

LONG TERM FINANCIAL PLAN 2024 – 2034



22 May 2024

NARUNGA 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.

Table of Contents

1.	INTRODUCTION	4
2.	OBJECTIVE OF THE LTFP	4
3.	PROFILE OF THE COUNCIL AREA	5
4.	CONTEXTUAL FRAMEWORK	6
4.1	Legislative requirements.....	6
4.2	Significant Influences	6
4.3	Economic Growth	7
4.4	Essential Services Commission advice	7
4.5	A snapshot of Council's finances (Estimate as at 30 June 2024)	9
4.6	Income and Expenditure (forecast for 2024/25)	9
4.7	State of Play.....	10
5.	FINANCIAL STRATEGY	12
5.1.	Operating Surplus	12
5.2.	Debt	12
5.3.	Asset Sustainability	12
6.	LTFP Assumptions	13
7.	LIST OF POTENTIAL CAPITAL INITIATIVES	15
7.1.	Short Term Initiatives (1-2 years)	15
7.2.	Medium Term Initiatives (3-5 years)	15
7.3.	Long Term Initiatives (6-10 years)	16
8.	ANNUAL FINANCIAL INFORMATION	17
8.1	Forecast Operating Result.....	17
8.2	Forecast Operating Surplus Ratio	17
8.3	Forecast Net Financial Liabilities Ratio	18
8.4	Forecast Asset Renewal Funding Ratio	18
9.	FINANCIAL STATEMENTS 2024-2034	19

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 taken into account 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 4.3% 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. **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.
4. **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.
5. **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.
6. **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.
7. **Debt Reduction:** The Council's Long-Term Financial Plan shows all debt will be paid off by 2031/32, and reduce debt significantly from \$5.814 million in 2023/24 to \$2.945 million in 2024/25, due to the disposal of serviced land in Port Broughton and Bute.

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 1.5% (\$87,384) will be generated from 43 new rate-paying properties resulting from subdivisions in 2023/24.

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 reported between 115% and 200%.
- **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 adjacent councils has confirmed that Barunga West Council continues to offer one of the lowest rate structures in the region, 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 2024)

Balance Sheet

- Total Assets of \$63.116 million consisting of:
 - Infrastructure, property, plant, and equipment of \$61.590 million
 - Cash Reserves of \$0.200 million
- Total Liabilities of \$7.623 million consisting of:
 - Trade and Other Payables of \$1.186 million
 - Employee Entitlements of \$0.623 million
 - Borrowings of \$5.184 million

4.6 Income and Expenditure (forecast for 2024/25)

Operating Result

- Operating deficit of \$0.018 million

Revenue

Total revenue sources of \$9.329 million consisting of:

- Rate income of \$6.769 million
- User charges of \$0.897 million to cover a range of items including:
 - Cemeteries
 - Caravan parks
 - Boat ramps
 - Community Wastewater Management System (CWMS)
- Statutory charges of \$0.091 million set by the State Government, which generally offset the cost of the service
- Other income of \$0.238 million from:
 - Investment income on cash deposits
 - Other sources such as reimbursements, rebates, and private works
 - Open spaces contribution
- Grants of \$1.204 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 \$9.346 million consisting of:

- Employee costs of \$3.213 million
- Operating initiatives and projects costs of \$3.770 million (which will fluctuate from year to year depending on initiatives)
- Depreciation, amortisation, and impairment charge of \$2.150 million (a non-cash expense)
- Finance costs of \$0.211 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 reviewed and developed a replacement program for plant and equipment. Since 2021/22, Council has renewed a significant amount of plant and equipment.

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. The plan aims to significantly reduce debt from \$5.814 million in 2023/24 to \$2.945 million in 2024/25. This reduction will see \$2.869 million paid off the Capital Works Program loans as outlined above.

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 2024/25 and 2025/26 continues to be the same as the previous LTFP. Rates are forecasted to increase by 7.8% and 7.2%, respectively, despite a slight CPI forecast increase for those financial years. The proposed rate increase has been reduced by 0.5 percentage points, reaching a 4% increase from 2027/28 to the life of the plan. Please see table below.
CWMS	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 May 2024. 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 2024/25 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 2024. The LRCI forecast for recurrent expenditure was at 3.1% in 2025-26 and 3.0% in 2026/27. From 2027/28 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 the assets and adjusted for asset revaluation and increase on asset base due to 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.
Main Streets	An annual investment of \$350,000 per year from 2027/28 or \$2.45 million over the LTFP
Sealed roads	An annual investment of \$293,000 per year or \$2.936 million over the LTFP
Unsealed roads	An annual investment of \$977,800 per year or \$9.788 million over the LTFP
Footpaths, kerbs and gutters	An annual investment of \$88,000 per year or \$880,000 over the LTFP
Buildings and structures	An annual investment of \$120,000 per year or \$1.2 million over the LTFP
CWMS	An annual investment of \$44,000 per year or \$440,000 over the LTFP
Plant and equipment	Funding of \$1.165 million over the LTFP

The CPI assumptions and rate rises, and growth compound and nearly double the rate income over the next 10 years. Further detail regarding rate increases versus CPI for each financial year is provided in the table below:

Years	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
CPI +	3.8%	3.2%	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5
Proposed Rate increase =	4.0%	4.0%	1.5%	1.5%	1.5%	1.5%	2.0%	1.5%	1.5%	1.5%
Proposed total Rate revenue increase	7.8%	7.2%	4.1%	4.0%	4.0%	4.0%	4.5%	4.0%	4.0%	4.0%

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 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 undertake civil works to install power, water, kerbing, and roads at the Grace Harwar land redevelopment. This project will enable titles for 18 blocks of residential land, all sold off-plan, to be settled.

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

An annual investment of \$350,000 starting in 2027/28, totalling \$2.45 million over the Long-Term Financial Plan (LTFP) period, is allocated for the development of the district's main street. 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 explore 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.

Bute to Kadina rail corridor

Council is 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

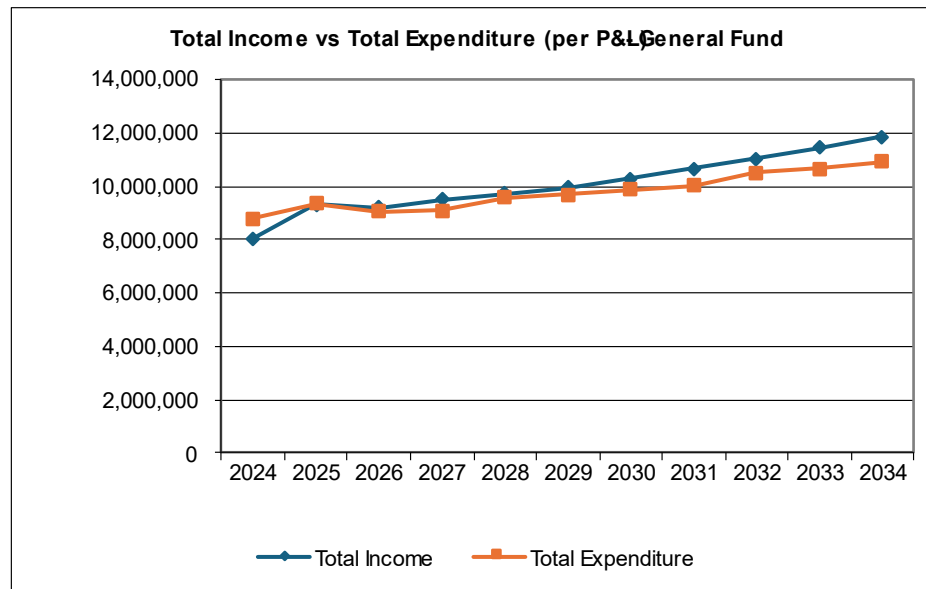
The sealing of Tickera Road has been estimated to cost \$1.4 million. The project, while deemed a priority for the region, will need a contribution from other sources, in addition to ratepayers' funding.

Renewable energy

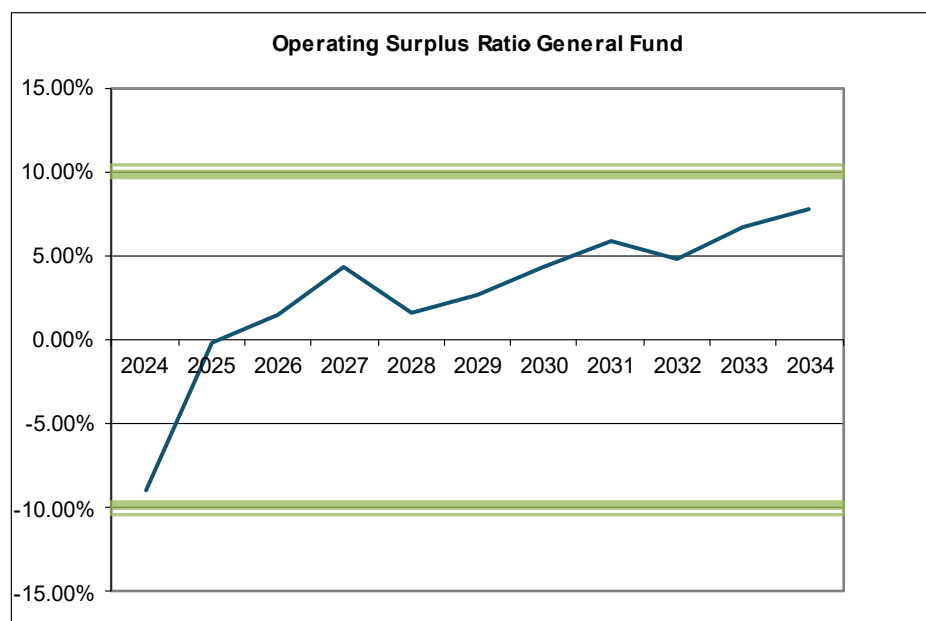
Council will undertake a feasibility study to investigate ways in which it can engage with the renewable energy market. This study will include examining options such as solar energy, battery storage, potential community investment opportunities, and power purchasing agreements for Council to buy back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

8. ANNUAL FINANCIAL INFORMATION

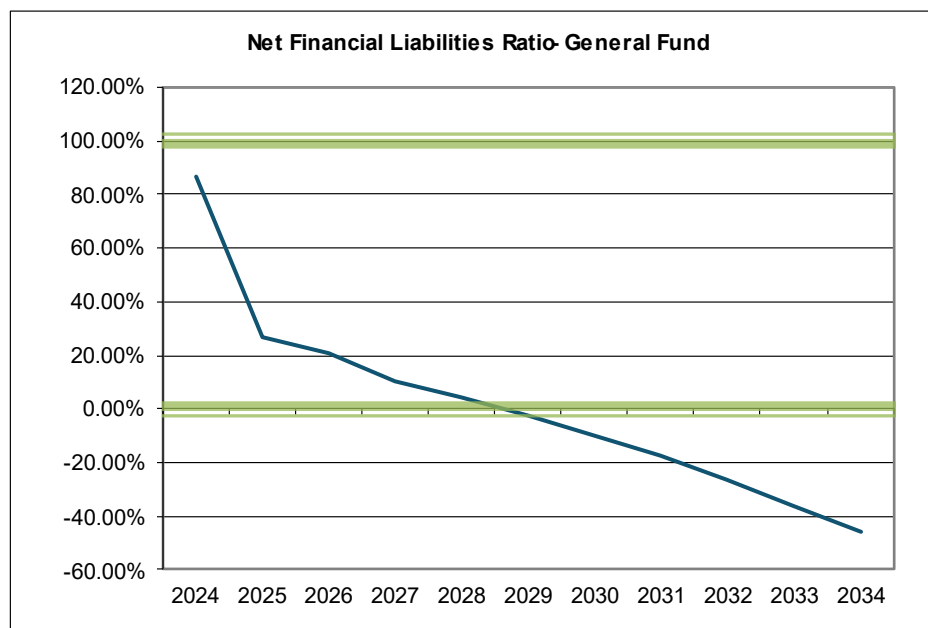
8.1 Forecast Operating Result



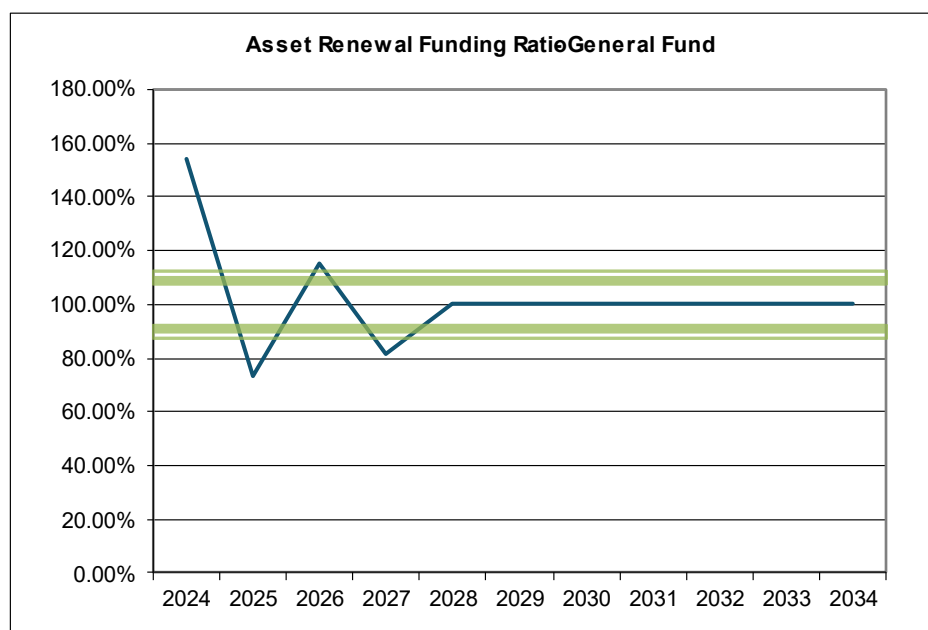
8.2 Forecast Operating Surplus Ratio



8.3 Forecast Net Financial Liabilities Ratio



8.4 Forecast Asset Renewal Funding Ratio



The Asset Renewal Funding Ratio falls outside the Council's target range in certain years of this Long-Term Financial Plan (LTFP). This deviation is due to competing demands for housing and the Council's decision to expedite the availability of developed land. Additionally, a review of the Council's Asset Management Plans has revealed a significant backlog that needs to be 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.

9. FINANCIAL STATEMENTS 2024-2034

Barunga West Council

Long Term Financial Plan

2024/25 – 2033/34

Financial Statements

As at 22/05/2024

Barunga West Council
DRAFT LTFP for the Years ending 30 June 2034
STATEMENT OF COMPREHENSIVE INCOME

	Actuals 2022/23	Current Year 2023/24	2024/25	2025/26	2026/27	2027/28	Projected Years					
	\$	\$	\$	\$	\$	\$	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
							\$	\$	\$	\$	\$	\$
Income												
Rates	5,541,000	6,103,580	6,769,608	7,209,526	7,456,268	7,734,915	7,888,138	8,188,793	8,501,102	8,825,522	9,162,528	9,512,615
Statutory Charges	114,000	91,400	91,400	94,325	96,777	99,197	101,677	104,218	106,824	109,495	112,232	115,038
User Charges	419,000	397,500	897,500	410,220	420,886	431,408	442,193	453,248	464,579	476,194	488,098	500,301
Grants, Subsidies and Contributions - operating	1,644,000	1,104,960	1,204,962	1,117,961	1,144,948	1,091,571	1,118,861	1,146,832	1,175,503	1,204,891	1,235,013	1,265,888
Grants, Subsidies and Contributions - capital	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	15,000	17,700	17,700	18,266	18,741	19,210	19,690	20,182	20,687	21,204	21,734	22,278
Reimbursements	50,000	108,329	108,329	111,796	114,703	117,570	120,510	123,522	126,610	129,776	133,020	136,346
Other Income	743,000	238,680	238,680	246,318	252,722	259,040	265,516	272,154	278,958	285,932	293,080	300,407
Total Income	8,526,000	8,062,149	9,328,180	9,208,412	9,505,044	9,752,911	9,956,584	10,308,950	10,674,263	11,053,012	11,445,706	11,852,871
Expenses												
Employee Costs	2,928,000	3,034,318	3,213,576	3,246,338	3,330,742	3,414,011	3,499,361	3,586,845	3,676,516	3,768,429	3,862,640	3,959,206
Materials, Contracts & Other Expenses	4,371,000	3,673,288	3,770,506	3,509,474	3,461,839	3,548,385	3,637,095	3,728,022	3,821,223	3,916,754	4,014,673	4,115,039
Depreciation, Amortisation & Impairment	1,876,000	1,861,500	2,150,629	2,169,387	2,169,387	2,523,614	2,518,144	2,518,144	2,518,144	2,800,523	2,800,523	2,849,136
Finance Costs	113,000	218,975	211,913	147,134	127,039	106,119	36,590	33,892	31,057	28,078	-	-
Total Expenses	9,288,000	8,788,081	9,346,624	9,072,333	9,089,008	9,592,129	9,691,191	9,866,904	10,046,941	10,513,784	10,677,836	10,923,382
Operating Surplus / (Deficit)	(762,000)	(725,932)	(18,444)	136,080	416,037	160,782	265,394	442,046	627,322	539,228	767,870	929,490
Asset Disposal & Fair Value Adjustments	(79,000)	104,322	3,022,260	390,987	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	578,000	1,491,032	1,002,074	-	-	-	-	-	-	-	-	-
Physical Resources Received Free of Charge	-	-	16,600,000	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	(263,000)	869,422	20,605,889	527,067	416,037	160,782	265,394	442,046	627,322	539,228	767,870	929,490
Other Comprehensive Income												
Amounts which will not be reclassified subsequently to operating result												
Changes in Revaluation Surplus - I,PP&E	390,000	-	-	-	10,461,404	-	-	-	7,534,708	-	-	-
Total Other Comprehensive Income	390,000	-	-	-	10,461,404	-	-	-	7,534,708	-	-	-
Total Comprehensive Income	127,000	869,422	20,605,889	527,067	10,877,441	160,782	265,394	442,046	8,162,030	539,228	767,870	929,490

Barunga West Council
DRAFT LTTP for the Years ending 30 June 2034
STATEMENT OF FINANCIAL POSITION

	Actuals 2022/23 \$	Current Year 2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	Projected Years					
							2028/29 \$	2029/30 \$	2030/31 \$	2031/32 \$	2032/33 \$	2033/34 \$
ASSETS												
Current Assets												
Cash & Cash Equivalents	1,345,000	200,000	1,723,556	1,944,138	2,448,749	1,619,948	2,215,774	2,933,461	3,778,948	4,254,598	5,469,109	6,835,047
Trade & Other Receivables	409,000	406,620	444,352	425,074	439,137	452,698	461,939	478,837	496,372	514,569	533,451	553,046
Inventories	195,000	115,795	118,860	110,631	109,130	111,858	114,655	117,521	120,459	123,470	126,557	129,721
Total Current Assets	1,949,000	722,416	2,286,769	2,479,843	2,997,016	2,184,504	2,792,367	3,529,819	4,395,779	4,892,637	6,129,117	7,517,814
Non-Current Assets												
Financial Assets	33,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000
Investment Property	-	754,316	221,663	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	58,280,000	61,590,268	78,275,613	78,400,826	88,365,358	87,937,409	87,567,320	87,250,933	94,524,297	94,036,995	93,607,523	93,188,715
Total Non-Current Assets	58,313,000	62,393,584	78,546,275	78,449,826	88,414,358	87,986,409	87,616,320	87,299,933	94,573,297	94,085,995	93,656,523	93,237,715
TOTAL ASSETS	60,262,000	63,116,000	80,833,044	80,929,669	91,411,374	90,170,912	90,408,687	90,829,752	98,969,076	98,978,632	99,785,640	100,755,529
LIABILITIES												
Current Liabilities												
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	1,546,000	1,185,854	1,166,672	1,132,077	1,135,501	1,154,338	1,180,027	1,215,051	1,251,186	1,283,332	1,322,471	1,362,870
Borrowings	641,000	433,797	395,846	399,161	1,420,081	53,307	56,005	58,841	561,819	-	-	-
Provisions	581,000	582,030	582,030	582,030	582,030	582,030	582,030	582,030	582,030	582,030	582,030	582,030
Total Current Liabilities	2,768,000	2,201,682	2,144,549	2,113,268	3,137,613	1,789,675	1,818,062	1,855,922	2,395,035	1,865,363	1,904,501	1,944,901
Non-Current Liabilities												
Cash Advance Debenture	-	2,435,867	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	2,829,000	2,945,060	2,549,214	2,150,053	729,972	676,665	620,660	561,819	-	0	0	0
Provisions	42,000	40,970	40,970	40,970	40,970	40,970	40,970	40,970	40,970	40,970	40,970	40,970
Total Non-Current Liabilities	2,871,000	5,421,896	2,590,184	2,191,023	770,942	717,635	661,630	602,789	40,970	40,970	40,970	40,970
TOTAL LIABILITIES	5,639,000	7,623,578	4,734,732	4,304,291	3,908,554	2,507,310	2,479,692	2,458,711	2,436,005	1,906,332	1,945,471	1,985,870
Net Assets	54,623,000	55,492,422	76,098,312	76,625,378	87,502,820	87,663,602	87,928,995	88,371,041	96,533,071	97,072,299	97,840,169	98,769,659
EQUITY												
Accumulated Surplus	2,798,000	3,667,422	24,273,312	24,800,378	25,216,415	25,377,197	25,642,591	26,084,637	26,711,959	27,251,187	28,019,057	28,948,546
Asset Revaluation Reserves	51,087,000	51,087,000	51,087,000	51,087,000	61,548,404	61,548,404	61,548,404	61,548,404	69,083,112	69,083,112	69,083,112	69,083,112
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	54,623,000	55,492,422	76,098,312	76,625,378	87,502,820	87,663,602	87,928,995	88,371,041	96,533,071	97,072,299	97,840,169	98,769,659

Barunga West Council
DRAFT LTFF for the Years ending 30 June 2034
STATEMENT OF CASH FLOWS

	Actuals 2022/23	Current Year 2023/24	2024/25	2025/26	2026/27	2027/28	Projected Years					
	\$	\$	\$	\$	\$	\$	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
							\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	5,431,000	6,003,971	6,775,544	7,213,447	7,458,466	7,737,398	7,889,504	8,191,472	8,503,885	8,828,413	9,165,532	9,515,734
Statutory Charges	125,000	90,988	91,400	94,245	96,710	99,131	101,609	104,149	106,753	109,422	112,157	114,961
User Charges	461,000	394,303	883,835	423,537	420,594	431,120	441,898	452,946	464,269	475,876	487,773	499,967
Grants, Subsidies and Contributions (operating purpose)	1,644,000	1,103,077	1,202,294	1,120,282	1,144,228	1,092,996	1,118,133	1,146,086	1,174,738	1,204,107	1,234,209	1,265,064
Investment Receipts	15,000	17,650	17,700	18,263	18,738	19,207	19,687	20,179	20,684	21,201	21,731	22,274
Reimbursements	50,000	106,922	108,329	111,742	114,657	117,525	120,464	123,475	126,562	129,726	132,969	136,294
Other	1,205,000	245,751	238,680	246,109	252,547	258,867	265,339	271,972	278,772	285,741	292,885	300,207
Payments:												
Payments to Employees	(2,881,000)	(3,045,049)	(3,212,878)	(3,245,768)	(3,329,662)	(3,412,945)	(3,498,269)	(3,585,726)	(3,675,369)	(3,767,253)	(3,861,434)	(3,957,970)
Payments for Materials, Contracts & Other Expenses	(4,381,000)	(3,824,268)	(3,829,374)	(3,559,015)	(3,468,852)	(3,535,646)	(3,624,037)	(3,714,638)	(3,807,504)	(3,902,691)	(4,000,258)	(4,100,265)
Finance Payments	(81,000)	(222,258)	(216,370)	(151,201)	(131,140)	(120,710)	(37,138)	(34,467)	(31,662)	(33,851)	-	-
Net Cash provided (or used in) Operating Activities	1,588,000	871,087	2,059,159	2,271,640	2,576,287	2,686,944	2,797,189	2,975,449	3,161,129	3,350,690	3,585,563	3,796,266
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	578,000	1,460,952	1,015,121	26,738	-	-	-	-	-	-	-	-
Sale of Replaced Assets	122,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	3,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	5,033,080	612,650	-	-	-	-	-	-	-	-
Repayments of Loans by Community Groups	16,000	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Expenditure on Renewal/Replacement of Assets	(2,143,000)	(2,962,994)	(1,410,000)	(2,294,600)	(1,672,514)	(2,095,664)	(2,148,056)	(2,201,757)	(2,256,801)	(2,313,221)	(2,371,052)	(2,430,328)
Expenditure on New/Upgraded Assets	(3,460,000)	(2,104,453)	(825,973)	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	(754,316)	(1,478,167)	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(4,884,000)	(4,360,811)	2,334,061	(1,655,213)	(1,672,514)	(2,095,664)	(2,148,056)	(2,201,757)	(2,256,801)	(2,313,221)	(2,371,052)	(2,430,328)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from CAD	-	2,435,867	-	-	-	-	-	-	-	-	-	-
Proceeds from Borrowings	2,352,000	550,000	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayments of CAD	-	-	(2,435,867)	-	-	-	-	-	-	-	-	-
Repayments of Borrowings	(165,000)	(641,143)	(433,797)	(395,846)	(399,161)	(1,420,081)	(53,307)	(56,005)	(58,841)	(561,819)	-	-
Net Cash Flow provided (used in) Financing Activities	2,187,000	2,344,724	(2,869,664)	(395,846)	(399,161)	(1,420,081)	(53,307)	(56,005)	(58,841)	(561,819)	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,109,000)	(1,145,000)	1,523,556	220,582	504,611	(828,801)	595,826	717,687	845,487	475,650	1,214,511	1,365,938
plus: Cash & Cash Equivalents - beginning of year	2,454,000	1,345,000	200,000	1,723,556	1,944,138	2,448,749	1,619,948	2,215,774	2,933,461	3,778,948	4,254,598	5,469,109
Cash & Cash Equivalents - end of the year	1,345,000	200,000	1,723,556	1,944,138	2,448,749	1,619,948	2,215,774	2,933,461	3,778,948	4,254,598	5,469,109	6,835,047

Barunga West Council
DRAFT LTTP for the Years ending 30 June 2034
STATEMENT OF CHANGES IN EQUITY

	Actuals 2022/23	Current Year 2023/24	Projected Years									
	\$	\$	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	54,496,000	54,623,000	55,492,422	76,098,312	76,625,378	87,502,820	87,663,602	87,928,995	88,371,041	96,533,071	97,072,299	97,840,169
Net Surplus / (Deficit) for Year	(263,000)	869,422	20,605,889	527,067	416,037	160,782	265,394	442,046	627,322	539,228	767,870	929,490
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	390,000	-	-	-	10,461,404	-	-	-	7,534,708	-	-	-
- 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	390,000	-	-	-	10,461,404	-	-	-	7,534,708	-	-	-
Total Comprehensive Income	127,000	869,422	20,605,889	527,067	10,877,441	160,782	265,394	442,046	8,162,030	539,228	767,870	929,490
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	54,623,000	55,492,422	76,098,312	76,625,378	87,502,820	87,663,602	87,928,995	88,371,041	96,533,071	97,072,299	97,840,169	98,769,659

Barunga West Council
DRAFT LTFP for the Years ending 30 June 2034
UNIFORM PRESENTATION OF FINANCES

	Actuals 2022/23	Current Year 2023/24	2024/25	2025/26	2026/27	2027/28	Projected Years					
	\$	\$	\$	\$	\$	\$	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
							\$	\$	\$	\$	\$	\$
Income												
Rates	5,541,000	6,103,580	6,769,608	7,209,526	7,456,268	7,734,915	7,888,138	8,188,793	8,501,102	8,825,522	9,162,528	9,512,615
Statutory Charges	114,000	91,400	91,400	94,325	96,777	99,197	101,677	104,218	106,824	109,495	112,232	115,038
User Charges	419,000	397,500	897,500	410,220	420,886	431,408	442,193	453,248	464,579	476,194	488,098	500,301
Grants, Subsidies and Contributions - operating	1,644,000	1,104,960	1,204,962	1,117,961	1,144,948	1,091,571	1,118,861	1,146,832	1,175,503	1,204,891	1,235,013	1,265,888
Grants, Subsidies and Contributions - capital	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	15,000	17,700	17,700	18,266	18,741	19,210	19,690	20,182	20,687	21,204	21,734	22,278
Reimbursements	50,000	108,329	108,329	111,796	114,703	117,570	120,510	123,522	126,610	129,776	133,020	136,346
Other Income	743,000	238,680	238,680	246,318	252,722	259,040	265,516	272,154	278,958	285,932	293,080	300,407
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	8,526,000	8,062,149	9,328,180	9,208,412	9,505,044	9,752,911	9,956,584	10,308,950	10,674,263	11,053,012	11,445,706	11,852,871
Expenses												
Employee Costs	2,928,000	3,034,318	3,213,576	3,246,338	3,330,742	3,414,011	3,499,361	3,586,845	3,676,516	3,768,429	3,862,640	3,959,206
Materials, Contracts & Other Expenses	4,371,000	3,673,288	3,770,506	3,509,474	3,461,839	3,548,385	3,637,095	3,728,022	3,821,223	3,916,754	4,014,673	4,115,039
Depreciation, Amortisation & Impairment	1,876,000	1,861,500	2,150,629	2,169,387	2,169,387	2,523,614	2,518,144	2,518,144	2,518,144	2,800,523	2,800,523	2,849,136
Finance Costs	113,000	218,975	211,913	147,134	127,039	106,119	36,590	33,892	31,057	28,078	-	-
Net loss - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	9,288,000	8,788,081	9,346,624	9,072,333	9,089,008	9,592,129	9,691,191	9,866,904	10,046,941	10,513,784	10,677,836	10,923,382
Operating Surplus / (Deficit)	(762,000)	(725,932)	(18,444)	136,080	416,037	160,782	265,394	442,046	627,322	539,228	767,870	929,490
Timing adjustment for grant revenue	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Operating Surplus / (Deficit)	(762,000)	(725,932)	(18,444)	136,080	416,037	160,782	265,394	442,046	627,322	539,228	767,870	929,490
Net Outlays on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(2,143,000)	(2,962,994)	(1,410,000)	(2,294,600)	(1,672,514)	(2,095,664)	(2,148,056)	(2,201,757)	(2,256,801)	(2,313,221)	(2,371,052)	(2,430,328)
<i>add back</i> Depreciation, Amortisation and Impairment	1,876,000	1,861,500	2,150,629	2,169,387	2,169,387	2,523,614	2,518,144	2,518,144	2,518,144	2,800,523	2,800,523	2,849,136
<i>add back</i> Proceeds from Sale of Replaced Assets	122,000	-	-	-	-	-	-	-	-	-	-	-
Total Net Outlays on Existing Assets	(145,000)	(1,101,494)	740,629	(125,213)	496,873	427,950	370,089	316,387	261,343	487,302	429,472	418,808
Net Outlays on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(3,460,000)	(2,858,769)	(2,304,140)	-	-	-	-	-	-	-	-	-
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	578,000	1,460,952	1,015,121	26,738	-	-	-	-	-	-	-	-
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments & non-current assets held for sale)	3,000	-	5,033,080	612,650	-	-	-	-	-	-	-	-
Total Net Outlays on New and Upgraded Assets	(2,879,000)	(1,397,817)	3,744,061	639,388	-	-	-	-	-	-	-	-
Annual Net Impact to Financing Activities (surplus / (deficit))	(3,786,000)	(3,225,243)	4,466,245	650,254	912,909	588,732	635,482	758,433	888,665	1,026,530	1,197,342	1,348,298