoupments, rebates and commissions.

Over the life of the revised draft LTFP Other Income accounts for 0.4% of Council's total operating income, providing approximately \$1.9m.

Operating Expenditure

General Assumptions

The table below broadly summarises forecast annual adjustments for several expenditure areas. It should be noted that a number of individual income line items have increased or decreased at a rate different to those presented in the table below.

Table 5: General Operating Expenditure Assumptions

	Year 1 2026/27	Year 2 2027/28	Year 3 2028/29	Year 4 2029/30	Year 5 2030/31	Year 6 2031/32	Year 7 2032/33	Year 8 2033/34	Year 9 2034/35	Year 10 2035/36
Employee Costs (including Superannuation)	4.0%	3.0%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Materials, Contracts & Other Expenses (Energy)	5.1%	4.1%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Materials, Contracts & Other Expenses (Water)	4.2%	3.2%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Materials, Contracts & Other Expenses (Waste)	5.5%	4.5%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Materials, Contracts & Other Expenses (Insurance)	6.3%	5.3%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Materials, Contracts & Other Expenses (Other)	3.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%

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, the revised draft LTFP assumes the trend on this split remains reasonably consistent across the life of this LTFP. Approximately \$1.5m (indexed annually) has been allocated in capital wages every year.

Current Enterprise Bargaining Agreements (EBA) which concludes on 30 June 2027 drive early assumptions in relation to employee costs. From 2027/28 an annual allowance of 0.3% above CPI has been forecast into projections to cover employee reclassifications, step increments, contract negotiations and market factors. No increase to the number of Full Time Equivalent (FTE) staff positions are factored into this LTFP. Future iterations of the LTFP will reflect the most up to date EBA's once finalised.

Over the life of the LTFP operating Employee Costs account for 27.8% of Council's total operating expenditure, costing approximately \$152.4m.

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.

As noted under general assumptions, while an underlying CPI increase is built into most expense lines in this category, some expense lines have increased by more than CPI or have had to be adjusted (reduced or increased) to reflect their one-off nature.

Significant changes to operating projects included in this review to the revised draft LTFP:

- Reclassification of expenditure to maintain and repair leased jetties under the Jetties Renewal Program from operating to capital renewal. A total capital renewal expenditure allocation of \$9.0m is provided for leased jetties over the first five years on the plan¹¹.

Over the life of the revised draft LTFP Materials, Contracts and Other Expenses account for 35.9% of Council's total operating expenditure, costing approximately \$196.5m. It should be noted that the plan does not presently provide a dedicated allowance for the dredging of boat ramps.

Depreciation

Depreciation is an accounting charge to operating expenditure which estimates the rate of consumption of Council's infrastructure, buildings, plant and equipment and other fixed assets in financial terms.

¹¹ Refer to comments at footnote 8 for further information.

Depreciation in the revised draft LTFP is calculated based on the best estimates of consumption of Council’s assets over their useful lives, reflecting existing asset management plans, annual asset value indexation assumptions¹² and current asset data which is held and updated by Council.

Over the life of the LTFP Depreciation account for 36.2% of Council’s total operating expenditure, costing approximately \$198.3m.

Finance Costs

Finance Costs include interest on borrowings inclusive of community loans and are based on loan repayment schedules for existing loans. The revised draft LTFP does not provide for any new fixed term loans and contains adjustments to remove budgeted 2025/26 Council loans and to insert one community loan (Arthurton War Memorial Sports Club) and one community facilitated loan (Rogues Point Seawall) in 2025/26. Whilst no new fixed term loans are included in the plan it is anticipated Council will make use of its existing Cash Advance Debenture (CAD)¹³ facility on occasion.

Over the life of the LTFP Finance Costs account for 0.1% of Council’s total operating expenditure, costing approximately \$0.6m.

Forecasts in the revised draft LTFP have been made with consideration of Council’s current Treasury Management Strategy. For more information, please refer to Council’s (PO139) Treasury Management Policy available on its website.

Operating Surplus/(Deficit)

An operating surplus (or deficit) arises when operating income exceeds (or is less than) operating expenses for a period (usually a year). If a Council is not generating an operating surplus in most periods, then it is unlikely to be operating sustainably. It means that the cost of services provided to the community exceeds income generated. The operating surplus/(deficit) measure is considered the most critical indicator of Council’s financial performance.

Table 6: Operating Results

	Year 1 2026/27 (\$'000)	Year 2 2027/28 (\$'000)	Year 3 2028/29 (\$'000)	Year 4 2029/30 (\$'000)	Year 5 2030/31 (\$'000)	Year 6 2031/32 (\$'000)	Year 7 2032/33 (\$'000)	Year 8 2033/34 (\$'000)	Year 9 2034/35 (\$'000)	Year 10 2035/36 (\$'000)
Operating Surplus/(Deficit)	908	302	23	364	66	53	134	121	28	257

¹² Annual indexation has been applied to the value of Council’s major asset classes (Buildings and Other Structures, Transport (including Airfields and Carparks), CWMS, Stormwater and Water Schemes) with resultant replacement cost and depreciation increases in line with general CPI movements.

¹³ Council has an existing \$3.0m Cash Advance Debenture (CAD) which effectively serves as an overdraft. Interest on this facility is charged at a variable rate when in use.

Major Projects

The table below provides a list of major projects included in the revised draft LTFP.

Table 7: Major Project Expenditure Assumptions

Project	Anticipated Timing ¹⁴	Classification	Total Cost (\$'000)
Jetties Renewal Program – Edithburgh ¹⁵	2026/27	Capital Renewal*	4,000
Robert Street, Maitland (Year 2)	2025/26	Capital Renewal	600
Jetties Renewal Program – Allowance ¹⁶	2027/28 to 2030/31	Capital Renewal*	5,000
Totals			9,600

¹⁴ 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).

¹⁵ Treatment for accounting purposes is based on independent technical accounting advice received from Galpins in July 2025 as presented to Council's Audit & Risk Committee in August 2025.

¹⁶ A capital renewal expenditure "allowance" for renewal of Council's remaining leased jetties and wharf has been provided at \$2m in 2027/2028 and \$1m per annum between 2028/29 to 2030/31. It should be noted that the adequacy of this allowance and the certainty of ongoing funding is a matter of low confidence.

Asset Renewal

In line with Council’s SMP and SAMP one of the major aims of this Plan is to ensure that renewal and replacement of existing assets is funded.

The table below presents annual projected capital renewal expenditure by asset class compared to total annual SAMP asset renewal requirements¹⁷.

Table 8: Asset Renewal Allocations Compared to Strategic Asset Management Plan Renewal Requirements

	Year 1 2026/27 (\$'000)	Year 2 2027/28 (\$'000)	Year 3 2028/29 (\$'000)	Year 4 2029/30 (\$'000)	Year 5 2030/31 (\$'000)	Year 6 2031/32 (\$'000)	Year 7 2032/33 (\$'000)	Year 8 2033/34 (\$'000)	Year 9 2034/35 (\$'000)	Year 10 2035/36 (\$'000)	Total Over 10 Years (\$'000)
Buildings & Other Structures	659	751	1,570	1,085	1,336	2,556	1,770	3,486	2,746	3,177	19,136
Community Wastewater Management Systems	617	358	289	433	908	400	772	375	700	1,335	6,187
Plant, Equipment & Other Assets	3,862	1,394	4,453	4,615	4,441	4,054	6,746	5,663	4,246	3,928	43,402
Stormwater	183	47	85	13	11	45	32	38	21	10	485
Transport	9,856	10,549	10,361	11,945	12,056	12,993	11,539	11,897	14,089	14,023	119,308
Water Schemes	91	83	54	72	21	204	151	40	198	27	941
Right of Use Assets¹⁸	4,000	2,000	1,000	1,000	1,000	-	-	-	-	-	9,000
Actual Renewal Budget	19,268	15,182	17,812	19,163	19,773	20,252	21,010	21,499	22,000	22,500	198,459
Proposed SAMP Required Renewal	16,383	13,423	16,458	18,036	18,249	19,238	19,935	21,332	20,971	21,548	185,574

¹⁷ Proposed SAMP values have been indexed by CPI for inclusion in the revised draft LTFP to account for the effect of inflation on projected expenditure requirements.

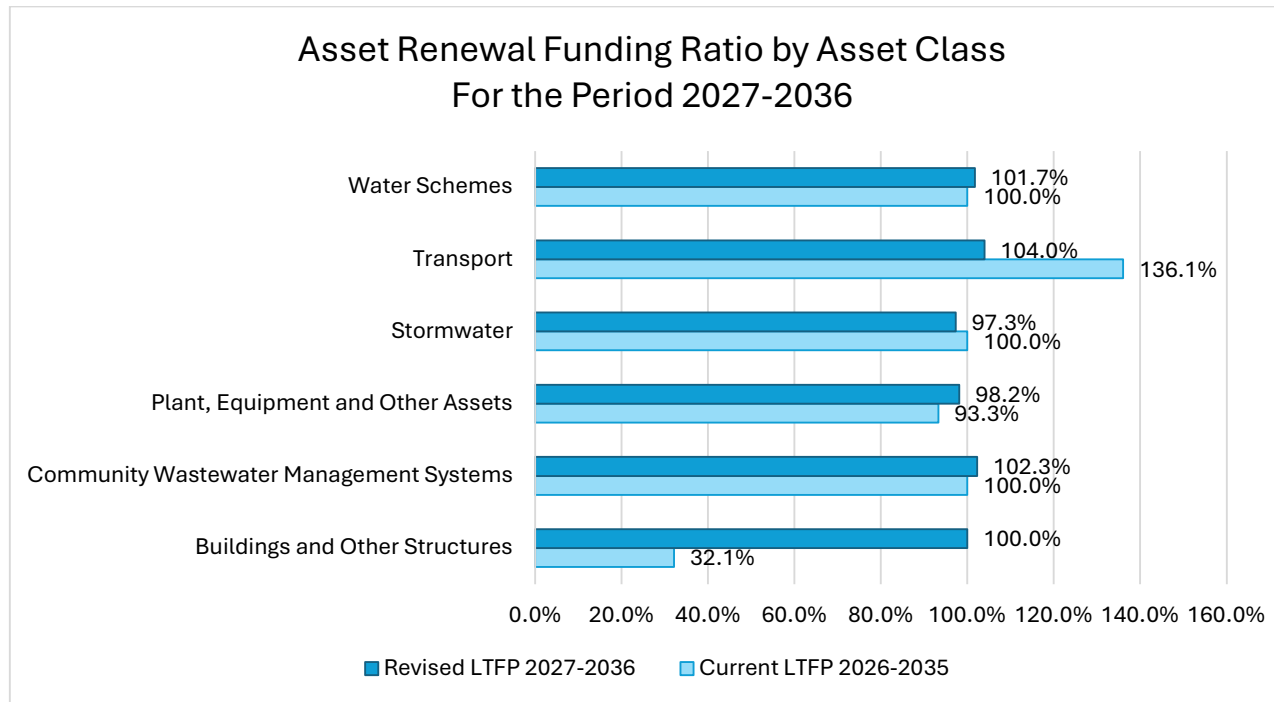
¹⁸ Allowance for expenditure on repairs and maintenance of Council’s leased jetties under the Jetties Renewal Program.

The plan provides for \$198.5m in asset renewal funding which is \$3.9m (excluding \$9.0m in right of use assets) greater than SAMP requirements over the 10-year period.

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

The table below presents the Asset Renewal Funding Ratio by Asset Class based on the projections above and the indexed SAMP asset renewal requirements.

Chart 1: Asset Renewal Funding Ratio by Asset Class



Council is presently developing a Marine and Coastal assets register which will be subject to regular revaluation. It is anticipated that maintenance, depreciation and renewal expenditure projections will increase following creation of this register as new assets are identified and assets recorded at cost value are revalued to provide accurate reflection of current cost. The gains of improved data will assist Council to plan for maintenance and renewal requirements but will place further pressure on Council’s finances.

Net Outlays on Existing Assets

Results for the net outlays on existing assets are presented below. The positive results suggests that Council’s asset renewal is adequately funded through its depreciation allocation (a non-cash expense), capital grant funding and proceeds from the sale of replaced assets. It should be noted that Council continues to remain dependent on capital grant funding to meet its capital expenditure requirements in relation to renewal and replacement of existing assets.

Table 9: Net Outlays on Existing Assets

	Year 1 2026/27 (\$'000)	Year 2 2027/28 (\$'000)	Year 3 2028/29 (\$'000)	Year 4 2029/30 (\$'000)	Year 5 2030/31 (\$'000)	Year 6 2031/32 (\$'000)	Year 7 2032/33 (\$'000)	Year 8 2033/34 (\$'000)	Year 9 2034/35 (\$'000)	Year 10 2035/36 (\$'000)
Total Net Outlays on Existing Assets	2,586	6,303	3,458	2,635	2,577	1,978	1,776	1,871	1,990	2,122

New and Upgraded Assets

The table below presents annual projected new and upgrade capital expenditure by asset class compared to total annual SAMP new and upgrade capital expenditure requirements. SAMP values have been indexed for inclusion in the revised draft LTFP to account for the effect of inflation on projected expenditure requirements. CPI has been used in calculating indexed new and upgrade capital values for the revised draft LTFP. Failure to index SAMP values may result in an overstatement of Council’s ability to meet SAMP requirements. The plan provides for approximately \$3.9m in new and upgrade asset expenditure over the life of the plan.

Table 10: New and Upgrade Asset Allocations Compared to Strategic Asset Management Plan Projections

	Year 1 2026/27 (\$'000)	Year 2 2027/28 (\$'000)	Year 3 2028/29 (\$'000)	Year 4 2029/30 (\$'000)	Year 5 2030/31 (\$'000)	Year 6 2031/32 (\$'000)	Year 7 2032/33 (\$'000)	Year 8 2033/34 (\$'000)	Year 9 2034/35 (\$'000)	Year 10 2035/36 (\$'000)	Total Over 10 Years (\$'000)
Actual New/Upgrade Budget	200	200	300	400	400	450	450	500	500	500	3,900
SAMP Projected New/Upgrade	200	200	300	400	400	450	450	500	500	500	3,900

Net Outlays on New and Upgrade Assets

Results for the net outlays on new and upgrade assets are presented below. The negative results suggests that the Council’s forecast expenditure on new and upgrade assets is funded by general revenue and capital renewal funding sources as opposed to income items associated with supporting new and upgrade capital expenditure. In early years of the Plan allowances for the sale of surplus assets assist in funding expenditure on new and upgrade assets producing the positive results below. Where decisions to expend funds on new and upgrade assets are not deemed essential, Council could choose to redirect this expenditure to bolster asset renewal funding or undertake strategic operating projects.

Table 11: Net Outlays on New and Upgrade Assets

	Year 1 2026/27 (\$'000)	Year 2 2027/28 (\$'000)	Year 3 2028/29 (\$'000)	Year 4 2029/30 (\$'000)	Year 5 2030/31 (\$'000)	Year 6 2031/32 (\$'000)	Year 7 2032/33 (\$'000)	Year 8 2033/34 (\$'000)	Year 9 2034/35 (\$'000)	Year 10 2035/36 (\$'000)
Total Net Outlay on New Assets & Upgrades to Existing Assets	306	450	(50)	(350)	(350)	(400)	(400)	(450)	(450)	(450)

Chief Executive Officer's Report on Financial Sustainability

The following definition of financial sustainability represents the industry standard for Local Government:

A Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

Yorke Peninsula Council stands ready to experience a period of comparative growth coinciding with the planned commencement of mining operations and release of a number of small developments across Yorke Peninsula. With a sizeable existing portfolio of community infrastructure assets Council continues striving to balance sustainable growth, efficient upkeep of existing infrastructure and ongoing operational service delivery.

The Funding Plan and Financial Indicator results presented in this LTFP highlight the need for continued review of current operational and infrastructure service levels to identify potential cost savings which may bolster Council's overall financial health. The revised draft LTFP continues to reflect the significant financial commitment required to maintain existing Council assets, despite sustained cost increases, presenting the real challenge faced in ensuring adequate levels of funding are available to facilitate this task. The forecasts in the revised draft LTFP, whilst addressing asset renewal requirements over the ten year period, rely on significant sustained progress in relation to improvement plan items listed in Council's Strategic Asset Management Plan and the identification of appropriate avenues for increasing income and reducing costs in delivery of both operational and infrastructure related services.

Over the coming years Council intends to undertake service level reviews across the entire organisation with the view to improving service provision and identifying cost savings. Where cost savings are identified it is anticipated that the financial sustainability increase applied to rate increase will be reduced accordingly. The service review process is anticipated to take several years to complete.

Overall financial performance¹⁹ provides modest surpluses over the life of the plan which are presently dependent on the application of a modest 0.5% financial sustainability levy over the first five years of the plan. Unwinding the financial sustainability levy will be undertaken where service level reviews identify appropriate savings to be made through changes to operational and infrastructure service delivery.

Council's borrowings²⁰ are forecast to reduce over the life of the plan. The net financial liabilities ratio effectively shows the percentage of a Council's operating income that would be required if the Council had to repay all its liabilities, including borrowings. Council's ratio peaks at 20% early in the plan reducing to 7% by its conclusion. This is a favourable result considering Council's recommended maximum threshold of 100%.

¹⁹ Refer to discussion on the Operating Surplus Ratio.

²⁰ Refer to discussion on the Net Financial Liabilities Ratio.

Council achieves its stated asset management performance²¹ target over the life of the plan due to prioritisation of asset renewal funding. However, the forecast distribution of renewal allocation for Buildings and Other Structures in particular is subject to further development of underlying asset data. Where low to moderate confidence in asset condition data exists Council has potential exposure to higher renewal costs where assets are left to deteriorate to such an extent that more expensive intervention is required. As previously noted, further work in improving Council’s Marine and Coastal asset data is likely to increase renewal asset requirements placing further strain on Council finances.

If the revised draft LTFP is adopted as presented and future annual Budgets align with the revised draft LTFP projections Council will achieve its objectives as stated. There would still remain concerns regarding Council’s ongoing financial sustainability driven largely by increasing costs and economic environment. Reviews of operational and infrastructure service levels, progress in asset management improvement plan tasks (included in the SAMP) and continued project prioritisation may help realise savings and increases productivity, efficiency, and effectiveness. Any such gains will be reflected in future revisions of the revised draft LTFP.

Funding Plan Results

The Funding Plan provides calculated a bottom-line result labelled “Annual Net Impact to Financing Activities (surplus / (deficit))”. South Australian Local Government Model Financial Statements guidance material for the most recent financial year notes that the Annual Net Impact to Financing Activities (surplus / (deficit)) figure “is a flow measure that takes account of both operating and capital activities for the financial year. Achieving a zero result on the Annual Net Impact to Financing Activities measure in any one year means that the Council has met all its expenditure (both operating and capital) from the current year’s income (with income including amounts received specifically for new/upgrade assets).” Council’s forecast results, provided below, present a moderately positive result overall which is supported by the steady decrease to net financial liabilities over the life of the plan.

Table 12: Annual Net Impact to Financing Activities Results

	Year 1 2026/27 (\$'000)	Year 2 2027/28 (\$'000)	Year 3 2028/29 (\$'000)	Year 4 2029/30 (\$'000)	Year 5 2030/31 (\$'000)	Year 6 2031/32 (\$'000)	Year 7 2032/33 (\$'000)	Year 8 2033/34 (\$'000)	Year 9 2034/35 (\$'000)	Year 10 2035/36 (\$'000)
Annual Net Impact to Financing Activities (surplus / (deficit))	(562)	4,012	1,088	306	(52)	(13)	(134)	(101)	(76)	285

²¹ Refer to discussion on the Asset Renewal Funding Ratio.

Financial Indicator Results

In addition to regular means of financial reporting all South Australia Councils are required to report on financial estimates and target ranges for three financial indicators (ratios). These ratios provide additional means of conveying and analysing Council's:

- Financial performance (Operating Surplus Ratio).
- Financial position (Net Financial Liabilities Ratio); and
- Asset management performance (Asset Renewal Funding Ratio).

Table 13: Financial Indicators

Forecast 25/26 ²²		Year 1 26/27	Year 2 27/28	Year 3 28/29	Year 4 29/30	Year 5 30/31	Year 6 31/32	Year 7 32/33	Year 8 33/34	Year 9 34/35	Year 10 35/36
(9.7%)	Operating Surplus Ratio	1.9%	0.6%	0.0%	0.7%	0.1%	0.1%	0.2%	0.2%	0.0%	0.4%
	<i>Operating Surplus / Total Operating Income</i> This ratio expresses the operating surplus/(deficit) as a percentage of total operating revenue. Adopted target: Between 0% and 10% (average over time)										
19%	Net Financial Liabilities Ratio	20%	11%	9%	8%	8%	8%	8%	8%	8%	7%
	<i>Net Financial Liabilities / Total Operating Income</i> Net financial liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue. Adopted target: Between 0% and 100%										
99%	Asset Renewal Funding Ratio	118%	113%	108%	106%	108%	105%	105%	101%	105%	104%
	<i>Net asset renewal expenditure / Optimate level as identified in the SAMP.</i> Net asset renewal expenditure is defined as net capital expenditure on renewal and replacement of existing assets and excludes new capital expenditure on the acquisition of additional assets. Adopted target: Greater than 90% and less than 110%.										

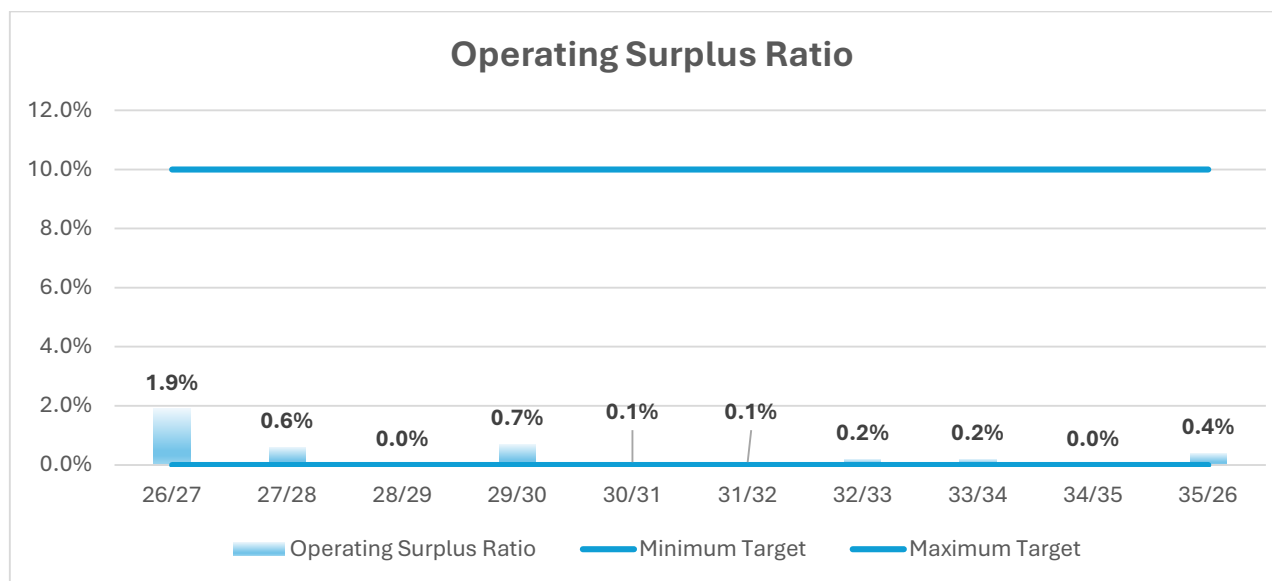
²² Refer to report 23.4 September Quarterly Budget Review 2025/2026 in Council's [Agenda of Ordinary Council Meeting - Wednesday, 12 November 2025](#).

Operating Surplus Ratio (OSR)

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 OSR results are shown in the graph below.

Chart 2: Operating Surplus Ratio



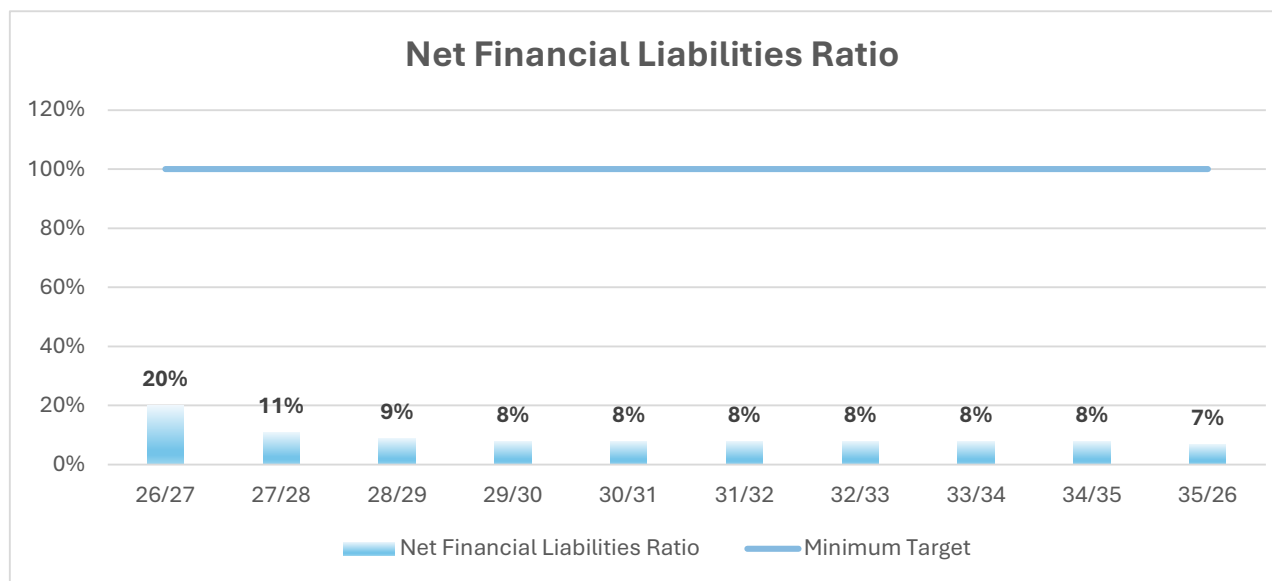
Council's average Operating Surplus Ratio over the ten-year period is 0.4%. Despite variances in the annual surplus outcomes the average OSR reflects a modest surplus results over the 10 year period. Whilst this result is positive further steps should be investigated to improve financial performance, including:

- Adjusting service levels (generally reducing) if permissible (i.e. within regulatory ability to do so).
- Reducing or deferring proposed outlays on new and upgraded assets, or major operating projects having regard to the risks that might arise.
- Identifying additional revenue sources and/or the need to adjust rates and charges.

Net Financial Liabilities Ratio (NFLR)

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.

Chart 3: Net Financial Liabilities Ratio



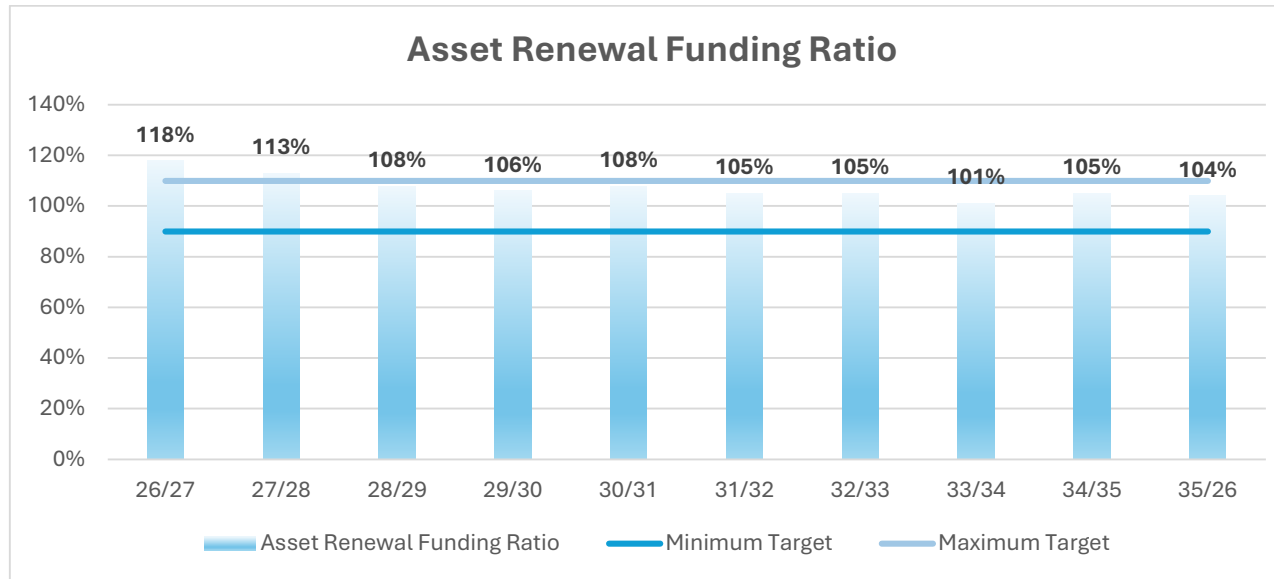
The graph shows that Council's forecast NFLR is well below the ceiling of 100% over the life of this LTFP, with 20% being the highest (Y1) and 7% being the lowest (Y10). This is well within the financial sustainability targets of this LTFP.

The decreasing ratio may provide Council with the opportunity to make strategic use of further debt to optimise renewal of existing assets and/or address existing asset renewal backlog before these assets deteriorate to a level which will require much greater expenditure to rectify. Such use of debt could be considered if Council's OSR results were stronger.

Asset Renewal Funding Ratio (ARFR)

This ratio indicates the extent to which Council’s non-financial assets are being renewed and replaced compared to required expenditure identified in Council’s SAMP. 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 SAMP in that year. This Plan uses SAMP renewal requirements to calculate this ratio, with the annual capital renewal allocation divided across Council’s various asset classes on an affordability basis.

Chart 4: Asset Renewal Funding Ratio



The revised draft LTFP adopts a target range for the Asset Renewal Funding Ratio between 90% and 110% which has been achieved. However, it should be noted that results for the first five years are inflated by the inclusion of expenditure on the maintenance and repair of leased jetties, which are not included in Council’s SAMP required renewal calculations.

Council’s revised SAMP notes a low to medium confidence in its forecast data which is based upon the best currently available information. A comprehensive improvement plan is provided in the SAMP to address this and other asset management related matters. The outcome of these tasks may impact future ARFR outcomes.

Plain English Statement on the Long Term Financial Plan

Purpose of the Plan

The revised draft LTFP makes projections about the funding of Council's strategic plans²³ based on several assumptions and helps council to assess the impact of their proposed plans on the future financial sustainability of the council and the potential impact on ratepayers.

Key Assumptions

- Inflation as measured by the Consumer Price Index (CPI) commencing at 3.7% in year one and stabilising to 2.6% over the course of the plan.
- General rate increases linked to CPI plus natural growth and a 0.5% financial sustainability levy over the first five years of the plan.
- Most operating income and expenditure moving in concert with CPI with exceptions detailed in the relevant sections of the plan.
- Annual indexation applied to asset reinstatement values to ensure renewal/replacement cost projections and annual depreciation maintains pace with cost increases.
- Inclusion of known major capital projects and an allowance for jetty renewal included in the plan.
- Asset renewal expenditure budget which seeks to meet strategic asset management plan required spend.

Key Conclusions

- Overall financial performance²⁴ provides modest surpluses over the life of the plan which are dependent upon a modest 0.5% financial sustainability levy over the first five years of the plan.
- Council's borrowings²⁵ are forecast to reduce over the life of the plan.
- Council achieves its stated asset management performance²⁶ target over the life of the plan due to prioritisation of asset renewal funding.
- Increased access to asset condition data will improve the accuracy of renewal projections into the future.
- Development of Marine and Coastal asset data is likely to increase renewal asset requirements placing further strain on Council finances.
- Service level reviews are proposed to reduce reliance on the financial sustainability levy and improve overall financial performance.
- Significant financial commitment is required to maintain existing Council assets, hence minimal spend of new/upgrade assets are forecast.

²³ Most significantly the Strategic Management Plan (SMP) and Strategic Asset Management Plan (SAMP).

²⁴ Refer to discussion on the Operating Surplus Ratio.

²⁵ Refer to discussion on the Net Financial Liabilities Ratio.

²⁶ Refer to discussion on the Asset Renewal Funding Ratio.

Further Information

Council provides a report on the actions and projects undertaken every year in its Annual Report and this includes financial statements. These reports are available on council's website at: [Corporate publications – Yorke Peninsula Council](#)

Acknowledgements

The revised draft LTFP 2027-2036 contains references to, and portions of material sourced directly from Financial Sustainability Information Papers and the Model Financial Statements framework issued by the Local Government Association of South Australia.

Glossary

Terms	Explanation
Annual Business Plan (ABP)	The annual business plan (ABP) is a council's statement of its intended programs and outcomes for the year. It links the council's longer-term planning for its area, as set out in its strategic management plans (SMPs) with the allocation of resources in its budget. The ABP also establishes the basis for review of the Council's performance over the year included in its annual report. ²⁷
Asset Renewal / Replacement	Renewal or replacement of an asset occurs when a previously existing asset is replaced – giving a new asset with a useful life – without enhancement of the service capability except where this is incidental or unavoidable.
Asset Renewal Funding Ratio (ARFR)	The Asset Renewal Funding ratio indicates the extent to which existing non-financial assets (Infrastructure, property, plant and equipment) are being renewed and replaced to ensure council can cost effectively maintain services, compared with the asset renewal and replacement expenditure projections contained in a council's strategic asset management plan. ²⁸
Consumer Price Index (CPI)	The most well-known indicator of inflation is the Consumer Price Index (CPI), which measures the percentage change in the price of a basket of goods and services consumed by households.
Financial Indicators	Financial indicators and associated targets determined by a council are intended to act like a road map to assist council members and senior staff to steer their council's financial performance and sustainability (and to enable the public to judge their success). The Local Government (Financial Management) Regulations 2011 require a council to use three specific financial indicators: operating surplus ratio; net financial liabilities ratio; and asset renewal funding ratio. ²⁹
Financial Sustainability	A Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services. ³⁰
Inflation	Inflation is an increase in the level of prices of the goods and services that households buy. It is measured as the rate of change of those prices.
Long Term Financial Plan (LTFP)	The purpose of a LTFP is to express, in financial terms, the activities that the council proposes to undertake over the medium to long term to achieve its stated objectives. The LTFP is similar to, but usually less detailed than, the annual budget. It is a plan which considers the longer-term impact of intended future outlays and anticipated revenues. ³¹
Net Financial Liabilities Ratio (NFLR)	The net financial liabilities at the end of a financial year as a percentage of operating income for the year. ³²

²⁷ Local Government Association of South Australia – Annual Business Plan - Financial Sustainability Information Paper (FSIP) No. 13 – November 2024.

²⁸ Local Government Association of South Australia – Financial Indicators - Financial Sustainability Information Paper (FSIP) No. 9 – November 2024.

²⁹ Ibid.

³⁰ Local Government Association of South Australia – Financial Sustainability - Financial Sustainability Information Paper (FSIP) No. 1 – November 2024.

³¹ Local Government Association of South Australia – Long Term Financial Plans - Financial Sustainability Information Paper (FSIP) No. 8 – November 2024.

³² Local Government Association of South Australia – Financial Indicators - Financial Sustainability Information Paper (FSIP) No. 9 – November 2024.

New and Upgrade Asset Expenditure	A new asset is additional to Council's previous asset complement. An upgraded asset replaced a previously existing asset with enhanced capability or functionality, when an option existed for replacement without the enhanced capability or functionality.
Operating Surplus Ratio (OSR)	The operating surplus (deficit) expressed as a percentage of operating income. ³³
Uniform Presentation of Finances (UPF)	The Local Government (Financial Management) Regulations require Councils to present financial information on a uniform and consistent basis in their Annual Financial Statements. They further require Long-Term Financial Plans (LTFPs) are presented in a manner consistent with Uniform Presentation of Finance Note (Note 16) in the financial statements (Financial Management Regulation 2011, Regulation 5). The primary objective of this arrangement is to ensure that Councils provide a common 'core' of financial information in their LTFP and Annual Financial Statements, enabling more meaningful comparisons of each Council's finances. The uniform presentation adopted is based on a modified version of Whole of Government and General Government Sector Financial Reporting (AASB 1049) and Uniform Presentation Framework - April 2008 For the Presentation of Uniform Financial Information by Commonwealth, State and Territory Governments published by the Commonwealth Treasury.
Strategic Asset Management Plan (SAMP)	The Strategic Asset Management Plan (SAMP) takes the organisational objectives in our Strategic Plan, develops the asset management objectives, principles, framework and strategies required to achieve our organisational objectives. The plan summarises activities and expenditure projections from individual asset management plans to achieve the asset management objectives.
Strategic Management Plan (SMP)	The Strategic Management Plan (SMP), which serves as the foundation for all Council plans, policies, strategies, and actions. Key documents underpinning the SMP's success include the Long Term Financial Plan, Asset Management Plans, and the Annual Business Plan and Budget. The SMP is developed in response to Section 122 of the Local Government Act 1999, which mandates that all councils produce a series of strategic management documents outlining their long-term vision, planning, and financial sustainability over a minimum four-year period.

³³ Ibid.

Appendicies

Statement of Comprehensive Income³⁴

Yorke Peninsula Council										
10 Year Financial Plan for the Years ending 30 June 2036										
STATEMENT OF COMPREHENSIVE INCOME										
	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
Rates	34,346	36,038	37,430	38,930	40,491	41,776	43,103	44,382	45,700	47,059
Statutory Charges	591	615	631	647	664	681	699	717	736	755
User Charges	5,730	6,195	6,416	6,602	6,793	6,949	7,150	7,315	7,526	7,701
Grants, Subsidies and Contributions - operating	3,439	3,442	3,540	3,615	3,719	3,798	3,906	3,991	4,104	4,193
Grants, Subsidies and Contributions - capital	4,361	3,044	2,344	2,344	2,344	1,644	1,644	1,644	1,644	1,644
Investment Income	124	187	271	275	257	263	256	266	264	263
Reimbursements	80	82	84	86	88	91	93	95	98	100
Other Income	172	176	181	185	191	195	201	205	211	216
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-
Total Income	48,844	49,778	50,897	52,683	54,547	55,397	57,051	58,615	60,282	61,930
Expenses										
Employee Costs	13,391	13,782	14,170	14,569	14,980	15,402	15,837	16,283	16,743	17,215
Materials, Contracts & Other Expenses	17,208	17,651	18,148	18,707	19,938	19,814	20,412	20,972	21,671	22,003
Depreciation, Amortisation & Impairment	17,153	17,921	18,476	18,993	19,532	20,100	20,643	21,216	21,821	22,439
Finance Costs	183	123	79	50	31	29	26	23	19	16
Net loss - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-
Total Expenses	47,936	49,476	50,874	52,319	54,481	55,345	56,917	58,494	60,254	61,673
Operating Surplus / (Deficit)	908	302	23	364	66	53	134	121	28	257
Asset Disposal & Fair Value Adjustments	350	650	250	50	50	50	50	50	50	50
Amounts Received Specifically for New or Upgraded Assets	-	-	-	-	-	-	-	-	-	-
Physical Resources Received Free of Charge	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	1,258	952	273	414	116	103	184	171	78	307
Other Comprehensive Income										
Amounts which will not be reclassified subsequently to operating result										
Changes in Revaluation Surplus - I,PP&E	13,156	9,934	9,704	9,905	10,053	10,256	10,451	10,655	10,830	10,985
Total Other Comprehensive Income	13,156	9,934	9,704	9,905	10,053	10,256	10,451	10,655	10,830	10,985
Total Comprehensive Income	14,414	10,886	9,977	10,319	10,168	10,359	10,635	10,826	10,908	11,292

Statement of Financial Position

Yorke Peninsula Council										
10 Year Financial Plan for the Years ending 30 June 2036										
STATEMENT OF FINANCIAL POSITION										
	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current Assets										
Cash & Cash Equivalents	300	801	1,307	1,065	1,036	993	865	754	685	978
Trade & Other Receivables	2,501	2,606	2,681	2,767	2,886	2,936	3,021	3,102	3,193	3,246
Inventories	782	802	824	849	902	898	924	949	980	995
Total Current Assets	3,583	4,210	4,812	4,681	4,824	4,826	4,811	4,805	4,857	5,219
Non-Current Assets										
Financial Assets	139	114	101	86	71	55	38	19	0	0
Infrastructure, Property, Plant & Equipment	400,058	406,933	415,822	425,835	436,055	446,427	457,196	468,124	479,107	490,115
Total Non-Current Assets	400,198	407,047	415,922	425,922	436,126	446,482	457,234	468,143	479,107	490,115
TOTAL ASSETS	403,781	411,256	420,734	430,603	440,950	451,308	462,044	472,948	483,965	495,334
LIABILITIES										
Current Liabilities										
Cash Advance Debenture	168	-	-	-	-	-	-	-	-	-
Trade & Other Payables	4,948	5,031	5,174	5,309	5,542	5,601	5,763	5,907	6,086	6,207
Borrowings	701	646	589	59	63	67	70	75	49	(0)
Provisions	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167
Total Current Liabilities	7,985	7,844	7,930	7,535	7,772	7,834	8,000	8,149	8,302	8,375
Non-Current Liabilities										
Cash Advance Debenture	2,627	-	-	-	-	-	-	-	-	-
Trade & Other Payables	148	151	155	159	164	167	172	176	181	185
Borrowings	1,619	973	384	325	262	196	125	51	2	2
Provisions	128	128	128	128	128	128	128	128	128	128
Total Non-Current Liabilities	4,522	1,252	668	612	554	491	425	354	311	315
TOTAL LIABILITIES	12,506	9,096	8,597	8,147	8,326	8,325	8,426	8,503	8,613	8,689
Net Assets	391,274	402,160	412,137	422,456	432,624	442,983	453,618	464,445	475,352	486,645
EQUITY										
Accumulated Surplus	(958)	(6)	267	681	797	900	1,084	1,255	1,332	1,639
Asset Revaluation Reserves	385,996	395,930	405,634	415,539	425,592	435,848	446,299	456,954	467,784	478,769
Other Reserves	6,236	6,236	6,236	6,236	6,236	6,236	6,236	6,236	6,236	6,236
Total Equity	391,274	402,160	412,137	422,456	432,624	442,983	453,618	464,445	475,352	486,645

³⁴ To ensure depreciation impacts related to asset revaluations are reflected in the correct year the “Changes in revaluation surplus – IPPE” values are displayed in the year prior to actual revaluation. This is required on the basis that the LTFP model assumes a 30 June revaluation, whereas Council undertakes 1 July revaluations.

Statement of Cash Flows

Yorke Peninsula Council										
10 Year Financial Plan for the Years ending 30 June 2036										
STATEMENT OF CASH FLOWS										
	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities										
Receipts:										
Rates Receipts	34,293	35,989	37,389	38,887	40,446	41,739	43,064	44,345	45,662	47,019
Statutory Charges	590	613	630	646	663	680	698	716	735	754
User Charges	5,705	6,166	6,403	6,590	6,781	6,940	7,138	7,305	7,513	7,690
Grants, Subsidies and Contributions (operating purpose)	4,016	3,443	3,587	3,651	3,767	3,836	3,957	4,030	4,157	4,235
Investment Receipts	142	185	268	274	258	263	256	265	264	263
Reimbursements	81	82	84	86	88	91	93	95	98	100
Other Revenue	124	183	192	192	202	202	213	213	224	225
Payments:										
Payments to Employees	(13,358)	(13,760)	(14,148)	(14,547)	(14,957)	(15,379)	(15,812)	(16,259)	(16,717)	(17,189)
Payments for Materials, Contracts & Other Expenses	(17,361)	(17,635)	(18,131)	(18,687)	(19,896)	(19,817)	(20,391)	(20,953)	(21,646)	(21,991)
Finance Payments	(183)	(123)	(79)	(50)	(31)	(29)	(26)	(23)	(19)	(16)
Net Cash provided (or used in) Operating Activities	14,048	15,143	16,194	17,041	17,321	18,526	19,190	19,737	20,269	21,091
Cash Flows from Investing Activities										
Receipts:										
Amounts Received Specifically for New/Upgraded Assets	156	-	-	-	-	-	-	-	-	-
Grants utilised for capital purposes	4,584	3,039	2,344	2,344	2,344	1,644	1,644	1,644	1,644	1,644
Sale of Replaced Assets	340	520	450	462	474	486	499	512	525	539
Sale of Surplus Assets	350	650	250	50	50	50	50	50	50	50
Repayments of Loans by Community Groups	40	27	25	13	14	15	16	17	18	19
Payments:										
Expenditure on Renewal/Replacement of Assets	(19,268)	(15,181)	(17,812)	(19,163)	(19,773)	(20,252)	(21,010)	(21,500)	(22,000)	(22,500)
Expenditure on New/Upgraded Assets	(200)	(200)	(300)	(400)	(400)	(450)	(450)	(500)	(500)	(500)
Loans Made to Community Groups	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(13,999)	(11,145)	(15,043)	(16,694)	(17,291)	(18,507)	(19,251)	(19,777)	(20,263)	(20,748)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayments of CAD	-	-	-	-	-	-	-	-	-	-
Repayments of Borrowings	(1,199)	(701)	(646)	(589)	(59)	(63)	(67)	(70)	(75)	(49)
Repayment of Bonds & Deposits	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(1,199)	(701)	(646)	(589)	(59)	(63)	(67)	(70)	(75)	(49)
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,149)	3,296	505	(242)	(29)	(43)	(128)	(111)	(69)	294
plus: Cash & Cash Equivalents - beginning of year	(1,346)	(2,495)	801	1,307	1,065	1,036	993	865	754	685
Cash & Cash Equivalents - end of the year	(2,495)	801	1,307	1,065	1,036	993	865	754	685	978
Cash & Cash Equivalents - end of the year	(2,495)	801	1,307	1,065	1,036	993	865	754	685	978
Investments - end of the year	-	-	-	-	-	-	-	-	-	-
Cash, Cash Equivalents & Investments - end of the year	(2,495)	801	1,307	1,065	1,036	993	865	754	685	978

Statement of Changes in Equity

Yorke Peninsula Council										
10 Year Financial Plan for the Years ending 30 June 2036										
STATEMENT OF CHANGES IN EQUITY										
	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	376,860	391,274	402,160	412,137	422,456	432,624	442,983	453,618	464,445	475,352
Net Surplus / (Deficit) for Year	1,258	952	273	414	116	103	184	171	78	307
Other Comprehensive Income										
- Gain (Loss) on Revaluation of I,PP&E	13,156	9,934	9,704	9,905	10,053	10,256	10,451	10,655	10,830	10,985
Other Comprehensive Income	13,156	9,934	9,704	9,905	10,053	10,256	10,451	10,655	10,830	10,985
Total Comprehensive Income	14,414	10,886	9,977	10,319	10,168	10,359	10,635	10,826	10,908	11,292
Transfers between Equity	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	391,274	402,160	412,137	422,456	432,624	442,983	453,618	464,445	475,352	486,645