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LONG TERM FINANCIAL PLAN

2025/26 to 2035/36



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1. CEO SUSTAINABILITY STATEMENT & SUMMARY

Tatiara District Council's Long-Term Financial Plan (LTFP) 2025/26-2035/36 aims to inform Council's decision making and provide assurance of financial sustainability. The Plan forecasts income and expenditure for the provision of services and infrastructure for our community over the next ten years.

It makes a set of long-range financial projections and statements based on a series of assumptions and available information, including:

- The objectives contained within Council's 2024 – 2034 Strategic Plan;
- The maintenance and renewal obligations contained within its Asset Management Plans;
- Objectives within Council's Annual Business Plan;
- Current and future levels of services;
- Projected rating strategies; and
- Cost indices such as the Consumer Price Index (CPI) and Local Government Price Index (LGPI).

Assumptions are informed by the factors that are likely to impact income and expenditure, with appropriate indexation methods applied.

The LTFP enables Council to review its long-term sustainability against three Key Financial Indicators (KFIs), set in consultation with the Audit and Risk Committee:

- Operating Surplus Ratio, to achieve a zero or positive operating surplus ratio over a five-year period.
- Net Financial Liabilities Ratio, no greater than 65% of total operating revenue over a five-year period.
- Asset Renewal Funding Ratio, target range 90% to 110%, outlays on renewing/replacing assets be greater than 90% and less than 110% of its Infrastructure and Asset Management Plan over a rolling five-year period.

Indicator	Target (Plan Year)	2026 (0)	2027 (1)	2028 (2)	2029 (3)	2030 (4)	2031 (5)	2032 (6)	2033 (7)	2034 (8)	2035 (9)	2036 (10)
Operating Surplus Ratio (%)	Greater than 0	-15.6	-7.2	-1.2	0.3	1.4	2.0	2.6	2.6	3.1	3.6	4.0
Net Financial Liabilities Ratio (%)	Less than 65	-99	-67	-74	-85	-74	-88	-88	-101	-114	-126	-136
Asset Renewal Funding Ratio (%)	100	49	94	100	100	100	100	100	100	100	100	100

The analysis of these performance measures demonstrates Council's long-term sustainability and achievement of target KFI's. More detail is available in Section 8 of this plan.

Taking into account the Annual Business Plan and strategic management plans, I am pleased to report that Council's long-term financial performance and position are strong and sustainable. This LTFP demonstrates Council's ability to provide ongoing service delivery and economic expansion projects without undue imposition on ratepayers.

This Plan will be reviewed annually in accordance with section 122(4) of the *Local Government Act 1999*. If significant variances occur outside of Council's strategic management plans, the LTFP may be reviewed more frequently.

Kingsley Green

Chief Executive Officer

2. INTRODUCTION

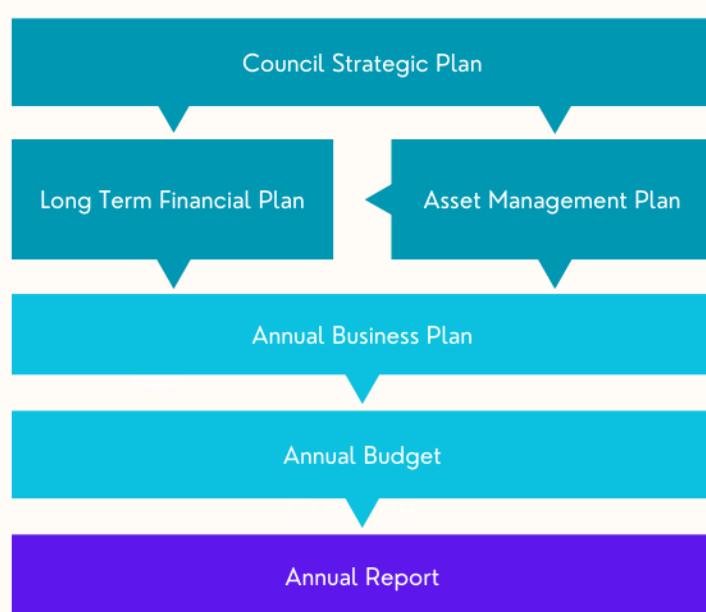
The Long-Term Financial Plan (LTFP) ensures that Council can deliver services, maintain community assets, and achieve its strategic objectives in a sustainable manner.

Section 122 (1a) of the *Local Government Act 1999* (the Act) requires councils to develop and adopt:

- A long-term financial plan (LTFP or the Plan) for a period of at least 10 years; and
- An infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years

Section 122 (4) requires that the LTFP be reviewed annually.

The LTFP is designed as a high-level document that outlines the future planning of Council's financial operations. Key components include rate movements, service levels for our community, major infrastructure asset replacement/renewal, loan commitments, and internal cash reserves. The LTFP enables Council and the community to forecast and track the impacts of strategic directions and decisions, supporting Council in its decision making.



There is clear alignment between Council's strategic management plans.

2024 - 2034 Strategic Plan informs the LTFP and Asset Management Plans (AMPs)

AMPs guide the future replacement, renewal and maintenance of our significant fixed asset base, informing the LTFP, Annual Business Plan and Budget.

The Annual Business Plan and Budget are informed by the Strategic Plan, LTFP and AMPs.

Council adopted a new Asset Management Strategy in 2024, which

includes a timetable for the review of all asset management plans.

Council has a significant fixed asset base, comprised of major community infrastructure such as roads, footpaths, stormwater drainage and CWMS. This means that consistency between Council's Asset Management Plans and the LTFP is imperative.

Table 1 shows the AMPs that are reflected within this LTFP and notes the timing of their scheduled review.

The LTFP also 'earmarks' funding for discretionary capital expenditure in response to community demand for new or enhanced infrastructure, as identified in Council's Strategic Plan.

Table 1: Council's Asset Management Plan update schedule. (Table 7, Asset Management Strategy, with revisions)

ASSET CLASS	CURRENT PLAN YEAR	REVIEW SCHEDULE
Aerodrome	2020/21	2025/26
Buildings	2020/21	2025/26
Caravan Park & Hawke House	2025/26	2026/27
Transport	2020/21	2026/27
CWMS	2024/25	2026/27
Parks & Gardens	2025/26	2027/28
Plant & Equipment	N/A	2026/27
Stormwater	2020/21	2026/27

The key longer term financial strategic performance targets are to:

- Achieve consistent moderate underlying operational surpluses;
- Manage and minimise reliance on borrowings; and
- Achieve sufficient funding for asset maintenance / capital renewal expenditure.

Though not described within the three KfIs, Council also aims to achieve sufficient funding to maintain defined levels of service as expected by community, and provide a reasonable degree of stability in the rates levied.

The LTFP models Council's future operating results, cash flow and balance sheet. As a long-term planning tool, the LTFP is not a binding commitment to raise any of the funds or undertake any of the expenditure identified. Nor is it an authorisation for any of the projects considered.

All assumptions are based on the best estimate of the trajectories of Council's future income and expenditure. Given the long-term nature of the Plan and estimates, actual results are almost certain to vary from the information contained in this Plan. Some Council decisions or changes to the operating environment may result in material variations.

Council will review the LTFP annually to account for any material changes arising from the adopted ABP and budget. These documents are a detailed representation of Council's immediate capital and operational commitments.

Council will also continually review and refine the data informing the LTFP, including:

- Asset registers, adopted useful lives, unit rates and service levels to ensure depreciation accurately reflects reality;
- Appropriate service levels;
- Expenditure on upgrades; and
- Opportunities to increase revenue.

Disclaimer

The LTFP is subject to the following disclaimer:

Disclaimer

The 10-year Financial Plan is a planning tool. It is based on many assumptions. It also includes projects and proposals that in some cases:

- *Have been approved by Council and are in progress;*
- *Have been considered by Council, but are yet to receive final approval;*
- *Have only been considered by Elected Members at a strategy level;*
- *Have only been considered by members of staff; and*
- *Are operational in nature and based on the continued provision of services and maintenance of the Council's assets and infrastructure.*

Any of the assumptions and any of the projects or proposals not already approved could prove to be inaccurate as to likely requirement, timing and financial estimates, or may not come to pass at all. They have, however, been included based on the best available information and knowledge to hand at this time. Adoption of the 10-year Financial Plan by Council does not constitute a commitment or agreement to any of the projects or proposals that have not already been approved.

3. FINANCIAL SUSTAINABILITY

3.1 Definition

The definition of Financial Sustainability for Local Government resulted from the independent SA Local Government Financial Sustainability Inquiry in 2005:

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

The definition was endorsed nationally at the National General Assembly of Local Government held in Canberra in November 2006.

3.2 Importance of Financial Sustainability

The importance of financial sustainability is to ensure "intergenerational equity". This means that each generation "pays their way", rather than any generation "living off their assets" and leaving it to future generations to address the issue of repairing worn out infrastructure.

With community infrastructure such as roads, footpaths, and stormwater drainage comprising a major proportion of Council's balance sheets, it is important to implement appropriate strategies towards the effective upkeep of such assets. This ensures that maintenance and renewal is fairly and equitably funded from current ratepayers (general rate income) and future ratepayers (long term loan borrowings).

On 30 April 2022, amendments to the *Local Government Act 1999* came into operation, which introduced an advisory scheme aiming to give ratepayers confidence that the rates they pay are set at the level necessary for their council to provide the services they value. As the advisory body implementing the scheme, the Essential Services Commission (ESCOSA) provides independent, risk-based advice to assist the State's 68 councils when making long-term financial and investment decisions for the benefit of ratepayers. Tatiara District Council was reviewed in 2024/25. The outcomes of this review and actions addressed in this plan can be found in Section 4 ESCOSA Outcomes & Actions.

3.3 Measuring Financial Sustainability

To ensure each generation “pays its way”, it is crucial that current ratepayers effectively fund the current net cost of services provided and community assets consumed. Where there is a recurring operating deficit, future generations are effectively subsidising the current cost of service provision and asset consumption.

To monitor this risk, Council's financial sustainability is measured by the surplus/deficit before capital revenues as disclosed in its Income Statement. A consistent breakeven or operating surplus is indicative that Council is financially sustainable in the long term.

3.4 Council's Funding Plan

Council has an extensive road network, numerous buildings and structures with a relatively small population and rate revenue base. Financial modelling shows that there is a gap between operating at a breakeven position and continuing to provide the current levels of service, without increases in rate revenue. As such, Council's LTFP assumes rate revenue, recurrent grant funding and user charges will be required to fund operations. Indexation of revenue sources has been applied across the life of the plan, based on the most likely contributing factors to the source. Indexation mechanisms are detailed in Key Planning Assumptions.

3.5 Council's Financial Sustainability Management

The objective of this plan is to be financially sustainable over years 1 - 10. The LTFP provides financial forecasts for the activities that Council proposes to undertake over the medium to longer term to achieve the objectives outlined in the Strategic Plan. It is an important management tool which highlights anticipated movements in annual cash flows and links Council's level of borrowings and financial assets with its activities.

The LTFP has been updated to reflect the budget figures proposed by Council for 2026/27. Each income and expenditure item has been examined and updated to reflect Council's agreed service levels. Any additional items or improved service levels that are expected to occur are included in the relevant years. These are expanded in Section 7 of this plan.

In reviewing the LTFP, Council must be aware of its key financial indicators. These indicators provide Council with information that demonstrates the sustainability of its operations. The Plan aims for Council to achieve an:

- Operating Surplus Ratio of greater than or equal to 0 over a 5 year period;
- Net Financial Liabilities Ratio no greater than 65% over a 5 year period; and
- Asset Renewal Ratio of 90-110% over a 5 year rolling period.

4. ESCOSA OUTCOMES & ACTIONS

Amendments to the *Local Government Act 1999* in 2022 introduced the Local Government Advisory Scheme. The purpose of this advisory scheme is to provide ratepayers with confidence that the rates they pay are set at the level necessary for their council to provide the services they value. The Essential Services Commission of South Australia (ESCOSA) is the advisory body. The State's 68 councils are subject to the scheme.

The Commission reviewed Tatiara District Council's financial performance during the 2023-24 financial year, presenting findings in February 2025. The review was in addition to the existing program of review of financial sustainability by Council's external auditor and independent scrutiny from our Audit and Risk Committee. The Tatiara District Council has been assessed by ESCOSA at the higher end of sustainable for past, current and future projections.

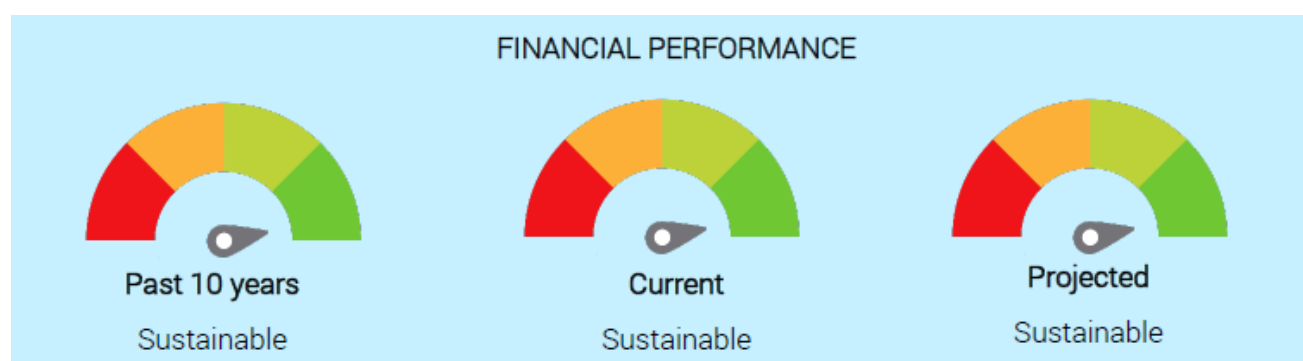


Figure 1: Extract from the ESCOSA Advice, highlighting the sustainable performance of Tatiara District Council.

While the report highlighted the sustainability and prudent performance of Council, the recommendations provide an opportunity to build further assurance in Council's sustainable financial practices. The ESCOSA recommendations, and Council's actions are detailed below.

Recommendation 1: Review its depreciation forecast methodology to improve the accuracy of its financial forecasts in its Long-Term Financial Plan.

Council's depreciation forecast methodology has transitioned to an asset class specific basis. An assessment of the most suitable base depreciation assumption is undertaken. This includes consideration of the asset management plan forecast, revaluations and the most recent year actuals. Detail of the assumptions and base data sources are detailed in Section 4.7.

Recommendation 2: Continue to report its forecast indexation assumptions and document the forecast methodologies used in its Long-Term Financial Plan.

The key planning assumptions continue to be detailed in Section 4 and 5 of the LTFP. Assumptions are also clearly documented in the Annual Business Plan.

Recommendation 3: Disclose material changes to its capital expenditure forecasts as part of its annual review and update to its Long-Term Financial Plan.

This plan introduces a “variations” section, where specific projects are disclosed and discussed. This section will be updated annually and during each review. ESCOSA’s review of the Council’s LTFPs found that this was generally well documented, with an opportunity for further transparency on the key changes in capital expenditure.

Recommendation 4: Consider incorporating cost savings targets in its Long-Term Financial Plan, in consultation with stakeholders and the community, and consider the implications for desired service levels.

The operations of Council are balanced to ensure that service levels meet community need. Cost savings considerations and value for money underpin Council’s procurement and operational process. Initiatives to ensure sustainable financial management have been undertaken include staging of land development projects and smoothing of a modest rate increase to return to surplus within reasonable timeframes.

Community consultation is undertaken on all strategic plans in accordance with the Act.

Recommendation 5: Review the forecast cash balances, in conjunction with forecast debt requirements and funds required for any planned new or upgraded infrastructures or significant asset renewals, to determine the optimal level of cash balances, in consultation with the community. If necessary, develop a strategy to adjust the cash balances in line with community requirements, having regard to intergenerational equity.

Council holds cash reserves for the renewal of long-life assets. In line with the Treasury Policy, Council holds a position of savings rather than debt. Establishment of asset renewal reserves is currently being considered to enhance visibility on the purpose of cash balances.

Recommendation 6: Update its asset management plans at least every four years with annual indexation, to ensure those plans provide an accurate picture of current asset condition and asset renewal requirements.

Council is progressing towards this recommendation. In 2025/26, new Asset Management Plans were adopted for Parks & Gardens and Caravan Park. Revision of the Transport and Plant AMPs are well underway, consultation scheduled for 2026/27. All Asset Management Plan are shared with the Audit & Risk Committee for assurance that they adequately consider the asset base.

Recommendation 7: Review depreciation allowances to ensure that they are fair and reasonable, having regard to accurate assessment of asset values and useful remaining asset lives.

Linked to Recommendation 1, Council is undertaking increased depreciation forecasting in its Asset Management Plans. As the updated plans are adopted, they will become the source documents for the Long-term Financial plan. Council also engages external revaluations and condition assessments regularly. This activity ensures useful lives and conditions are continually benchmarked, and financial representations of depreciation reflect the real-life assets.

5. KEY PLANNING ASSUMPTIONS

The LTFP is based on a series of assumptions that drive the financial modelling. Changes to the assumptions influence the results. The base point for the modelling in this plan is the 2026/27 Draft Budget as released for community consultation.

The financial reports and information used to provide the basis for this review include:

- 2024/25 Audited Financial Statements;
- 2025/26 Annual Budget (Review 3);
- Draft Annual Budget 2026/27 for Consultation;
- Annual Business Plan 2025/26;
- Strategic Plan 2024-2034; and
- Council's Asset Management Plans (see Table 1).

Long-term financial planning is an iterative process – it occurs on a regular basis and variations will occur over time. As new information is included in the planning process – from the latest advice on interest rates, to information from the community on expected service standards. The plans are discussed, reviewed, and fine-tuned regularly.

Long-term financial plans are created as a guideline for Council to inform discussion on the nature of Council revenues and expenditures. This discussion provides a deeper knowledge and understanding of the needs of the community and the Council. The depth of knowledge and understanding contributes to our ability to adapt financial responses when change occurs and revise operational plans to cope with the unexpected.

With this in mind, each annual review process provides an opportunity to consider assumptions and enhance the information base.

5.1 Financial Planning Assumptions

Forecasting economic long-term indicators can be challenging. Council considers indexation options annually and adopts an indexation mechanism for components of the budget that are considered to best reflect the forecasted impacts on the item (Table 3). Key indexation items include:

- Consumer Price Index (CPI) All Groups Adelaide and National
- Reserve Bank of Australia (RBA) CPI Forecasts (National)¹
- RBA Cash Rate Targets (National)²
- Local Government Price Index (LGPI) State ³
- Enterprise Bargaining Agreements (EBAs)

Table 2: Indexation Assumptions

INDEX (%)	2026/27	2027/28	2028/29	2029/30 onwards
LGPI	3.4	3.0	2.9	2.9
CPI	4.9	2.9	2.6	2.6
RBA TARGET CASH	3.9	3.9	4.2	4.2
EBA	4.9	3.5	3.1	3.1

The LTFP uses the best available data at the time of its preparation and makes assumptions where ten-year forecasts are not available.

The Local Government Price Index (LGPI) has been used as the preferred indexation for capital expenditure, depreciation and valuation adjustments as it is considered to reflect analysis of the specific 'basket of goods' influencing this expenditure. Further information about the LGPI is included in Appendix A: Cost Capacity Indicators.

Council's current EBAs include a percentage increase or CPI, whichever is greater.

¹ Reserve Bank of Australia, Statement on Monetary Policy, February 2026.

² As above

³ The South Australian Centre for Economic Studies (SACES), Forecasts of the Local Government Price Index to 2028/29, 18 March 2026

Table 3: Indexation by Expense and Income Category

EXPENSE	INDEX
Wages & Salaries	EBA
Contracts, Materials & Other	CPI
Depreciation	LGPI
Finance Cost	RBA Cash

INCOME	INDEX
Rates - General	CPI + Growth + Sustainability
Rates – Service Charges	CPI
Statutory Charges	CPI
User Charges	CPI
Grants, Contributions & Subsidies	CPI
Investment Income	RBA Target Cash
Reimbursements	CPI
Other Revenue	CPI

5.2 Service Levels

Council's future financial position has been forecast based on a continuance of normal operations. This is regarded as service provision at the levels expected by residents. However, levels of service may change if community expectations change in future years.

Council's existing infrastructure assets are generally in good condition, and Council is in a position where it can maintain the current levels of service and budget allocation towards asset maintenance and renewal expenditure. Service levels for asset classes are of particular importance to Council's long-term planning and considered in more detail in Asset Management Plans. In recent years, Council has been successful attracting additional Federal Government funding to facilitate early asset renewal and community projects.

5.3 Employee Costs

Employee costs are those expenses associated with the employment of staff, including salaries, superannuation, recruitment costs, and uniforms.

The level of staffing in this LTFP is based on 2025/26 full time equivalent resource levels. The current Enterprise Bargaining Agreements are due for re-negotiation in July 2028. Therefore, the basis for indexation in this long-term financial plan is based on the EBA until it expires. The RBA Forecast CPI rate plus 0.5% has then been applied, to account for re-classification and step increases.

National, state, and local workforce trends and pressures, as well as those relating directly to the local government sector, will be the major influences on Council's salary adjustments into the future. These trends and pressures will affect costs both generally and in relation to specific operational areas at different times.

5.4 Materials, Contracts and Other Expenses

The average cost increases for these expenses have previously been indexed using a 5-year LGPI forecast indexation method. Over the past 5 years, the economy has been subjected to significant volatility. Benchmarking against industry indicates that using either forecast LGPI or forecast CPI, is best practice and is consistent with other councils. This LTFP transitions to the use of CPI for materials, contracts and other expenses. CPI is a common indexation clause embedded within many of council contractual services and has real impacts on expenditure.

5.5 Capital Renewal, Upgrades and New

Capital expenditure costs are a mixture of employee costs and materials, contracts and services. While CPI is used for operating expenses, the indicator applied for Capital is LGPI. This aligns with the methodology used in the annual desktop revaluations undertaken by Council between external revaluation years. The annual increase will be calculated using the 2026/27 budget as the base year, followed by the 10-year AMP projections. For some asset classes, estimates have been made for expenditure, as the details for the final years of the AMP are yet to be developed.

The Asset Management Plans contain nominal⁴ forecast figures at the point in time that the plans are developed. For inclusion in the LTFP, the base AMP figures have been reviewed and indexed, to reflect as real⁵ values.

⁴ Uses current prices, does not account for inflation, and can be misleading when comparing different time periods.

⁵ Uses constant (base year) prices, adjusts for inflation, and reflects true purchasing power or volume growth.

Indexation has been cumulatively calculated using actual LGPI for historic years and forecast LGPI for future years, based on planned expenditure by asset type.

Spikes in renewal expenditure towards the final years of the LTFP will be smoothed as condition assessments and review of useful lives are undertaken in subsequent Asset Management Plan reviews.

ASSET CLASS	ASSET PLAN TABLE REFERENCE
CWMS	Renewal: Table 7.1-1 Upgrades: Table 7.1-1
Parks & Gardens	Renewal: Appendix E Upgrade: Appendix E
Transport	Renewal: Appendix B Upgrade: Appendix C
Aerodromes	Renewal: Appendix F, Table F1. Upgrade: No forecasts.
Plant	Renewal: 10 Year replacement program – Pending formal adoption.
Buildings	Renewal: Appendix B Upgrade: Appendix B
Caravan Park & Hawke House	Renewal: Appendix 1 Upgrade: Appendix 1
Stormwater	Renewal: Table 6.1.2 Upgrades: Table 6.1.2

The LTFP includes budgeted provisions, above and beyond asset management plan expenditure, for Land Development Activity, discussed in Section 7.4.

5.6 Valuations

Valuations are regularly performed for Council's transport infrastructure assets, CWMS and buildings and structures. The LTFP uses LGPI, aligned with our expected expenditure pressures to allow for changes in valuations.

5.7 Depreciation

Depreciation changes due to revaluation and changes to useful lives or unit rates can have a significant impact on Council's operating position. Council's assets are revalued every five years, and are subjected to desktop indexation in between. The desktop indexation smooths the revaluation process, and minimising spikes in operating expenses.

Based on the ESCOSA Advice, Council has refined the methodology for depreciation forecasting, using an asset class specific approach. The most suitable depreciation base for each asset class is applied. LGPI is applied as the indexation multiplier, aligned with capital expenditure and valuations.

For this LTFP, the base sources for each asset class are:

ASSET CLASS	DEPRECIATION BASE
CWMS	Past year actuals.
Parks & Gardens	AMP forecasts (2025/26).
Roads	Past year actuals.
Bridges	Past year actuals (external revaluation).
Footpaths	Past year actuals.
Aerodromes	Draft external revaluation.
Plant	Estimate, pending adopted AMP.
Buildings	Draft external revaluation (less caravan park assets).
Caravan Park & Hawke House	AMP forecasts (2025/26).
Wolseley Water	No index, held at cost.

6. REVENUE ASSUMPTIONS

The major revenue categories for Council's operating budget are:

- Rates and annual charges;
- User charges and fees;
- Interest and investment revenue;
- Other revenue;
- Grants and contributions provided for operating purposes; and
- Grants and contributions provided for capital purposes.

6.1 Rates and Annual Charges

The major component of a council's income is produced by levying rates, representing approximately 60% of total revenue. Council is proactive and determined to produce a fair balance between rates levied on properties throughout the district and the level of services that can be provided to the district's residents. The amount that is required to be raised is determined after considering Council's proposed operating requirements, as well as the capital works program.

The rating indexation within this plan has 3 underlying assumptions:

1. CPI
2. Growth
3. Long Term Sustainability

Year End 30 June (Plan Year)	2027 (1)	2028 (2)	2029 (3)	2030 (4)	2031 (5)	2032 (6)	2033 (7)	2034 (8)	2035 (9)	2036 (10)
CPI Factor (%)	4.9	2.9	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Long Term Sustainability Factor (%)	0.8	1.8	1.8	1.8	1.8	0	0	0	0	0
Forecast Growth (%)	0.34	0.15	0.38	0.23	0.33	0.33	0.23	0.21	0.10	0
Combined Rates Forecast (%)⁶	6.04	4.85	4.78	4.63	4.73	2.93	2.83	2.81	2.70	2.60

⁶ The combined rates forecast is the sum of CPI, Growth and Long term Sustainability correction. This becomes the multiplier for the annual rates yield.

CPI - CPI has been chosen as the relevant factor in modelling rate revenue over the term of the plan and revenue has been calculated using the 2026/27 budget as the base year. CPI influence on operational expenditure is a reliable indicator, with many of Council's contracts and Enterprise Agreements reliant on CPI for annual price adjustments.

Growth - In response to the housing challenges and a shortage of industrial land, Council is currently progressing four land development initiatives. As communities develop, the need for this growth factor becomes necessary to ensure that new developments do not overburden existing residents, and that services remain financially sustainable. Due to this planned expansion, a growth factor has been incorporated into this LTFP, based on the number of allotments forecast to sell (see Section 6.9).

Long Term Sustainability – Council considers the key financial indicator – **Operating Surplus / (Deficit) Ratio** when considering the rate base, to ensure indexation methods result in outcomes within target ranges. Council's target range is greater than 0 over a 5-year period. This LTFP identifies a long-term sustainability factor in years 1 to 5 of the plan.

Council's rating efforts since 2020/21 have been below CPI, by a cumulative factor of 4.72%. This equates to around \$470k per year of reduced revenue. Lower rating efforts in specific years have been provided as a relief mechanism to minimise the impact of cost of living pressures on community. For sustainable financial management, Council needs to balance short term relief with longer-term recovery strategies to ensure ongoing delivery of services to the Tatiara community.

Table 4: Council Rates and CPI (Adelaide All Groups March to March)

Rating Year	CPI ADELAIDE (%)	CPI CUMULATIVE (%)	RATES (%)	RATES CUMULATIVE (%)
2020/21	2.4	102.40	0.7	100.70
2021/22	1.2	103.63	2.0	102.71
2022/23	4.7	108.50	2.0	104.77
2023/24	7.9	117.07	5.0	110.01
2024/25	4.3	122.10	5.0	115.51
2025/26	2.2	124.79	3.35	119.38
2026/27	4.9	130.91	5.7	126.18

6.2 Community Wastewater Management Systems (CWMS) Service Charges

Annual increases have been calculated using the 2026/27 budget as the base year, with the annual CWMS increase indexed by CPI to adequately cover current and future maintenance and capital outlays for the systems.

6.3 Waste Collection Service Charges

Annual increases have been calculated using the 2026/27 budget as the base year. Subsequent LTFP assumptions are that the annual charge will maintain cost recovery and require indexation by CPI. In 2024/25, Council transitioned to an in-house delivery of waste collection services to take control of cost pressures and reduce risks of significant future service charge increases. The first 18 months of service delivery indicate a CPI assumption is reflective of expenditure pressures.

6.4 User Charges and Fees

Many of the services provided by Council are offered on a user pays basis. As expenditure assumptions are linked to CPI, this is considered a suitable mechanism to index user fees and charges to recover rising costs.

6.5 Interest and Investment Revenue

Council's Treasury Management Strategy ensures:

- A high level of security is maintained by using recognised risk assessment criteria;
- An adequate level of diversification to minimise risk;
- Immediate access to funds for daily requirements; and
- Investments achieve a predetermined market average rate of return.

Future assets have not been included in the LTFP or any additional levels of income in relation to General Rates or Service Charges.

Interest on investments will vary over the plan period due to cash-flow levels and interest rates. Council remains conservative in forecasting investment interest rates and has opted to forecast on the RBA target cash rate forecast. The LTFP includes the calculation of interest on investments based on estimated year end cash balances.

6.6 Other Revenue

Miscellaneous revenue is obtained from a variety of sources including insurance recoveries, property leases, swimming pools, facility hire, and cinema screenings. It is anticipated that other revenue will be maintained at current average trends and is indexed using RBA forecast Federal CPI for July 2028 at 2.6%.

6.7 Grants and Contributions

Council receives operational and capital grants from various Federal and State government agencies. It is anticipated that this revenue will be maintained at current levels with CPI adjustments. Non-recurrent funding is excluded from long term projections.

Material grants considered to continue at 2026/27 base levels are:

- Federal Assistance General Grant;
- Federal Assistance Identified Local Roads Grant;
- Federal Assistance Identified Local Roads Grant (Supplementary Funding); and
- Roads to Recovery (2024-2029 program levels considered for life of plan).

6.8 Cash Flow – GST

Cash flow has been completed without GST.

6.9 Sale of Assets – Profit/Loss on Disposal and Sale of Surplus Assets

The LTFP has been compiled with assumptions of land sales from Council's developments progressively through the plan. These estimates are from early project budgeting and will need to be updated in future iterations of the plan. Further details are provided in Section 7.

7. VARIATIONS

7.1 Employee Costs

In 2026/27, an additional \$100k is forecast as a component of the ICT Digital Transformation project. This has been removed from the assumptions for 2027/28 and beyond.

7.2 Materials, Contracts and Other Expenses Costs

In 2026/27, an additional \$400k is forecast as a component of the ICT Digital Transformation project. This has been removed from the assumptions for 2027/28 and beyond.

In 2026/27, an additional \$197k is forecast to meet Council's contribution to the Telstra Tower project. This has been removed from the assumptions for 2027/28 and beyond.

In 2026/27, an additional \$250k is forecast for fuel, in response to the middle east conflict. This has been removed from the assumptions for 2027/28 and beyond.

7.3 Amounts Specifically for New Assets

In 2026/27 \$430k is allocated for Renewal SA contributions for Land Development. This has been removed in 2027/28.

In 2027/28, \$700k is allocated for Renewal SA contributions for Land Development. This has been removed in 2028/29.

7.4 Land Developments

Four independent land development projects are included in this LTFP:

- Keith Industrial Estate
- Ramsay Terrace Bordertown (Residential)
- Bordertown Industrial Estate
- Bennet Street Keith (Residential)

All four projects are forecast for completion within the 10-year plan. The forecasts in the plan provide a meaningful tool to understand the financial impacts of this significant investment in the region's economic growth capacity. Progress of future stages is contingent on sale of land held from completed works and is likely to vary from projected timeframes.

7.4.1 Keith Industrial Estate

The Keith Industrial Estate Development works have primarily been completed, and the long-term projections relate to sale of land (sale of surplus assets).

Assumptions for the timing of works and sales have been modelled as detailed below.

YEAR END 30 JUNE	2028	2029	2030	2031	2032	2033	2034	2035	2036
EXPENSE (\$,000)	0	0	0	0	0	0	0	0	0
BLOCKS SOLD	7	3	0	0	0	0	0	0	0
SALES (\$,000)	1,418	608	0	0	0	0	0	0	0

7.4.2 Ramsay Terrace Bordertown (Residential)

The 55 allotment sub-division is progressing in 3 stages. The purchase of 10 blocks is committed to by Renewal SA, with associated revenues allocated as grant funding. Long term projections relate to completion of project expenditure within the grant committed time frames, and sale of land. Sale of land is forecast for 45 blocks only, due to the 10 recognised through grant funding.

Assumptions for the timing of works and sales have been modelled as detailed below.

YEAR END 30 JUNE	2028	2029	2030	2031	2032	2033	2034	2035	2036
EXPENSE (\$,000)	1,397	0	0	0	0	0	0	0	0
BLOCKS SOLD	11	6	6	6	6	5	5	0	0
SALES (\$,000)	876	478	478	478	478	398	398	0	0

7.4.3 Bordertown Industrial Estate

The 19 allotment sub-division is progressing in multiple stages. Currently works are progressing for the critical SA Water land and future works are contingent on land sales being achieved at the Keith development.

Assumptions for the timing of works and sales have been modelled as detailed below.

YEAR END 30 JUNE	2028	2029	2030	2031	2032	2033	2034	2035	2036
EXPENSE (\$,000)	0	2,653	3,728	0	0	0	0	0	0
BLOCKS SOLD	0	4	5	4	5	0	0	0	0
SALES (\$,000)	0	1,898	2,373	1,898	2,373	0	0	0	0

7.4.4 Bennett Street Keith (Residential)

The 21 allotment sub-division is forecast in the plan to commence in 2029/30. This assumption is of low certainty, and for forecast purposes only. As the initial land developments progress, revised assessments with regards to the timing of Bennett Street will be undertaken.

Assumptions for the timing of works and sales have been modelled as detailed below.

YEAR END 30 JUNE	2028	2029	2030	2031	2032	2033	2034	2035	2036
EXPENSE (\$,000)	0	0	1,993	0	0	0	0	0	0
BLOCKS SOLD	0	0	0	6	5	5	5	0	0
SALES (\$,000)	0	0	0	473	394	394	394	0	0

8. KEY FINANCIAL INDICATORS

Financial ratios are designed to indicate an organisation's financial management performance and are a good starting point from which Council can ascertain its financial health and financial sustainability position.

While ratios are a useful guide, there is no single indicator, or financial year, that can be used to judge the financial sustainability of Council. Ratios should not be used in isolation.

The *Local Government (Financial Management) Regulations 2011* require a Council to use three specific indicators:

- An Operating Surplus Ratio;
- A Net Financial Liabilities Ratio; and
- An Asset Renewal Funding Ratio.

These three financial performance indicators must be used in Council's:

- Long Term Financial Plan;
- Annual Budget; and
- Mid-year review of the annual budget.

These documents allow Council to evaluate past performance, and project the future impact of strategies under consideration against financial indicators.

Although Council is not explicitly required to adopt targets for financial performance, section 122(1)(d) of the Act requires Council to "state the measures (financial and non-financial) that are to be used to monitor and assess the performance of the council over the relevant period" when preparing and adopting its strategic management plans.

A summary of Council's financial indicators is provided below, comparing Council's performance from year to year, given the effects of inflation and growth.

Indicator	Target (Plan Year)	2026 (0)	2027 (1)	2028 (2)	2029 (3)	2030 (4)	2031 (5)	2032 (6)	2033 (7)	2034 (8)	2035 (9)	2036 (10)
Operating Surplus Ratio (%)	Greater than 0	-15.6	-7.2	-1.2	0.3	1.4	2.0	2.6	2.6	3.1	3.6	4.0
Net Financial Liabilities Ratio (%)	Less than 65	-99	-67	-74	-85	-74	-88	-88	-101	-114	-126	-136
Asset Renewal Funding Ratio (%)	100	49	94	100	100	100	100	100	100	100	100	100

8.1 Operating Surplus Ratio

Description:

- This indicator is by far the most important financial indicator for Council. If Council consistently achieves a modest positive operating surplus ratio and has soundly based projections showing that it can continue to do so in the future, having regard to asset management and its community service level needs, then it is financially sustainable.
- The operating surplus ratio is an indicator of the extent to which revenues raised cover operational expenses and the extent to which surpluses are generated to fund capital projects.
- The Operating Surplus (deficit) ratio is expressed as a percentage of Total Operating Income.

Objective:

- To highlight Council's rating needs to maintain a positive operating surplus.
- A positive ratio indicates the percentage of total rates available to help fund proposed capital expenditure. If the relevant amount is not required for this purpose in a particular year, it can be held for future capital expenditure needs by either increasing financial assets or reducing debt in the short term.
- A negative ratio indicates the percentage increase in total rates that would have been required to achieve a break-even operating result.

Ratio Target:

- To achieve, on average, an operating surplus ratio of 0% or greater over a 5-year period

Rationale:

- The setting of a lower target would be hard to justify. A negative operating surplus target (i.e., a deficit) might be appropriate in the short-term if Council's community is widely and significantly adversely affected by economic conditions. Similarly, an annually diminishing negative operating surplus ratio target might be an appropriate roadmap to progressively achieve financial sustainability for Council if it had incurred large operating deficits.

Factors influencing the indicator:

The most significant factors influencing the ratio are the past and current economic climate, as well as the community's ability to pay increased rates. Return to surplus is forecast through years 1-5 of the plan, balancing long term sustainability with ratepayer capacity.

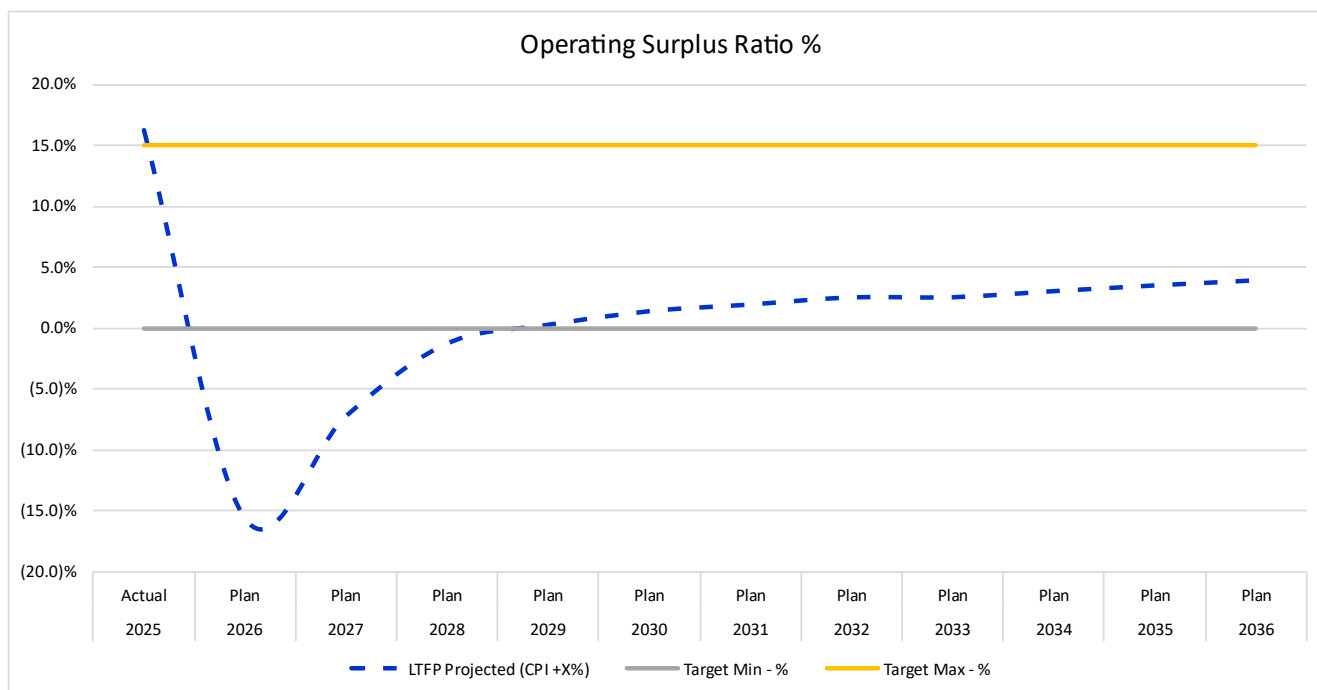


Figure 2: Tatiara District Council Operating Surplus Ratio LTFP Forecast

8.2 Net Financial Liabilities Ratio

Description:

- Net financial liabilities equals total liabilities less financial assets (Net Financial Liabilities divided by Total Operating Income). When the ratio is falling, it indicates that Council's capacity to meet its financial obligations is strengthening.

Objective:

- To measure Council's ability to pay existing liabilities within the next 12 months.

Ratio Target:

- Up to 65% of Council's annual operating revenue.

Rationale:

- Council's Treasury Management Policy confirms the desire to reserve cash for renewal of long life assets, rather than supporting renewal with debt. The cash reserves being held for this purpose are evidenced by a negative ratio.
- Being greater than 50% of Council's rate revenue may indicate a short-term funding issue.
- Being greater than 100% of Council's rate revenue may indicate an inability of Council to meet its short-term obligations and immediate action is required.

Factors influencing the indicator:

- Cash outlays for land development and the staged replenishment through sale influence the financial assets available to offset liabilities year to year. In later years of the plan, asset renewal and upgrade forecasts are lower. This will be corrected in future updates of the LTFP as new information becomes available.

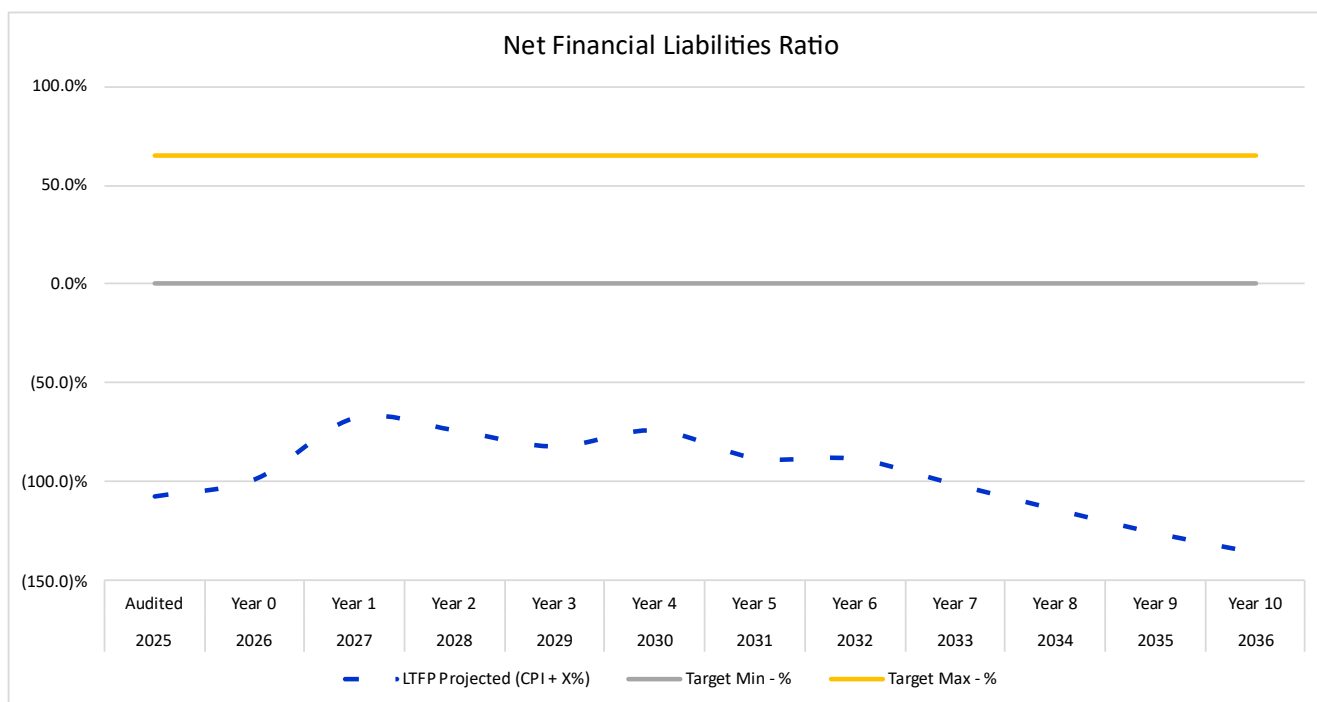


Figure 3: Tatiara District Council Financial Liabilities Ratio LTFP Forecast

8.3 Asset Renewal Funding Ratio

Description:

- Net present value of planned capital expenditure (from the LTFP) over ten years as a percentage of the net present value of the required capital expenditure (from the Asset Management Plans) over the same period. Net present value is the value of the dollar today, compared with the value of the same dollar in the future.

Objective:

- To measure the extent to which assets are being renewed compared to Asset Management Plans. This indicates whether Council has the financial capacity to fund asset renewal as required, and can continue to provide existing levels of service in the future.

Ratio Target:

- Between 90% and 110% over a rolling 5-year period.

Rationale:

- It is good practice for capital expenditure for existing assets to be renewed or replaced in accordance with the Council's 10-year Asset Management Plans.

Factors influencing the indicator:

- Council's on ground assessment of annual renewal need to ensure renewal is spent when required.

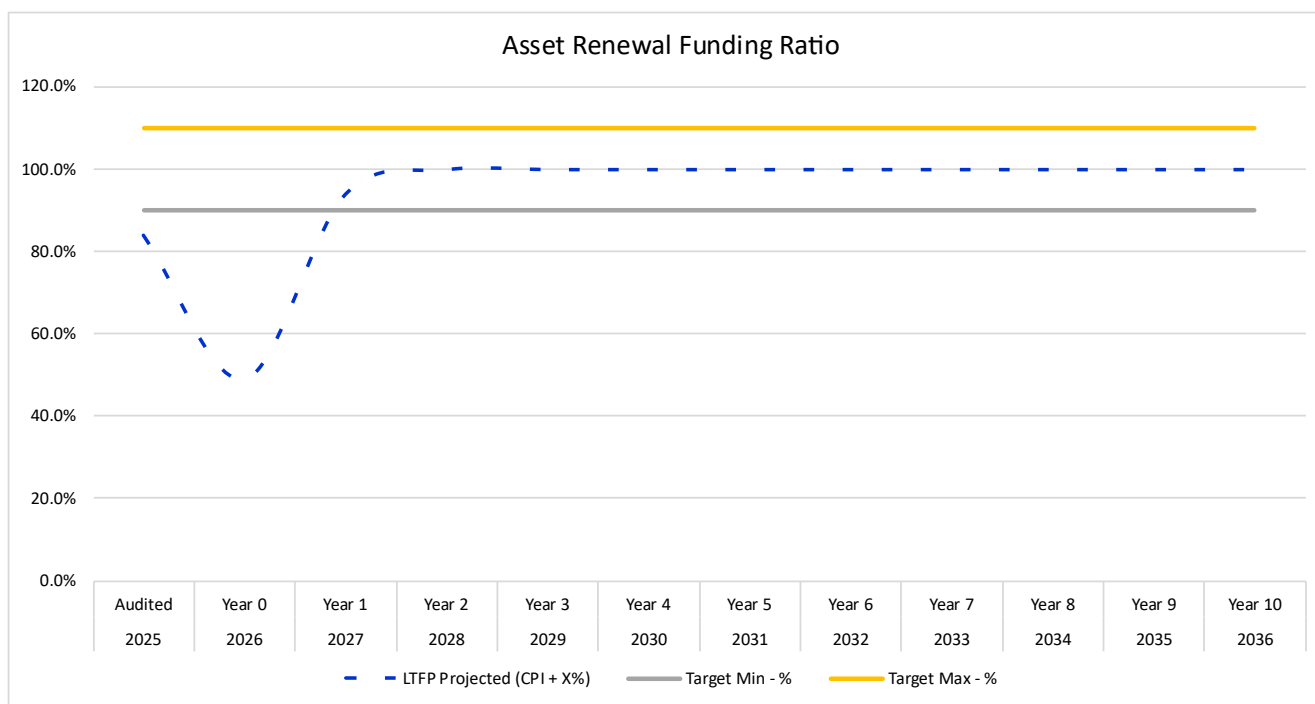


Figure 4: Tatiara District Council Asset Renewal Ratio LTFP Forecast

9. RISK ASSESSMENT

Council has identified and mitigated the major risks associated with long-term financial planning.

9.1 New Capital Works Program

Delays in approvals for major capital works projects may occur if the viability of the project relies on land acquisition, which may be affected by movements in land prices and funding of the projects.

A number of building refurbishments and redevelopment projects are included in the LTFP. All of these are proposed to be constructed on land owned by the Tatiara District Council. The developments will not require external approvals and are being funded through grants or Council funds. The risk associated with construction of major capital projects is therefore considered **LOW RISK**.

9.2 Government Grants and Subsidies

Much of Council's operating and capital works expenditure funding is sourced from government grants. Services and capital works, such as road and footpath renewal, upgrading recreational facilities and equipment, and development and renewal of our sustainable environment are provided to the community through the assistance of government grants.

The LTFP details the grant funding required to provide such services and capital works programs and is based on the assumption the grant funding will continue for the life of the plan. In the short term, the risk of failure to obtain government grant funding to deliver these services and programs is considered **LOW RISK**.

9.3 Financial Risks

Council's activities expose it to a variety of financial risks, including credit risk, liquidity risk and interest rate risk. Council's overall financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

- **Cash and Investments**

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. Cash and investments are subject to interest rate risk, which is the risk at which movements in interest rates could affect returns. To manage the investment and interest risks, Council has a robust investment policy and regularly reviews the performance of its treasury strategy. **LOW RISK**

- Receivables

Council's major receivables comprise annual rates, service charges and user charges and fees. The major risk associated with these receivables is credit risk, that the debts may not be paid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. **LOW RISK**

- Accounts Payable and Borrowings

Payables and borrowings are both subject to liquidity risk, which is the risk that Council will have insufficient funds to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash safeguard. **LOW RISK**

- Affordability

Ratepayer affordability risk is managed through the long term plan with smoothing mechanisms for returning to surplus. Community consultation undertaken in years past has raised minimal concerns. Council's assessment of affordability risk is supported by the ESCOSA report assessment.⁷ **LOW RISK**

⁷ ESCOSA Local Government Advice, Page 27

APPENDIX A: COST CAPACITY INDICATORS

Council budgets must be set in the context of a Council's Strategic Plan, community consultation, and decisions about the required level of services each year. However, in estimating costs and the impact on communities, there are indicators that may assist Council in making informed decisions.

Ratepayer Capacity

Council has ratepayers of three broad types:

- Individual salary earners;
- Businesses, primary producers and non-profit organisations; and
- Those on some form of government benefit payments.

Different indicators assist Council in making judgements regarding capacities of those in each group. This informs Council when resolving on the adoption of the budget, determining the overall level of rates revenue, and the distribution of rates among ratepayers. These indicators also assist Council to determine whether options such as differentials, caps, rebates and remissions are appropriate. Actual capacity in each group will vary, as will the proportion of each group within the Council area. Council conducted a Rate Review in 2021, which resulted in the change to rating by land use only, rather than the previous rating by locality – development zones and land use.

Average Weekly Earnings

Average Weekly Earnings can be the most relevant indicator to understand the capacity to pay for the majority of rate payers. It is not a perfect indicator, as it does not factor in the accumulation of wealth that can occur in different corporate structures such as partnerships, companies and family trusts.

State Government Budget

The State Government uses an alternative pricing policy, where the annual indexation of fees and charges (revenue) is set based on the average increase in the cost of providing the relevant services. This figure is established by incorporating a weighting for CPI and a weighting for salary movements, reflecting the major cost factors in provision of state services.

Consumer Price Index

The CPI measures quarterly historic changes in the cost of a typical metropolitan household "basket" of goods and services. This includes a wide range of goods and services in eleven categories: food, alcohol and tobacco, clothing and footwear, housing, household contents and services, health, transport, communication, recreation, education and financial and

insurance services (further information on the CPI is available on the ABS website <http://www.abs.gov.au/>). CPI is measured either at state or national level.

CPI impacts on Council contracts and wages, and is reflected as an indicator across these categories.

Local Government Price Index (LGPI)

Unlike most households, Council spends a large proportion of its budget on road construction materials, other construction costs (drains, environmental projects, footpaths), salaries for staff, contractors (for recycling and waste management), and governance / administration. The prices of these items move in different ways to average household prices, which will be reflected in Council budgets. Other factors include changes in standards, efficiency gains, expansion of services, cuts in services, new services, and major projects.

The LGPI is a reliable and independent measure of the inflationary effect on price changes in the South Australian local government sector. It is prepared and updated on a quarterly basis by the South Australian Centre for Economic Studies. The index is similar in nature to CPI, however, it represents the movement in prices associated with the goods and services consumed by local government in South Australia, as opposed to the basket of goods and services consumed by the average metropolitan household.

The South Australian Local Government Financial Management Group commissioned the Australian Bureau of Statistics (ABS) to develop the LGPI as an independent and reliable measure of price movements faced by Local Government in South Australia. Unlike CPI, the LGPI is not an official ABS publication (it was prepared by the ABS up to the December quarter 2008).

What is it?

The LGPI provides Council with a useful reference regarding the inflationary effect of price changes of goods and services consumed by Local Government. The index reflects, over time, the movement in prices for several cost components as well as the aggregate spend on these components. The index includes both operating and capital expenditure on a state average basis.

The model used to generate the LGPI can function at two levels:

1. Providing indexes for the whole Local Government sector, based on aggregated annual financial data provided by the SA Local Government Grants Commission, and commodity weights determined from a survey of SA Councils conducted by the SA Local Government Financial Management Group.

2. Providing indexes for individual councils based on their financial data (both annual and quarterly expenses), and the commodity weights determined from the Council's spending patterns.

The LGPI should be treated as one of the many items referenced when developing annual budgets. The LGPI is a better reflection (compared to the CPI) of the changing cost (or price of the inputs used by Councils to deliver services. The LGPI is a valuable tool for Councils, the LGA and the sector as a whole and maybe a useful reference in a number of situations.

What it is not?

The LGPI is not an official ABS publication and should not be used for contract fixing purposes. The LGPI does not represent a quasi-indication of how Council rates should change in any given year. Ultimately, Council budgets (and rates) must be set in context of a Council's strategic management plan, community consultation, and decisions about the level of services and revenue required each year.

How is the LGPI calculated?

The LGPI is calculated using a model developed by the ABS. Data sources for the model include:

- Local Government Grants Commission – Aggregated expenditure data;
- Australian Bureau of Statistics: Price indexes; and
- SA Local Government Finance Managers Group – Weights.

The LGPI is compiled from a set, or a basket, of commodities (goods and services) that is deemed to be representative of the major spending categories of SA Councils. These commodities are weighted according to their relative contributions to the total spending on goods and services. The basket of commodities and their weights are said to reflect the spending behaviour for a given period. While the basket of commodities is open to variation by the owners of the model, the weights will be measured each year, (commencing 2006-07), from data supplied by councils in the LGPI form of the Local Government Grants Commission's Supplementary Data to the Financial Statements forms. The weights are calculated automatically in the LGPI model when the supplementary data is included.

From these weights, and from price indexes published by the ABS, a chained Laspeyres method is used to calculate price indexes for each commodity, and more importantly for total current expenditure, total capital expenditure, and total expenditure. The latter three are usually referred to as LGPIs. The measure of the impact of commodity price changes is then expressed as a percentage change for the period of interest.

Thus, the LGPI provides a guide to the change in expenditure that would arise from the effects of price changes only, with spending behaviour remaining constant. In other words, if

Council's spending behaviour was exactly the same as for the previous period, how much extra would it cost due to price rises.

The cost components included in the model are:

- Operating
 - Salaries and wages;
 - Superannuation;
 - Contractual services (excluding waste management);
 - Waste management;
 - Electricity;
 - Gas;
 - Water and sewerage;
 - Fuel;
 - Motor vehicle expenses;
 - Printing, publishing and recorded media;
 - Other operating expenses;
 - Insurance;
 - Property expenses;
 - Consultancy expenses; and
 - Telecommunication expenses.
- Capital
 - Construction of buildings;
 - Construction of Infrastructure; and
 - Purchase of plant and equipment.

APPENDIX B: LONG TERM FINANCIAL PLAN

Long Term Financial Plan Model ESTIMATED COMPREHENSIVE INCOME STATEMENT

Year Ended 30 June:		2025 Actual Audited \$('000)	2026 Plan Year 0 \$('000)	2027 Plan Year 1 \$('000)	2028 Plan Year 2 \$('000)	2029 Plan Year 3 \$('000)	2030 Plan Year 4 \$('000)	2031 Plan Year 5 \$('000)	2032 Plan Year 6 \$('000)	2033 Plan Year 7 \$('000)	2034 Plan Year 8 \$('000)	2035 Plan Year 9 \$('000)	2036 Plan Year 10 \$('000)
INCOME													
		Rates % Shift Verification		6.04%	4.85%	4.78%	4.63%	4.73%	2.93%	2.83%	2.81%	2.70%	2.60%
		Rates Amount Shift		601	511	529	537	574	373	370	377	374	369
		X		0.80	1.80	1.80	1.80	1.80	0.00	0.00	0.00	0.00	0.00
General Rates	CPI + Growth + X	9,666	9,948	10,549	11,060	11,589	12,125	12,700	13,072	13,442	13,819	14,193	14,562
Rates Service Charges - Other	CPI	2,654	2,779	2,930	3,015	3,093	3,174	3,256	3,341	3,428	3,517	3,608	3,702
Statutory Charges	CPI	180	130	125	129	132	135	139	143	146	150	154	158
User Charges	CPI	1,488	1,444	1,461	1,503	1,542	1,583	1,624	1,666	1,709	1,754	1,799	1,846
Grants, subsidies, contributions	CPI	7,700	3,331	5,553	5,714	5,863	6,015	6,171	6,332	6,497	6,665	6,839	7,017
Investment Income	RBA Target Cash	1,227	789	625	645	729	838	786	961	998	1,171	1,356	1,544
Reimbursements	CPI	489	196	184	189	194	199	204	210	215	221	227	232
Other Revenue	CPI	387	412	333	343	352	361	370	380	390	400	410	421
Total Revenues		23,791	19,029	21,760	22,598	23,494	24,430	25,250	26,104	26,824	27,696	28,586	29,481
EXPENSES													
Employee costs	EBA	6,283	6,465	6,874	7,011	7,228	7,453	7,684	7,922	8,167	8,420	8,682	8,951
Materials, contracts & other expenses	CPI	7,327	8,746	9,247	8,644	8,868	9,099	9,335	9,578	9,827	10,083	10,345	10,614
Depreciation	Depreciation	6,262	6,738	7,152	7,216	7,321	7,525	7,729	7,931	8,135	8,338	8,541	8,744
Finance Costs	Interest	39	46	45	0	0	0	0	0	0	0	0	0
Total Expenses		19,911	21,995	23,318	22,871	23,418	24,076	24,748	25,431	26,130	26,841	27,567	28,309
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS		3,880	(2,966)	(1,558)	(272)	76	353	502	673	695	855	1,018	1,173
Net gain/(loss) on disposal or revaluations		(996)	0	0	0	0	0	0	0	0	0	0	0
Amounts specifically for new assets	CPI	683	1,190	1,078	1,387	705	723	742	761	781	801	822	844
NET SURPLUS/(DEFICIT)		3,567	(1,776)	(480)	1,115	781	1,077	1,244	1,434	1,476	1,657	1,840	2,016
Other Comprehensive Income													
Changes in revaluation surplus - IPP&E	LGPI	2,883	0	0	6,819	7,017	7,220	7,430	7,645	7,867	8,095	8,330	8,571
Total Other Comprehensive Income		2,883	0	0	6,819	7,017	7,220	7,430	7,645	7,867	8,095	8,330	8,571
TOTAL COMPREHENSIVE INCOME		6,450	(1,776)	(480)	7,934	7,797	8,297	8,674	9,079	9,343	9,752	10,170	10,588

Long Term Financial Plan Model
ESTIMATED BALANCE SHEET

Year Ended 30 June:		2025 Actual Audited \$('000)	2026 Plan Year 0 \$('000)	2027 Plan Year 1 \$('000)	2028 Plan Year 2 \$('000)	2029 Plan Year 3 \$('000)	2030 Plan Year 4 \$('000)	2031 Plan Year 5 \$('000)	2032 Plan Year 6 \$('000)	2033 Plan Year 7 \$('000)	2034 Plan Year 8 \$('000)	2035 Plan Year 9 \$('000)	2036 Plan Year 10 \$('000)
ASSETS													
Current Assets													
Cash & Equivalent Assets		26,390	19,507	15,354	17,347	19,943	18,708	22,879	23,758	27,874	32,281	36,752	40,823
Trade & Other Receivables		1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Investments & Other Financial Assets		0	0	0	0	0	0	0	0	0	0	0	0
Inventories		1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179
Sub-total		28,619	21,736	17,583	19,576	22,172	20,937	25,108	25,987	30,103	34,510	38,981	43,052
Non-current assets held for sale		0	0	(1)	0	0	0	0	0	0	0	0	0
Total Current Assets		28,619	21,736	17,583	19,576	22,172	20,937	25,108	25,987	30,103	34,510	38,981	43,052
Non-Current Assets													
Receivables		291	291	291	291	291	291	291	291	291	291	291	291
Infrastructure, Property, Plant & Equipment		228,756	233,758	237,387	243,328	248,529	258,061	262,563	270,764	275,991	281,335	287,034	293,550
Total Non-Current Assets		229,047	234,049	237,678	243,619	248,820	258,352	262,854	271,055	276,282	281,626	287,325	293,841
Total Assets		257,666	255,785	255,261	263,195	270,992	279,289	287,963	297,042	306,385	316,136	326,306	336,894
LIABILITIES													
Current Liabilities													
Trade & Other Payables		737	737	737	737	737	737	737	737	737	737	737	737
Borrowings		91	91	0	0	0	0	0	0	0	0	0	0
Provisions		1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152
Total Current Liabilities		1,980	1,980	1,889	1,889	1,889	1,889	1,889	1,889	1,889	1,889	1,889	1,889
Non-Current Liabilities													
Borrowings		0	(105)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)
Provisions		188	188	188	188	188	188	188	188	188	188	188	188
Other Non-Current Liabilities		0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Liabilities		188	83	130	130	130	130	130	130	130	130	130	130
Total Liabilities		2,168	2,063	2,019	2,019	2,019	2,019	2,019	2,019	2,019	2,019	2,019	2,019
NET ASSETS		255,498	253,722	253,242	261,176	268,973	277,270	285,944	295,023	304,366	314,117	324,287	334,875
EQUITY													
Accumulated Surplus		5,641	10,621	11,748	12,358	12,633	13,205	13,944	14,875	15,846	16,997	18,333	19,844
Asset Revaluation Reserve		235,135	235,135	235,135	241,954	248,971	256,191	263,620	271,265	279,132	287,227	295,556	304,127
Other Reserves		14,722	7,966	6,359	6,864	7,369	7,874	8,379	8,883	9,388	9,893	10,398	10,903
TOTAL EQUITY		255,498	253,722	253,242	261,176	268,973	277,270	285,944	295,023	304,366	314,117	324,287	334,875

Long Term Financial Plan Model
ESTIMATED CASH FLOW STATEMENT

Year Ended 30 June:		2025 Actual Audited \$('000)	2026 Plan Year 0 \$('000)	2027 Plan Year 1 \$('000)	2028 Plan Year 2 \$('000)	2029 Plan Year 3 \$('000)	2030 Plan Year 4 \$('000)	2031 Plan Year 5 \$('000)	2032 Plan Year 6 \$('000)	2033 Plan Year 7 \$('000)	2034 Plan Year 8 \$('000)	2035 Plan Year 9 \$('000)	2036 Plan Year 10 \$('000)
CASH FLOWS FROM OPERATING ACTIVITIES													
<u>Receipts</u>													
Rates		12,287	12,727	13,479	14,075	14,682	15,299	15,956	16,413	16,870	17,336	17,801	18,264
Statutory Charges		180	130	125	129	132	135	139	143	146	150	154	158
User Charges		1,381	1,444	1,461	1,503	1,542	1,583	1,624	1,666	1,709	1,754	1,799	1,846
Grants, subsidies, contributions		6,322	3,331	5,553	5,714	5,863	6,015	6,171	6,332	6,497	6,665	6,839	7,017
Investment Income		1,227	789	625	645	729	838	786	961	998	1,171	1,356	1,544
Reimbursements		489	196	184	189	194	199	204	210	215	221	227	232
Other Revenue		1,330	412	333	343	352	361	370	380	390	400	410	421
		0	0										
<u>Payments</u>		0	0										
Employee costs		(6,273)	(6,465)	(6,874)	(7,011)	(7,228)	(7,453)	(7,684)	(7,922)	(8,167)	(8,420)	(8,682)	(8,951)
Materials, contracts & other expenses		(8,798)	(8,746)	(9,247)	(8,644)	(8,868)	(9,099)	(9,335)	(9,578)	(9,827)	(10,083)	(10,345)	(10,614)
Finance Costs		(44)	(46)	(45)	0	0	0	0	0	0	0	0	0
Net Cash provided by (or used in) Operating Activities		8,101	3,772	5,594	6,944	7,397	7,878	8,231	8,604	8,830	9,193	9,559	9,917
CASH FLOWS FROM INVESTING ACTIVITIES													
<u>Receipts</u>													
Amounts Specifically for New/Upgraded Assets		2,061	1,190	1,078	1,387	705	723	742	761	781	801	822	844
Sale of Renewed/Replaced Assets		246	709	328	0	0	0	0	0	0	0	0	0
Sale of Surplus Assets	Sale of Land	0	0	0	1,418	3,382	2,851	2,849	3,245	872	793	398	0
Repayments of Loans by Community Groups		29	0	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>		0	0	0									
Expenditure on Renewal/Replacement of Assets	AMP	(3,766)	(3,193)	(4,252)	(4,334)	(4,754)	(5,637)	(6,274)	(10,343)	(4,972)	(4,894)	(4,893)	(5,245)
Expenditure on New/Upgraded Assets	AMP	(2,911)	(9,256)	(6,857)	(3,422)	(4,133)	(7,051)	(1,377)	(1,389)	(1,395)	(1,486)	(1,416)	(1,444)
Loans Made to Community Groups		50	0	0	0	0	0	0	0	0	0	0	0
Net Cash Provided by (or used in) Investing Activities		(4,291)	(10,550)	(9,703)	(4,951)	(4,800)	(9,114)	(4,060)	(7,726)	(4,714)	(4,786)	(5,089)	(5,845)
CASH FLOWS FROM FINANCING ACTIVITIES													
<u>Receipts</u>		0	0	0									
Proceeds from Borrowings (External)		3	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Borrowings (Internal)		0	2,000	0	0	0	0	0	0	0	0	0	0
Provision of Borrowings (Internal)		0	(2,000)	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>		0	0	0									
Repayments of Borrowings (External)		(173)	(105)	(44)	0	0	0	0	0	0	0	0	0
Repayments from Borrowings (Internal)		0	0	(496)	(497)	(498)	(499)	(500)	(500)	(501)	(502)	(503)	(504)
Provision for repayment of borrowings (internal)		0	0	496	497	498	499	500	500	501	502	503	504
Net Cash provided by (or used in) Financing Activities		(170)	(105)	(44)	0	0	0	0	0	0	0	0	0
Net Increase/(Decrease) in cash held		3,640	(6,883)	(4,153)	1,993	2,597	(1,235)	4,171	878	4,116	4,408	4,470	4,071
Opening cash, cash equivalents or (bank overdraft)		22,750	26,390	19,507	15,354	17,347	19,943	18,708	22,879	23,758	27,874	32,281	36,752
		0	0										
Closing cash, cash equivalents or (bank overdraft)		26,390	19,507	15,354	17,347	19,943	18,708	22,879	23,758	27,874	32,281	36,752	40,823

Tatiara District Council
Long Term Financial Plan Model
ESTIMATED STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June:		2025 Actual Audited \$('000)	2026 Plan Year 0 \$('000)	2027 Plan Year 1 \$('000)	2028 Plan Year 2 \$('000)	2029 Plan Year 3 \$('000)	2030 Plan Year 4 \$('000)	2031 Plan Year 5 \$('000)	2032 Plan Year 6 \$('000)	2033 Plan Year 7 \$('000)	2034 Plan Year 8 \$('000)	2035 Plan Year 9 \$('000)	2036 Plan Year 10 \$('000)
ACCUMULATED SURPLUS													
Balance at end of previous reporting period		3,220	5,641	10,621	11,748	12,358	12,633	13,205	13,944	14,875	15,846	16,997	18,333
Net Result for Year		3,567	(1,776)	(480)	1,115	781	1,077	1,244	1,434	1,476	1,657	1,840	2,016
Transfers to Other Reserves		(1,282)	(379)	(500)	(505)	(505)	(505)	(505)	(504)	(505)	(505)	(505)	(505)
Transfers from Other Reserves		136	7,135	2,107	0	0	0	0	0	0	0	0	0
Balance at end of period		5,641	10,621	11,748	12,358	12,633	13,205	13,944	14,875	15,846	16,997	18,333	19,844
ASSET REVALUATION RESERVE													
Land	LGPI	68,882	68,882	68,882	70,880	72,935	75,050	77,227	79,466	81,771	84,142	86,582	89,093
Buildings & Other Structures	LGPI	77,210	77,210	77,210	79,449	81,753	84,124	86,564	89,074	91,657	94,315	97,050	99,865
Roads	LGPI	65,391	65,391	65,391	67,287	69,239	71,247	73,313	75,439	77,627	79,878	82,194	84,578
Bridges	LGPI	7,932	7,932	7,932	8,162	8,399	8,642	8,893	9,151	9,416	9,689	9,970	10,259
Footways	LGPI	786	786	786	809	832	856	881	907	933	960	988	1,017
Sewerage	LGPI	8,592	8,592	8,592	8,841	9,098	9,361	9,633	9,912	10,200	10,495	10,800	11,113
Stormwater Drainage	LGPI	6,047	6,047	6,047	6,222	6,403	6,588	6,780	6,976	7,178	7,387	7,601	7,821
Aerodromes	LGPI	22	22	22	23	23	24	25	25	26	27	28	28
Plant and Equipment & Furniture & Fittings	LGPI	0	0	0	0	0	0	0	0	0	0	0	0
Other Structures	LGPI	273	273	273	281	289	297	306	315	324	333	343	353
Balance at end of period		235,135	235,135	235,135	241,954	248,971	256,191	263,620	271,265	279,132	287,227	295,556	304,127
OTHER RESERVES													
Balance at end of previous reporting period		13,576	14,722	7,966	6,359	6,864	7,369	7,874	8,379	8,883	9,388	9,893	10,398
Transfers from Accumulated Surplus		1,282	379	500	505	505	505	505	504	505	505	505	505
Transfers to Accumulated Surplus		(136)	(7,135)	(2,107)	0	0	0	0	0	0	0	0	0
Balance at end of period		14,722	7,966	6,359	6,864	7,369	7,874	8,379	8,883	9,388	9,893	10,398	10,903
TOTAL EQUITY AT END OF REPORTING PERIOD		255,498	253,722	253,242	261,176	268,973	277,270	285,944	295,023	304,366	314,117	324,287	334,875

Tatiara District Council
Long Term Financial Plan Model
SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

Year Ended 30 June:		2025 Actual Audited \$('000)	2026 Plan Year 0 \$('000)	2027 Plan Year 1 \$('000)	2028 Plan Year 2 \$('000)	2029 Plan Year 3 \$('000)	2030 Plan Year 4 \$('000)	2031 Plan Year 5 \$('000)	2032 Plan Year 6 \$('000)	2033 Plan Year 7 \$('000)	2034 Plan Year 8 \$('000)	2035 Plan Year 9 \$('000)	2036 Plan Year 10 \$('000)
Operating Revenues		23,791	19,029	21,760	22,598	23,494	24,430	25,250	26,104	26,824	27,696	28,586	29,481
less Operating Expenses		19,911	21,995	23,318	22,871	23,418	24,076	24,748	25,431	26,130	26,841	27,567	28,309
Operating Surplus/(Deficit) before Capital Amounts		3,880	(2,966)	(1,558)	(272)	76	353	502	673	695	855	1,018	1,173
Less: Net Outlays on Existing Assets													
Capital Expenditure on Renewal/Replacement of Existing Assets		3,766	3,193	4,252	4,334	4,754	5,637	6,274	10,343	4,972	4,894	4,893	5,245
less Depreciation, Amortisation & Impairment		6,262	6,738	7,152	7,216	7,321	7,525	7,729	7,931	8,135	8,338	8,541	8,744
less Proceeds from Sale of Replaced Assets		246	709	328	0	0	0	0	0	0	0	0	0
		(2,742)	(4,254)	(3,228)	(2,882)	(2,567)	(1,888)	(1,455)	2,412	(3,163)	(3,444)	(3,648)	(3,499)
Less: Net Outlays on New and Upgraded Assets													
Capital Expenditure on New/Upgraded Assets		2,911	9,256	6,857	3,422	4,133	7,051	1,377	1,389	1,395	1,486	1,416	1,444
less Amounts Specifically for New/Upgraded Assets		683	1,190	1,078	1,387	705	723	742	761	781	801	822	844
less Proceeds from Sale of Surplus Assets		0	0	0	1,418	3,382	2,851	2,849	3,245	872	793	398	0
		2,228	8,066	5,779	617	46	3,477	(2,214)	(2,617)	(258)	(108)	196	600
Net Lending / (Borrowing) for Financial Year		4,394	(6,778)	(4,109)	1,993	2,597	(1,235)	4,171	878	4,116	4,408	4,470	4,071

In any one year, the above financing transactions are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result.

Year Ended 30 June:		2025 Actual Audited \$('000)	2026 Plan Year 0 \$('000)	2027 Plan Year 1 \$('000)	2028 Plan Year 2 \$('000)	2029 Plan Year 3 \$('000)	2030 Plan Year 4 \$('000)	2031 Plan Year 5 \$('000)	2032 Plan Year 6 \$('000)	2033 Plan Year 7 \$('000)	2034 Plan Year 8 \$('000)	2035 Plan Year 10 \$('000)	2036 Plan Year 11 \$('000)
FINANCING TRANSACTIONS													
New Borrowings		3	0	0	0	0	0	0	0	0	0	0	0
Repayment of Principal on Borrowings		173	105	44	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Cash and Cash Equivalents		3,640	(6,883)	(4,153)	1,993	2,597	(1,235)	4,171	878	4,116	4,408	4,470	4,071
Increase/(Decrease) in Receivables		120	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Payables & Provisions		(602)	(105)	47	0	0	0	0	0	0	0	0	0
Other – Including the Movement in Inventories		(50)	0	0	0	0	0	0	0	0	0	0	0
Financing Transactions		3,284	(6,883)	(4,062)	1,993	2,597	(1,235)	4,171	878	4,116	4,408	4,470	4,071

		2025 Actual Audited	2026 Plan Year 0	2027 Plan Year 1	2028 Plan Year 2	2029 Plan Year 3	2030 Plan Year 4	2031 Plan Year 5	2032 Plan Year 6	2033 Plan Year 7	2034 Plan Year 8	2035 Plan Year 9	2036 Plan Year 10
Operating Surplus / (Deficit) - \$'000		3,880	(2,966)	(1,558)	(272)	76	353	502	673	695	855	1,018	1,173
Operating Surplus Ratio - %		16.3%	(15.6)%	(7.2)%	(1.2)%	0.3%	1.4%	2.0%	2.6%	2.6%	3.1%	3.6%	4.0%
Net Financial Liabilities - \$'000		(25,563)	(18,785)	(14,676)	(16,669)	(19,265)	(18,030)	(22,201)	(23,080)	(27,196)	(31,603)	(36,074)	(40,145)
Net Financial Liabilities Ratio - %		(107)%	(99)%	(67)%	(74)%	(82)%	(74)%	(88)%	(88)%	(101)%	(114)%	(126)%	(136)%
Asset Renewal Funding Ratio %		84%	49%	94%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Asset Sustainability Ratio %		56%	37%	55%	60%	65%	75%	81%	130%	61%	59%	57%	60%

Rolling 5 year Forward													
Operating Surplus / (Deficit) - \$'000		(841)	(4,367)	(899)	1,332	2,299	3,078	3,743	4,414	NA			
Operating Surplus Ratio - %		(0.8)%	(3.9)%	(0.8)%	1.1%	1.8%	2.4%	2.8%	3.2%				
Net Financial Liabilities - \$'000		0	0	(642)	(600)	(620)	(579)	(538)	(496)				
Net Financial Liabilities Ratio - %		(86)%	(79)%	(77)%	(81)%	(87)%	(94)%	(104)%	(114)%				
Asset Renewal Funding Ratio %		84%	49%	94%	100%	100%	100%	100%	100%				