

LONG TERM FINANCIAL PLAN 2025 – 2035



Updated & Adopted by Council 9 December 2025

NARUNGGA ACKNOWLEDGMENT

We acknowledge the traditional country of the Narungga (Nharangga) community and pay respect to Elders, past, present and future. We recognise and respect their cultural heritage, beliefs and relationships with the land. We acknowledge that they are of continuing importance to the Narungga (Nharangga) people today.

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1. INTRODUCTION

The purpose of this Long-Term Financial Plan (LTFP) is to outline the financial strategies that the Barunga West Council (Council) intends to implement over the medium to long term to meet its current objectives.

The LTFP is reviewed annually alongside the preparation of the Annual Business Plan. It serves as a strategic guide for future actions, considering the long-term impact of revenue and expenditure decisions.

This is crucial because the Council has a relatively stable revenue stream but is responsible for managing long-lived assets. These assets may require minimal renewal for extended periods, followed by phases requiring substantial investment.

By aggregating future planned expenditures and projected revenues, the LTFP allows for the identification and management of cumulative financial impacts, including borrowing needs.

The current term of Council has outlined several capital initiatives to be executed over the short, medium, and long terms, based on an assessment and prioritization process.

2. OBJECTIVE OF THE LTFP

The primary goal of the LTFP is to develop a sustainable financing strategy for the medium to long term, enabling the Council to achieve its strategic objectives for the district outlined in its strategic plans.

The Council's draft Strategic Community Plan 2024-2028 serves as the overarching vision for the district's future direction. The LTFP is designed to align with this document along with several other strategic plans, including the Annual Business Plan 2024/25, Asset Management Plans, Land Supply and Demand Analysis, and the Tickera Masterplan.

In formulating the LTFP, the Council has also considered and implemented advice from the Essential Services Commission, South Australia's independent economic regulator and advisory body.

Additionally, the Council has assessed its financial sustainability to make informed decisions regarding annual business plans and budgets within the framework of long-term financial plans and infrastructure and asset management plans. Considerations include asset maintenance, replacement, and development needs, borrowing levels and finance costs, as well as identifying potential changes impacting the costs of Council activities and operations.

The objective of this LTFP is to ensure the Council's long-term financial health and stability, ensuring that planned service and infrastructure levels are sustained without unforeseen rate hikes or disruptive service cuts.

3. PROFILE OF THE COUNCIL AREA

Barunga West Council is situated at the 'Top of the Yorke', adjacent to the Mid North of South Australia, with its southern-most boundary approximately 110 kilometres north of Adelaide.

The council encompasses several townships including Alford, Bute, Fisherman Bay, Kulpara, Melton, Mundoora, Port Broughton, and Tickera.

Covering an area of 1,590 square kilometres, the council boasts a total road network spanning 931 kilometres. It shares boundaries with Copper Coast Council, Yorke Peninsula Council, Port Pirie Regional Council, and Wakefield Regional Council.

The predominant industries within the council area include agriculture, aged-care services, and recreational and commercial fishing. Engineering, mining, and tourism also play significant roles, shaping council decision-making processes.

The region hosts a large retirement facility, indicative of an aging demographic and the attractive lifestyle afforded by the area, particularly with the central presence of Port Broughton Hospital and associated medical services.



4. CONTEXTUAL FRAMEWORK

4.1 Legislative requirements

Section 122(1a) of the Local Government Act mandates councils to develop and adopt: (a) a Long-Term Financial Plan (LTFP) spanning at least 10 years; and (b) an Infrastructure and Asset Management Plan (IAMP) concerning the management and development of infrastructure and major assets for at least a decade. These plans are integral components of the council's strategic management plans. According to Section 122(4)(a)(i) of the Act, the LTFP should undergo a review promptly after the adoption of the ABP.

Furthermore, Section 122(4)(b) of the Act specifies that the council must conduct a thorough review of its Long-Term Financial Plans within 2 years following each general election of the council.

4.2 Significant Influences

The following significant influences have been considered in the preparation of this LTFP:

1. **Housing Crisis and Land Development:** The ongoing housing crisis has necessitated the development and release of residential and industrial land within the district. This proactive approach aims to address housing shortages and stimulate economic growth.
2. **Rising Costs and CPI Increase:** The Adelaide Consumer Price Index (CPI) stood at 2.2% as of March 2024, contributing to sustained high costs for materials and contractors. This increase has been factored into the financial planning process to ensure the Council can manage cost pressures effectively.
3. **Council continues to experience growth at a rate just below 1.5%,** this is planned within the current LTFP and is considered within general rate revenue growth.
4. **Guidance from the Essential Services Commission:** Following the completion of the Local Government's Rates Overview Scheme in early 2023, the Essential Services Commission provided recommendations that addressed rate increases and inflation costs. These recommendations emphasized the importance of returning to an operational surplus as promptly as feasible. The Council has incorporated these recommendations to ensure fiscal responsibility and sustainability.
5. **History of Low Rates and COVID-19 Impact:** The Barunga West Council has maintained relatively low rates over the years, including a rate freeze in 2020/21 due to the COVID-19 pandemic. This historical context has influenced the current financial planning and rate-setting decisions.
6. **It is relevant to note that when compared to the LG Grants Commission Rural Agricultural Medium (RAM) Councils Total Rates per Residential property,** Barunga West Council is approximately 14% lower than the average rate applied across the RAM Councils.
7. **It is also relevant to note that when compared to the LG Grants Commission Rural Agricultural Medium (RAM) Councils Total Rates per All property,** Barunga West Council is approximately 6% lower than the average rate applied across the RAM Councils.

8. Council has investigated its expenses per rateable property when compared to the LG Grants Commission Rural Agricultural Medium (RAM) Councils and is found to be 15% lower than the average expenses across the RAM Councils. This provides a good indicative reference of Council efficiency of expenditure, noting that this does not consider the individual operating environment of each council.
9. Asset Management Expenditures: The Council has made substantial expenditures aimed at addressing backlogs in asset management. This investment is crucial for maintaining and renewing infrastructure to meet community needs and service level requirements. This budget focuses on addressing the backlog of plant and fleet renewal in line with best practice and our newly implemented Asset Management Plans.
10. Increased Rate Revenue from New Developments: Additional rate revenue has been generated from new ratepayers due to subdivisions completed in 2023/24. This influx of revenue supports the Council's financial sustainability goals.
11. Debt Reduction: The Council's Long-Term Financial Plan shows all debt will be paid off by 2031/32.

4.3 Economic Growth

The Council is dedicated to fostering economic growth by attracting more ratepayers, visitors, and tourists to the district, supporting the business sector, and strengthening the local economy.

In 2024/25, additional rate revenue of 1.4% (\$79,995) will be generated from 40 new rate-paying properties resulting from subdivisions in 2024/25.

The Council is focused on developing and implementing strategies and initiatives to encourage a rate growth of up to 1.5 percent each year, which has been incorporated into this Long-Term Financial Plan.

4.4 Essential Services Commission advice

In February 2023, the Essential Services Commission reported:

"It finds the Barunga West Council's current financial position at risk of being unsustainable, with continued operating deficits resulting from its revenue base, including rates revenue, being stretched to meet the service level requirements of its growing infrastructure base. The Barunga West Council has underspent on the renewal and rehabilitation needs of its asset stock over the past 10 years and has accumulated a 'backlog' of renewals as a result. The Barunga West Council's projected improvement to its financial performance is reliant on a period of service consolidation, at a minimum, and continued rate increases above inflation. Acknowledging this outlook, the Essential Services Commission considers that it would be appropriate for the Barunga West Council to undertake the following steps to ensure that it budgets transparently, manages its cost base efficiently, renews its asset base to meet sustainable service levels, and constrains the extent of further rate increases:

- Provide greater transparency in its long-term financial plan (and as necessary, its annual business plan and budget) by clearly identifying the annual inflation and other relevant assumptions as inputs to its projected revenue (including rates) and spending.
- Focus on controlling cost growth more generally in its operating expense budgeting.
- Report its actual and projected cost savings in its annual budget, to provide evidence of controlling cost growth and achieving efficiency across its operations and service delivery.
- Adhere to the principles underpinning its current long-term financial plan projections to provide more funding to the renewal of its assets, rather than prioritising initiatives which involve new or upgraded infrastructure.
- Review the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better align with the allocations in its long-term financial plan, including:
 - the estimates of asset lives and valuations feeding into its forecast rate of asset consumption (and depreciation expenses).
 - the estimated desired service levels for different assets by the community.
 - Review and consider limiting future average rate increases above inflation, in consultation with its community, particularly on rate categories which have lower capacity to pay.

In response to this advice, the Barunga West Council is taking decisive and proactive steps to ensure robust fiscal management and oversight. The Council is committed to implementing strong financial practices to address the challenges highlighted in the report. Key actions being taken include:

- Engagement of Expert Consultants: The Council has engaged UHY Haines Norton Adelaide, an accounting, taxation, and consulting firm with extensive local government experience, to assist with financial management and reporting.
- Transparency in Financial Planning: Annual inflation and all other relevant assumptions are now clearly identified and documented in the Long-Term Financial Plan (LTFP).
- Budget Review and Cost Control: Budgets for staffing salaries and professional services, two major components driving current deficits, have been reviewed, with significant cost reductions planned from 2024/25 onwards.
- Reporting on Savings and Costs: Savings and cost increases related to materials, contractors, and other expenses are now reported in the Council's Annual Business Plan to demonstrate control over cost growth and operational efficiency.
- Asset Review and Management: A comprehensive review of existing assets is underway to identify those that no longer serve the community and establish processes for their disposal. The Council has reaffirmed its commitment to asset renewal, particularly for roads, with funding ratios targeted and funded at 100%.

- **Enhanced Asset Management Plans:** Asset management plans are being reviewed and adjusted to improve the approach to acquiring, maintaining, and disposing of plant, equipment, and property.
- **Wastewater Infrastructure Review:** The Council is reviewing wastewater infrastructure, depreciation expenses, maintenance costs, and fees/charges in the context of anticipated population growth over the next 5-10 years.
- **Comparative Rate Analysis:** A review of differential rates compared to LG Grants Commission Rural Agricultural Medium (RAM) councils has confirmed that Barunga West Council continues to offer one of the lowest rate structures in South Australia, providing value to its community.
- **Annual Rate Review and Community Consultation:** Rates are reviewed annually in consultation with the community to ensure sufficient funds are generated to support essential initiatives, services, programs, and projects for the community.

The Council is dedicated to addressing the financial sustainability concerns raised by the Essential Services Commission and is committed to ensuring transparent, efficient, and effective financial management practices moving forward.

4.5 A snapshot of Council's finances (Estimate as at 30 June 2025)

Balance Sheet

- Total Assets of \$81.17 million consisting of:
 - Infrastructure, property, plant, and equipment of \$80.360 million
 - Cash Reserves of \$0.200 million
- Total Liabilities of \$5.750 million consisting of:
 - Trade and Other Payables of \$1.059 million
 - Employee Entitlements of \$0.671 million
 - Borrowings of \$3.43million

4.6 Income and Expenditure (forecast for 2025/26)

Operating Result

- Operating deficit of \$603,010

Revenue

Total revenue sources of \$9.522 million consisting of:

- Rate income of \$7.017 million
- User charges of \$0.726 million to cover a range of items including:
 - Cemeteries
 - Caravan parks
 - Community Wastewater Management System (CWMS)
- Statutory charges of \$0.122 million set by the State Government, which generally offset the cost of the service
- Investment, Reimbursements and Other income of \$0.378 million from:
 - Investment income on cash deposits
 - Insurance recoupments, rebates, and private works
 - Open spaces contribution

- Grants of \$1.278 million such as:
 - Roads to Recovery Program
 - Local Road and Community Infrastructure Program
 - Financial Assistance Grants

Notes on operating revenue budgets:

- Rates and charges are stable sources of income which can be determined by Council policy but income from grants will fluctuate from year to year, can be significant and are subject to State Government and Federal Government policies.

Expenditure

Total operating expenditure of \$9.663 million consisting of:

- Employee costs of \$3.152 million
- Operating initiatives and projects costs of \$3.78 million (which will fluctuate from year to year depending on initiatives)
- Depreciation, amortisation, and impairment charge of \$2.655 million (a non-cash expense)
- Finance costs of \$0.292 million

4.7 State of Play

Assets

Council undertakes regular reviews of its Asset Management Plans and sub-plans to identify and program the work required to ensure all its assets are appropriately maintained and renewed.

The key issues addressed in the reviews of Asset Management Plans are:

- Impacts to growth on CWMS assets
- Efforts to reduce the backlog of works on sealed and unsealed roads, kerbs and footpaths, and buildings
- Major works required on key roads
- An annual program to upgrade the district's main streets
- Changes to playground equipment and legislative requirements
- The inclusion of Coastal Protection Assets

Council commenced addressing these key issues in 2020/21 and has more than doubled its investment in its existing assets to address the lack of renewal and rehabilitation expenditure in the district over the past decade and more.

Plant and Equipment

Council has adopted a revised Plant and Equipment Replacement Program totalling \$4.80 million over ten years, offset by \$1.38 million from asset disposals (net \$3.42 million). This replaces the previous \$8.37 million accelerated model adopted in April 2025, and reflects a sustainable lifecycle approach aligned with industry benchmarks and Council's financial capacity.

Fisherman Bay

Resolution of the long-running issue of land freeholding and delivery of associated key infrastructure (coastal protection, roads, stormwater, and wastewater management) were resolved with the signing of an Infrastructure Deed by Council and Fisherman's Bay Management Pty Ltd (FBM).

A grant from the Local Government Association administered Community Wastewater Management System (CWMS) Subsidy Fund of \$3 million was received to finance the completed upgrade and expansion of the Port Broughton Wastewater Treatment Plant in 2021/22.

The remaining infrastructure has now been completed by Fisherman's Bay Management from the proceeds of the sale of the freehold properties. Ownership of this infrastructure has transferred to Council, free of charge, in April 2024.

Capital Investments

Council is exploring several new capital initiatives over the life of the LTFP and a tentative list of the projects under consideration is in section 7.

These projects are subject to further investigation and assessment and will require funding contributions from the State Government and/or Federal Government.

The impact on Council's finances will be subject to these deliberations and outcomes and it would be premature to include these in the LTFP at this point.

Borrowings

The Council has financed significant capital initiatives, mainly to address Council's Asset Management Plan expenditure backlog, via loans from the Local Government Finance Authority.

The Council is committed to reducing debt through the planned disposal of serviced land at several key locations. This includes 18 allotments of residential land at Grace Harwar, Port Broughton, 5 allotments of industrial land at Hornby Road, Port Broughton, and 8 allotments of residential land at Arbon Road, Bute.

According to the Council's Long-Term Financial Plan, all debt will be paid off by the 2031/32 financial year.

5. FINANCIAL STRATEGY

The Council has the following financial strategy objectives to assist in the development of the LTFP:

5.1. Operating Surplus

A long-term operating budget, with year-to-year Operating Surplus Ratios ranging between +/- 10%.

5.2. Debt

A long-term Net Financial Liabilities Ratio ranging between 0% and 100%.

5.3. Asset Sustainability

Capital expenditure on renewal and replacement of assets relative to the level of expenditure identified in Council's asset management plans to be within the range of 90% to 110% over the 10-year period (i.e. the Asset Sustainability Ratio).

Glossary of ratios:

- *Operating Surplus Ratio – Operating Surplus divided by Rates Revenue*
This ratio is the percentage by which Council's annual operating surplus or deficit varies from its total operating income. The LGA suggests councils should seek to achieve a ratio of between 0% and 10%, a range that effectively targets, on average over time, a small annual operating surplus.
- *Net Financial Liabilities Ratio - Net Financial Liabilities divided by Total Operating Revenue*
Net financial liabilities are the amount of money owed by Council less money held or invested or owed to it. This ratio is a measure of the significance of the net amount owed compared with income for the year; the lower the ratio the higher the capacity to meet liabilities from operating revenue. For comparison purposes, an LGA study found that in 2017/18 the net financial liabilities ratio for the local government sector was 27%. The LGFA has a paper on its website entitled "Guide to the responsible use of debt", which states that councils in South Australia have very low levels of debt and could on average double or treble their existing debt levels. The paper discusses the Net Financial Liabilities ratio and concludes that this ratio can reasonably range between 0% and 100%.
- *Asset Sustainability Ratio – Actual maintenance expenditure divided by Planned maintenance in AMPs*
This ratio is the level of capital expenditure on renewal and replacement of assets relative to the level of expenditure identified in Council's asset management plans. A ratio of 100% or more indicates that Council's expenditure is sufficient to maintain the condition of its assets.

6. LTFP Assumptions

Description	Assumption
General Rates	The proposed total rate increase for 2025/26 continues to be the same as the previous LTFP at 7.2%. Rates are forecasted to increase by 2% on top CPI and growth from 2026/27 to 2028/29. Please see table below.
CWMS charges	CWMS charges are expected to increase by CPI over the life of the plan.
CPI	Council used the Reserve Bank of Australia (RBA) forecast from February 2025. Please see table below.
Statutory Charges	Statutory charges are expected to increase by CPI over the life of the plan.
Growth	The growth of new rate payers has been estimated at 1.5% annually
Fees and charges	Fees and charges are expected to increase by CPI over the life of the plan.
Grants, Subsidies & Contributions	Based on the 2025/26 budget forecast and increased by CPI for the life of the plan.
Employee costs	Increased by the current enterprise agreement at 3.5% and CPI increase after the end of the Enterprise Agreement.
Material, contractors and expenses	Council used the Local Government Price Index (LGPI) forecast released by the South Australian Centre for Economics Studies in March 2025. The LRCI forecast for recurrent expenditure was at 3.0% in 2025/26, 3.0% in 2026/27, 2.8% in 2027/28. From 2028/29 onwards, material and contractors increase by CPI. Council has also accounted for additional maintenance for new/upgraded assets during the life of the plan.
Depreciation, Amortisation & Impairment	Based on the useful life of assets, adjusted for a \$222,000 increase from the 2024/25 revaluation and higher asset base from new/upgraded assets.
Finance Costs	Actual interest payable on existing fixed-interest loans. Interest on cash advanced debentures (variable-interest loans) was forecast based on the Australia Government Bonds yields curve.
Roads	The revised Transport IAMP (October 2025) restores a steady annual investment of \$1.0 million for unsealed roads and \$0.4 million for sealed roads from 2026/27 onwards, replacing the staged profile adopted in April 2025. Note: The <i>Main Streets</i> allocation shown in the April 2025 LTFP formed part of the sealed road renewal budget – there was not a separate budget allocation. In this reiteration, there is still no separate budget for Main Street projects
Footpaths, kerbs and gutters*	Average annual investment revised to \$70,000 per year
Buildings and structures*	An average annual investment of \$221,000 per year or \$2.210 million over the LTFP
CWMS*	An investment of \$46,000 in 2025/26, \$163,000 in 2027/28 and \$283,000 in 2032/33. In addition to investments to replace the Lower Lagoon Liner (\$250,000 in 2026/27) and Golf Course Irrigation (\$301,864 over 2026/27–2027/28).

Stormwater Drainage*	An investment of \$78,000 in 2025/26
Plant and equipment *	Revised total investment of \$4.80 million over 10 years, offset by \$1.38 million in trade-in income (net \$3.42 million).

*all amounts have been indexed in the LTFP to reflect the corresponding dollar amount in different points in time

Further detail regarding rate increases, CPI, and growth forecast for each financial year is provided in the table below:

Years	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
CPI +	2.50%	3.20%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Growth in the number rateable properties +	1.40%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Proposed Rate increase =	3.30%	2.00%	2.00%	2.00%	-	-	-	-	-	-
Proposed total Rate revenue increase	7.20%	6.70%	6.20%	6.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

7. LIST OF POTENTIAL CAPITAL INITIATIVES

As part of the LTFP planning several potential capital initiatives have been identified. These have been categorised into short, medium, and long-term initiatives and will be considered over the life of the LTFP. Projects listed are in addition to the capital works planned on Council's unsealed and sealed road network listed in its Asset Management Plans.

The projects listed in the Medium to Long Term Initiatives are currently the subject of feasibility and planning studies. The scope of these projects and their approval will be subject to resolutions of Council and may require funding from other sources (for example, State and Federal funding).

7.1. Short Term Initiatives (1-2 years)

Following the successful completion of several major projects with grant assistance over the past four years, our attention now turns to housing and essential responsibilities such as roads, waste management, parks and gardens.

Due to the ongoing housing crisis, the Council has deemed it necessary to develop and release residential and industrial land within the district. This proactive approach aims to address housing shortages and stimulate economic growth. Projects include:

Grace Harwar Residential Land Development - The Council will finish civil works to install power, water, kerbing, and roads at the Grace Harwar land redevelopment. This project will enable titles for 19 blocks of residential land, all sold off-plan, to be settled. The final reconciliation of this project delivered \$569,636 in savings, reducing capital funding and borrowing requirements for 2025/26.

Port Broughton Employment Zone - The Council will carry out civil works to install power and roads at Hornby Road, facilitating the sale of five large industrial blocks to interested parties.

Bute Residential Land Development - The Council will execute civil works to provide power, water, and driveways to eight allotments along Arbon Road in Bute. This project will also allow the settlement of two presold blocks off-plan.

7.2. Medium Term Initiatives (3-5 years)

Main Streets

The Council has a program of main streets upgrades planned across the district. This continues the main street improvement efforts initiated in 2023/24, including projects in Mundoora and the Civic Square in Port Broughton. The main street development will be directed by the Mainstreets Master Plan established in 2021 which identified a minimum of \$20 million of improvements required over 20 years. The Main streets projects have been discussed with State Government and are eligible for its annual Planning and Development grant funding.

Community and Events Centre

The Council has designed a coastal-inspired Community and Events Centre for Port Broughton's foreshore, featuring new public toilets with disability access, a visitor information lounge, and facilities for staff and volunteers.

The total project cost is now estimated over \$2.2 million, a significant increase from the initial estimates in 2021. The Council has consistently stated that the project's advancement depends on securing substantial funding from another government tier.

In early 2022, the Council applied for funding from the Building Better Regions program, which was subsequently cancelled in late 2022. The Council then applied for funding from the Greater Regions program in 2023/24 but was again unsuccessful. Despite these setbacks, the Council will persist in seeking grants for this vital project. If successful in obtaining grant funding, the Council will amend its budgets to accommodate any required contributions to deliver the project.

Walking and Cycling Trails

The Council will continue to explore opportunities for the creation of walking and cycling trails throughout the council area, with destinations including Tickera, Port Broughton, and Fisherman Bay.

Waste Management

Council will investigate ways in which it can create a more efficient, cleaner, greener environment by upgrading and redeveloping its waste facilities and operations. The aim of the project will be to improve efficiency, introduce new waste management technology, simplify waste disposal, and improve access by the community. Council administration will be performing a comprehensive review of its waste management practices from the 2025/26 FY.

Bute to Kadina rail corridor

Council will continue investigating ways in which it can repurpose the Bute to Kadina rail corridor into a horse, cycle and/or walking track.

7.3. Long Term Initiatives (6-10 years)

Sealing of Tickera Road

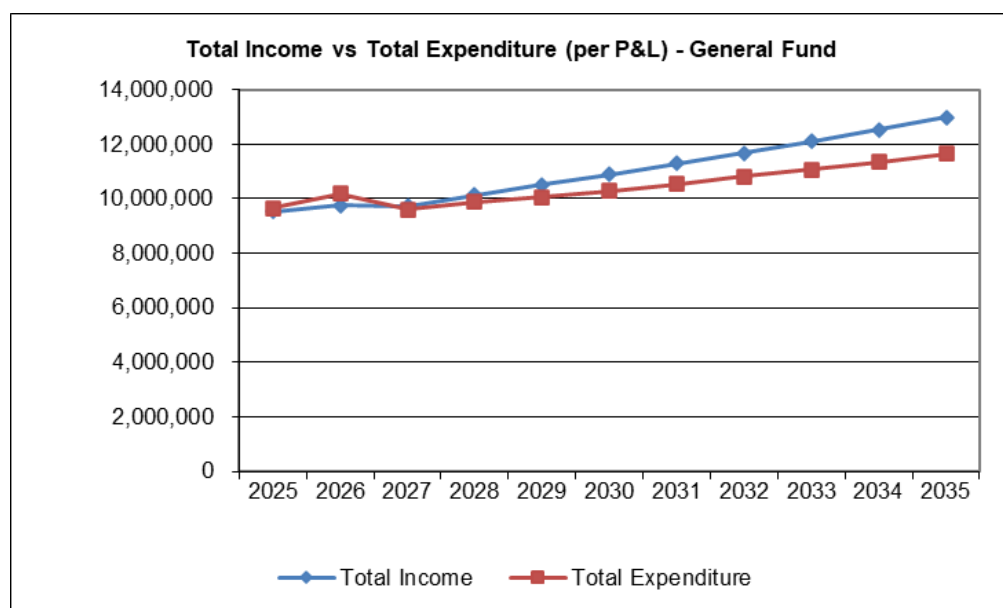
The sealing of Tickera Road has been estimated to cost \$1.4 million. The project, while deemed a priority for the region, will need a contribution from other sources, in addition to ratepayers' funding. This is currently not funded from within the LTFP.

Renewable energy

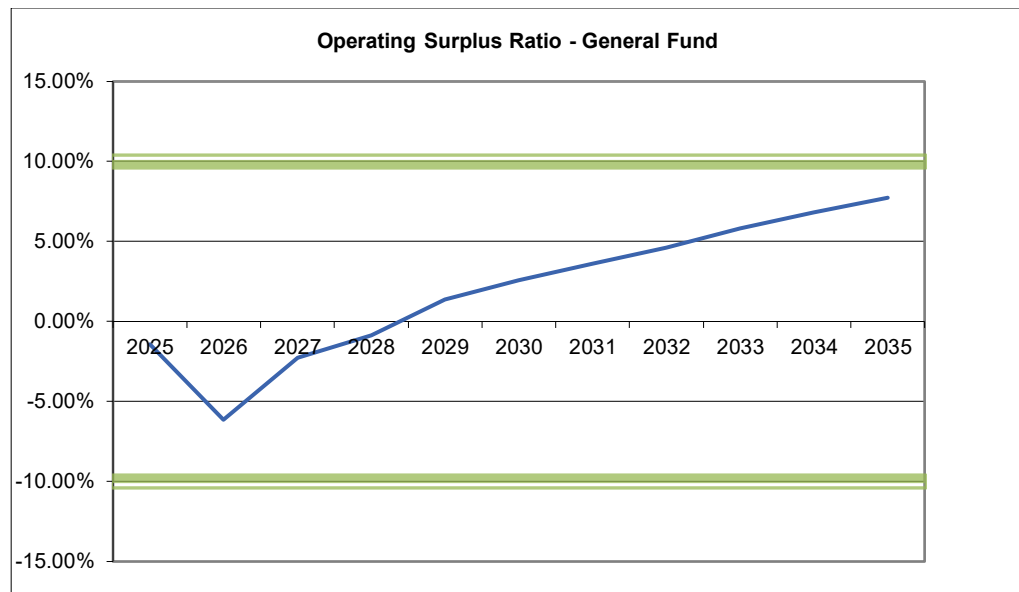
Council will undertake a feasibility study to investigate ways in which it can engage with the renewable energy market. This study will include examining options such as solar energy, battery storage, potential community investment opportunities, and power purchasing agreements for Council to buy back electricity from energy retailers to provide savings to Council and its ratepayers.

8. ANNUAL FINANCIAL INFORMATION

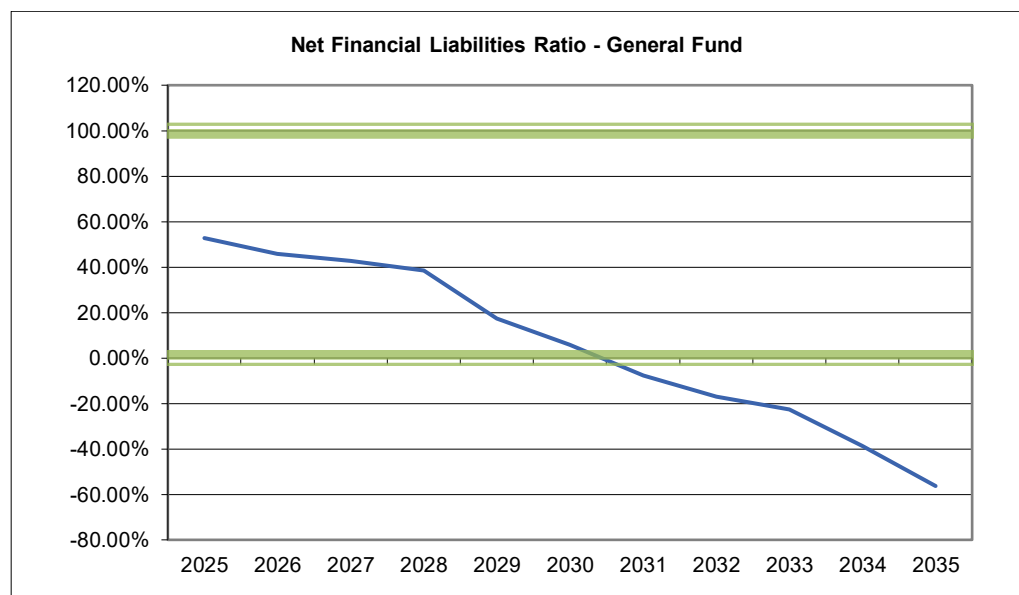
8.1 Forecast Operating Result



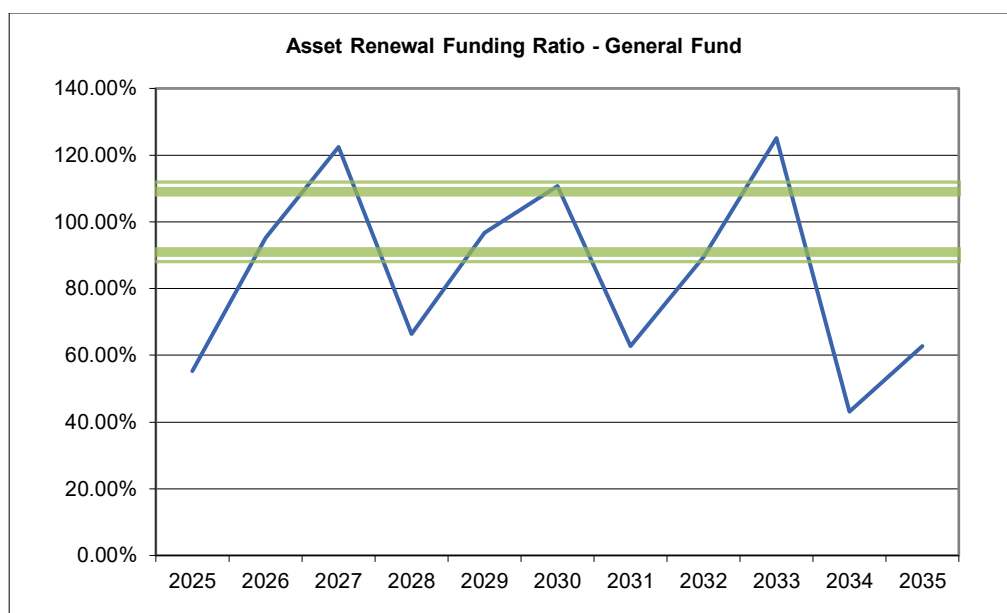
8.2 Forecast Operating Surplus Ratio



8.3 Forecast Net Financial Liabilities Ratio



8.4 Forecast Asset Renewal Funding Ratio



The Asset Renewal Funding Ratio returns to the Council's target range in Long-Term Financial Plan (LTFP). Additionally this LTFP has considerable asset renewal funding to address a backlog and is addressed over the LTFP's duration.

To mitigate the impact on Council resources and develop an affordable strategy for ratepayers, expenditure has been distributed evenly across the LTFP period. Staff are currently identifying assets that can be disposed of to reduce the burden of asset maintenance on rate payers.

The steady transport renewal profile and Grace Harwar project savings strengthen Council's asset renewal funding position and improve cashflow predictability

9. FINANCIAL STATEMENTS 2025-2035

Barunga West Council

Long Term Financial Plan

2025/26 – 2034/35

Financial Statements

As at October 2025

Barunga West Council
DRAFT LTTP for the years ending 30 June 2035 - after BR1 25-26
STATEMENT OF COMPREHENSIVE INCOME

	Actuals 2023/24	Current Year 2024/25	2025/26	2026/27	2027/28	2028/29	Projected Years					
	\$	\$	\$	\$	\$	\$	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
							\$	\$	\$	\$	\$	\$
Income												
Rates	6,107,000	7,017,059	7,367,359	7,784,872	8,220,932	8,560,216	8,884,579	9,221,466	9,571,365	9,934,787	10,312,259	10,704,333
Statutory Charges	123,000	122,760	122,760	126,688	130,109	133,361	136,695	140,113	143,616	147,206	150,886	154,658
User Charges	653,000	726,242	472,829	416,206	427,443	438,129	449,082	460,310	471,817	483,613	495,703	508,096
Grants, Subsidies and Contributions - operating	579,000	1,138,792	1,135,719	1,071,395	1,018,163	1,043,617	1,069,708	1,096,450	1,123,862	1,151,958	1,180,757	1,210,276
Grants, Subsidies and Contributions - capital	426,000	139,559	-	-	-	-	-	-	-	-	-	-
Investment Income	14,000	15,459	15,459	15,954	16,385	16,794	17,214	17,645	18,086	18,538	19,001	19,476
Reimbursements	170,000	65,547	28,547	29,461	30,256	31,013	31,788	32,583	33,397	34,232	35,088	35,965
Other Income	264,000	297,552	679,114	126,474	129,888	133,136	136,464	139,876	143,373	146,957	150,631	154,397
Total Income	8,336,000	9,522,970	9,821,787	9,571,050	9,973,176	10,356,267	10,725,531	11,108,441	11,505,515	11,917,291	12,344,326	12,787,201
Expenses												
Employee Costs	2,907,000	3,152,198	3,752,537	3,361,012	3,451,759	3,538,053	3,626,505	3,717,167	3,810,097	3,905,349	4,002,983	4,103,057
Materials, Contracts & Other Expenses	4,101,000	3,784,261	3,746,851	3,437,246	3,536,312	3,627,615	3,718,305	3,811,263	3,906,544	4,004,208	4,104,313	4,206,921
Depreciation, Amortisation & Impairment	2,176,000	2,433,711	2,759,025	2,846,765	2,921,486	2,994,394	3,066,481	3,145,361	3,227,824	3,313,603	3,393,655	3,488,185
Finance Costs	285,000	288,893	166,384	143,785	149,138	55,575	37,511	31,057	28,078	-	-	-
Total Expenses	9,469,000	9,659,064	10,424,796	9,788,808	10,058,695	10,215,637	10,448,802	10,704,848	10,972,542	11,223,160	11,500,951	11,798,163
Operating Surplus / (Deficit)	(1,133,000)	(136,094)	(603,010)	(217,758)	(85,519)	140,630	276,729	403,593	532,973	694,131	843,375	989,038
Asset Disposal & Fair Value Adjustments	(298,000)	1,371,393	404,299	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	982,000	230,592	27,900	-	-	753,823	-	-	-	-	-	-
Physical Resources Received Free of Charge	11,271,000	-	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	10,822,000	1,465,891	(170,811)	(217,758)	(85,519)	894,453	276,729	403,593	532,973	694,131	843,375	989,038
Other Comprehensive Income												
Amounts which will not be reclassified subsequently to operating result												
Changes in Revaluation Surplus - I,PP&E	6,026,000	2,489,472	2,597,866	2,116,446	2,152,792	2,194,486	2,215,981	2,240,930	2,259,939	2,287,670	2,322,230	2,329,776
Total Other Comprehensive Income	6,026,000	2,489,472	2,597,866	2,116,446	2,152,792	2,194,486	2,215,981	2,240,930	2,259,939	2,287,670	2,322,230	2,329,776
Total Comprehensive Income	16,848,000	3,955,363	2,427,055	1,898,687	2,067,274	3,088,939	2,492,710	2,644,523	2,792,912	2,981,801	3,165,605	3,318,814

Barunga West Council
DRAFT LTFP for the years ending 30 June 2035 - after BR1 25-26
STATEMENT OF FINANCIAL POSITION

	Actuals 2023/24	Current Year 2024/25	Projected Years									
	\$	\$	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	111,000	200,000	200,000	200,000	200,000	200,000	1,266,892	2,694,790	3,233,322	3,989,687	6,073,682	8,525,324
Trade & Other Receivables	523,000	428,149	437,115	432,002	451,584	495,215	486,221	503,838	522,115	541,075	560,745	581,153
Inventories	156,000	151,114	149,620	137,257	141,213	144,859	148,480	152,192	155,997	159,897	163,894	167,992
Total Current Assets	790,000	779,263	786,735	769,259	792,796	840,074	1,901,593	3,350,821	3,911,433	4,690,659	6,798,322	9,274,469
Non-Current Assets												
Financial Assets	17,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	77,796,000	80,298,267	82,208,257	83,695,899	85,527,187	86,558,391	87,863,289	89,031,089	90,727,575	92,964,225	94,057,293	94,936,172
Total Non-Current Assets	77,813,000	80,331,267	82,241,257	83,728,899	85,560,187	86,591,391	87,896,289	89,064,089	90,760,575	92,997,225	94,090,293	94,969,172
TOTAL ASSETS	78,603,000	81,110,530	83,027,993	84,498,158	86,352,984	87,431,465	89,797,882	92,414,909	94,672,009	97,687,884	100,888,614	104,243,641
LIABILITIES												
Current Liabilities												
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	782,000	1,059,099	1,074,264	1,023,756	1,043,493	1,074,628	1,105,051	1,136,396	1,162,545	1,196,619	1,231,745	1,267,957
Borrowings	934,000	395,846	399,161	1,420,081	53,307	56,005	58,841	561,962	-	-	-	-
Provisions	617,000	626,913	626,913	626,913	626,913	626,913	626,913	626,913	626,913	626,913	626,913	626,913
Total Current Liabilities	2,333,000	2,081,858	2,100,338	3,070,750	1,723,712	1,757,546	1,790,805	2,325,271	1,789,458	1,823,532	1,858,657	1,894,870
Non-Current Liabilities												
Cash Advance Debenture	2,300,000	1,008,864	879,953	901,101	2,088,997	100,712	-	-	-	-	-	-
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	2,445,000	2,549,357	2,150,196	730,115	676,808	620,803	561,962	-	-	-	-	-
Provisions	54,000	44,087	44,087	44,087	44,087	44,087	44,087	44,087	44,087	44,087	44,087	44,087
Total Non-Current Liabilities	4,799,000	3,602,309	3,074,236	1,675,303	2,809,892	765,602	606,049	44,087	44,087	44,087	44,087	44,087
TOTAL LIABILITIES	7,132,000	5,684,166	5,174,574	4,746,053	4,533,605	2,523,147	2,396,854	2,369,358	1,833,545	1,867,619	1,902,745	1,938,957
Net Assets	71,471,000	75,426,363	77,853,418	79,752,105	81,819,379	84,908,318	87,401,028	90,045,551	92,838,464	95,820,265	98,985,870	102,304,684
EQUITY												
Accumulated Surplus	13,620,000	15,085,891	14,915,081	14,697,322	14,611,804	15,506,257	15,782,986	16,186,579	16,719,552	17,413,683	18,257,058	19,246,096
Asset Revaluation Reserves	57,113,000	59,602,472	62,200,338	64,316,783	66,469,575	68,664,061	70,880,042	73,120,972	75,380,912	77,668,582	79,990,812	82,320,588
Other Reserves	738,000	738,000	738,000	738,000	738,000	738,000	738,000	738,000	738,000	738,000	738,000	738,000
Total Equity	71,471,000	75,426,363	77,853,418	79,752,105	81,819,379	84,908,318	87,401,028	90,045,551	92,838,464	95,820,265	98,985,870	102,304,684

Barunga West Council

DRAFT LTFP for the years ending 30 June 2035 - after BR1 25-26

STATEMENT OF CASH FLOWS

	Actuals 2023/24	Current Year 2024/25	2025/26	2026/27	2027/28	2028/29	Projected Years					
	\$	\$	\$	\$	\$	\$	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
							\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	6,208,000	7,093,339	7,364,827	7,781,854	8,217,780	8,557,764	8,882,235	9,219,031	9,568,836	9,932,160	10,309,531	10,701,499
Statutory Charges	123,000	129,424	122,760	126,546	129,985	133,244	136,575	139,990	143,489	147,076	150,753	154,522
User Charges	702,000	758,936	481,963	418,247	427,038	437,744	448,688	459,905	471,402	483,188	495,267	507,649
Grants, Subsidies and Contributions (operating purpose)	496,000	1,149,834	1,135,825	1,073,612	1,019,998	1,042,740	1,068,809	1,095,529	1,122,917	1,150,990	1,179,765	1,209,259
Investment Receipts	14,000	16,000	15,459	15,949	16,380	16,790	17,210	17,640	18,081	18,533	18,997	19,472
Reimbursements	170,000	73,779	28,970	29,451	30,247	31,004	31,779	32,574	33,388	34,223	35,078	35,955
Other	522,000	310,628	665,361	146,393	129,765	133,019	136,344	139,753	143,247	146,828	150,498	154,261
Payments:												
Payments to Employees	(2,853,000)	(3,157,007)	(3,743,475)	(3,366,918)	(3,450,265)	(3,536,632)	(3,625,048)	(3,715,674)	(3,808,566)	(3,903,780)	(4,001,375)	(4,101,409)
Payments for Materials, Contracts & Other Expenses	(5,308,000)	(3,637,864)	(3,748,528)	(3,481,430)	(3,522,174)	(3,614,585)	(3,705,362)	(3,797,997)	(3,892,946)	(3,990,270)	(4,090,027)	(4,192,278)
Finance Payments	(248,000)	(327,701)	(171,248)	(148,690)	(166,588)	(56,230)	(38,199)	(31,780)	(34,984)	-	-	-
Net Cash provided (or used in) Operating Activities	(174,000)	2,409,368	2,151,913	2,595,014	2,832,166	3,144,858	3,353,030	3,558,970	3,764,865	4,018,947	4,248,488	4,488,930
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	982,000	307,931	34,885	961	-	727,847	25,977	-	-	-	-	-
Grants utilised for capital purposes	426,000	171,747	4,809	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	61,000	-	267,750	153,750	248,998	129,227	126,938	116,535	51,027	291,228	87,725	37,466
Sale of Surplus Assets	44,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	2,276,000	1,825,910	-	-	-	-	-	-	-	-	-
Repayments of Loans by Community Groups	16,000	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Expenditure on Renewal/Replacement of Assets	(1,828,000)	(1,062,452)	(2,205,266)	(2,089,324)	(2,559,533)	(1,960,339)	(2,282,336)	(2,188,766)	(2,715,398)	(3,553,810)	(2,252,218)	(2,074,754)
Expenditure on New/Upgraded Assets	(2,970,000)	(1,384,055)	(133,633)	(282,388)	(289,447)	-	-	-	-	-	-	-
Purchase of Investment Property	-	(904,607)	(1,421,611)	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(3,269,000)	(595,436)	(1,627,156)	(2,217,000)	(2,599,982)	(1,103,266)	(2,129,421)	(2,072,231)	(2,664,371)	(3,262,582)	(2,164,493)	(2,037,288)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from CAD	-	-	-	21,148	1,187,896	-	-	-	-	-	-	-
Proceeds from Borrowings	3,392,000	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayments of CAD	-	(1,291,136)	(128,911)	-	-	(1,988,286)	(100,712)	-	-	-	-	-
Repayments of Borrowings	(1,183,000)	(433,797)	(395,846)	(399,161)	(1,420,081)	(53,307)	(56,005)	(58,841)	(561,962)	-	-	-
Net Cash Flow provided (used in) Financing Activities	2,209,000	(1,724,933)	(524,757)	(378,013)	(232,185)	(2,041,593)	(156,717)	(58,841)	(561,962)	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,234,000)	89,000	-	-	-	-	1,066,892	1,427,898	538,532	756,365	2,083,995	2,451,642
plus: Cash & Cash Equivalents - beginning of year	1,345,000	111,000	200,000	200,000	200,000	200,000	200,000	1,266,892	2,694,790	3,233,322	3,989,687	6,073,682
Cash & Cash Equivalents - end of the year	111,000	200,000	200,000	200,000	200,000	200,000	1,266,892	2,694,790	3,233,322	3,989,687	6,073,682	8,525,324
Cash & Cash Equivalents - end of the year	111,000	200,000	200,000	200,000	200,000	200,000	1,266,892	2,694,790	3,233,322	3,989,687	6,073,682	8,525,324
Investments - end of the year	-	-	-	-	-	-	-	-	-	-	-	-
Cash, Cash Equivalents & Investments - end of the year	111,000	200,000	200,000	200,000	200,000	200,000	1,266,892	2,694,790	3,233,322	3,989,687	6,073,682	8,525,324

Barunga West Council

DRAFT LTTP for the years ending 30 June 2035 - after BR1 25-26

STATEMENT OF CHANGES IN EQUITY

	Actuals 2023/24	Current Year 2024/25	Projected Years									
	\$	\$	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	54,623,000	71,471,000	75,426,363	77,853,418	79,752,105	81,819,379	84,908,318	87,401,028	90,045,551	92,838,464	95,820,265	98,985,870
Net Surplus / (Deficit) for Year	10,822,000	1,465,891	(170,811)	(217,758)	(85,519)	894,453	276,729	403,593	532,973	694,131	843,375	989,038
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	6,026,000	2,489,472	2,597,866	2,116,446	2,152,792	2,194,486	2,215,981	2,240,930	2,259,939	2,287,670	2,322,230	2,329,776
- 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	6,026,000	2,489,472	2,597,866	2,116,446	2,152,792	2,194,486	2,215,981	2,240,930	2,259,939	2,287,670	2,322,230	2,329,776
Total Comprehensive Income	16,848,000	3,955,363	2,427,055	1,898,687	2,067,274	3,088,939	2,492,710	2,644,523	2,792,912	2,981,801	3,165,605	3,318,814
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	71,471,000	75,426,363	77,853,418	79,752,105	81,819,379	84,908,318	87,401,028	90,045,551	92,838,464	95,820,265	98,985,870	102,304,684

Barunga West Council

DRAFT LTFP for the years ending 30 June 2035 - after BR1 25-26

UNIFORM PRESENTATION OF FINANCES

	Actuals 2023/24	Current Year 2024/25	Projected Years									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income												
Rates	6,107,000	7,017,059	7,367,359	7,784,872	8,220,932	8,560,216	8,884,579	9,221,466	9,571,365	9,934,787	10,312,259	10,704,333
Statutory Charges	123,000	122,760	122,760	126,688	130,109	133,361	136,695	140,113	143,616	147,206	150,886	154,658
User Charges	653,000	726,242	472,829	416,206	427,443	438,129	449,082	460,310	471,817	483,613	495,703	508,096
Grants, Subsidies and Contributions - operating	579,000	1,138,792	1,135,719	1,071,395	1,018,163	1,043,617	1,069,708	1,096,450	1,123,862	1,151,958	1,180,757	1,210,276
Grants, Subsidies and Contributions - capital	426,000	139,559	-	-	-	-	-	-	-	-	-	-
Investment Income	14,000	15,459	15,459	15,954	16,385	16,794	17,214	17,645	18,086	18,538	19,001	19,476
Reimbursements	170,000	65,547	28,547	29,461	30,256	31,013	31,788	32,583	33,397	34,232	35,088	35,965
Other Income	264,000	297,552	679,114	126,474	129,888	133,136	136,464	139,876	143,373	146,957	150,631	154,397
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	8,336,000	9,522,970	9,821,787	9,571,050	9,973,176	10,356,267	10,725,531	11,108,441	11,505,515	11,917,291	12,344,326	12,787,201
Expenses												
Employee Costs	2,907,000	3,152,198	3,752,537	3,361,012	3,451,759	3,538,053	3,626,505	3,717,167	3,810,097	3,905,349	4,002,983	4,103,057
Materials, Contracts & Other Expenses	4,101,000	3,784,261	3,746,851	3,437,246	3,536,312	3,627,615	3,718,305	3,811,263	3,906,544	4,004,208	4,104,313	4,206,921
Depreciation, Amortisation & Impairment	2,176,000	2,433,711	2,759,025	2,846,765	2,921,486	2,994,394	3,066,481	3,145,361	3,227,824	3,313,603	3,393,655	3,488,185
Finance Costs	285,000	288,893	166,384	143,785	149,138	55,575	37,511	31,057	28,078	-	-	-
Net loss - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	9,469,000	9,659,064	10,424,796	9,788,808	10,058,695	10,215,637	10,448,802	10,704,848	10,972,542	11,223,160	11,500,951	11,798,163
Operating Surplus / (Deficit)	(1,133,000)	(136,094)	(603,010)	(217,758)	(85,519)	140,630	276,729	403,593	532,973	694,131	843,375	989,038
Timing adjustment for grant revenue	-	-	-	-	-	-	-	-	-	-	-	-
Less: Grants, subsidies and contributions – Capital	(426,000)	(139,559)	-	-	-	-	-	-	-	-	-	-
Adjusted Operating Surplus / (Deficit)	(1,559,000)	(275,653)	(603,010)	(217,758)	(85,519)	140,630	276,729	403,593	532,973	694,131	843,375	989,038
Net Outlays on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(1,828,000)	(1,062,452)	(2,205,266)	(2,089,324)	(2,559,533)	(1,960,339)	(2,282,336)	(2,188,766)	(2,715,398)	(3,553,810)	(2,252,218)	(2,074,754)
Finance Lease payments for Right of Use Assets	-	-	-	-	-	-	-	-	-	-	-	-
<i>add back</i> Depreciation, Amortisation and Impairment	2,176,000	2,433,711	2,759,025	2,846,765	2,921,486	2,994,394	3,066,481	3,145,361	3,227,824	3,313,603	3,393,655	3,488,185
<i>add back</i> Grants, subsidies and contributions – Capital Renewal	-	139,559	-	-	-	-	-	-	-	-	-	-
<i>add back</i> Proceeds from Sale of Replaced Assets	61,000	-	267,750	153,750	248,998	129,227	126,938	116,535	51,027	291,228	87,725	37,466
Total Net Outlays on Existing Assets	409,000	1,510,819	821,509	911,191	610,951	1,163,282	911,084	1,073,130	563,452	51,021	1,229,163	1,450,896
Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(2,970,000)	(2,288,662)	(1,555,244)	(282,388)	(289,447)	-	-	-	-	-	-	-
Finance lease payments for Right of Use Assets	-	-	-	-	-	-	-	-	-	-	-	-
<i>add back</i> Grants, subsidies and contributions – Capital New/Upgraded	426,000	-	-	-	-	-	-	-	-	-	-	-
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	982,000	307,931	34,885	961	-	727,847	25,977	-	-	-	-	-
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments & non-current assets held for sale)	44,000	2,276,000	1,825,910	-	-	-	-	-	-	-	-	-
Total Net Outlays on New and Upgraded Assets	(1,518,000)	295,269	305,551	(281,426)	(289,447)	727,847	25,977	-	-	-	-	-
Annual Net Impact to Financing Activities (surplus / (deficit))	(2,668,000)	1,530,435	524,050	412,007	235,985	2,031,758	1,213,789	1,476,724	1,096,425	745,152	2,072,537	2,439,935