LOWER EYRE
COUNCIL

LONG TERM FINANCIAL PLAN 2021-2030

REVIEW 2

April 2023

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PURPOSE OF THE LONG TERM FINANCIAL PLAN

The Long Term Financial Plan has been developed in accordance with the requirements of the Local Government Act 1999, and forms part of Council's Strategic planning documents.

The purpose of the plan is to measure the Council's capacity to fund the objectives and services as set out in the Strategic Plan, and to ensure that the Council is adequately providing for Asset replacement.

The ten year plan has been set based on the premise that Council wishes to be financially sustainable over the ten year period, achieving at least a break even position over this time frame.

1. ASSUMPTIONS

The following assumptions were used in the formulation of the Long Term Financial Plan:-

1.1. REVENUE

1.1.1. Consumer Price Index

The Consumer Price Index (CPI) being a measure of the average change over time in the prices paid by consumers for goods and services has been assumed at 1.75% over the life of the plan.

Review One - Comment

CPI has remained at 1.75% with years 2021-2023 being adjusted inline with actual CPI being:

2020/21	2.40%
2021/22	1.20%
2022/23	3.30%

Review Two - Comment

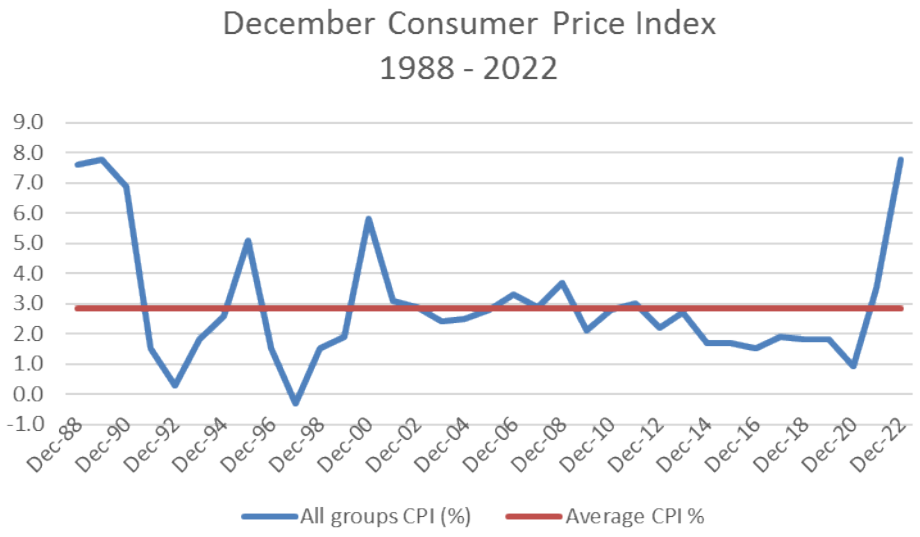
All Groups CPI for the December 2022 reached a record high since 1990 of 7.8% which is well in excess of the Reserve Bank of Australia's (RBA) monetary policy to keep consumer price inflation in the economy to 2-3 per cent, on average, over the medium term.

Between 1988 and 2021 the average December All Groups CPI has been 2.85% with the RBA forecasting that for the December 2023 and December 2024 periods CPI will be 4.75% and 3.25% respectively.

Given the above forecasts and CPI averages the Long Term Financial Plan has been adjusted with the following CPI figures:

2023/24	8.60%
2024/25	4.75%
2025/26	3.25%
2026/27	2.75%

The following table shows the CPI for the December quarter since 1988:



1.1.2. Growth / New Development

Growth being new development, consisting of new subdivisions and building construction on existing properties that Council will be required to service has been included at 1.00% per annum.

Review One – Comment

Growth has remained consistent at 1.00% with the 2020/21 year being adjusted to 0.90% inline with actual growth.

Review Two – Comment

Growth has remained consistent at 1.00% with the 2021/22 and 2022/23 years being adjusted to 1.10% and 0.80% respectively inline with actual growth.

1.1.3. General Rate Revenue

The Plan predicts an annual average rate increase of 0.77% above the annual CPI movement (or 2.57% including CPI) to existing properties which is considered reasonable given the number and cost of new assets that Council is aiming to construct over the ten year period.

Council aims to ensure that it has sufficient funds available to renew or replace assets when they reach the end of their life which has resulted in an annual average rate increase of 0.44% to fund the replacement of new assets that are constructed over the life of the plan.

In addition the following once off general rate increases have been included to fund specific projects included within the Plan:

2022	Additional Rubble Road Construction	1.34%
2023	Sealed Road Loan Repayments	0.65%
2024	Sealed Road Loan Repayments	0.85%
2025	Bratten Way Rehabilitation Loan Repayments	1.10%

Below is a table that details the anticipated general rate revenue increases over the life of the plan to existing properties:

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
PROJECTED RATE GENERAL INCREASES	**1.89%**	**3.31%**	**2.65%**	**2.82%**	**3.55%**	**2.50%**	**1.86%**	**2.56%**	**2.32%**	**2.35%**
- Consumer Price Index	2.40%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
- Sealed Road Loan Repayments			0.65%	0.85%						
- Depreciation Expense		0.22%	0.25%	0.22%	0.70%	0.75%	0.11%	0.81%	0.57%	0.60%
- Bratten Way Rehabilitation Loan Repayments					1.10%					
- Increase in Rubble Road Resheeting Works		1.34%								
- Other Strategic Objectives	-0.72%									
- Other Legislative Requirements	0.64%									
- Loss of Services	-0.43%									

The demands of road sealing in both urban and rural areas to cope with increased population levels, increased tourism numbers, and the subsequent increases in traffic movements are considered to warrant an increased investment in road works by Council. It is considered that the community would support this additional level of rate payments to achieve a large program of sealed roads capital works.

Review One – Comment

A review of project timing and cash reserve accounts has resulted in adjustments to the proposed general rate revenue increases. The annual average rate revenue increase has decreased from 0.77% to 0.61% in review 1. The adjusted general rate revenue increases are detailed in the below table:

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
PROJECTED RATE GENERAL INCREASES	**2.79%**	**3.76%**	**5.09%**	**3.61%**	**3.96%**	**3.47%**	**3.50%**	**2.85%**	**2.78%**	**3.31%**
- Development / Growth	0.90%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
- Consumer Price Index	2.40%	1.20%	3.30%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
- Sealed Road Loan Repayments			0.65%		0.85%					
- Depreciation Expense		0.22%	0.14%	0.46%	0.36%	0.72%	0.75%	0.10%	0.03%	0.56%
- Bratten Way Rehabilitation Loan Repayments				0.40%						
- Increase in Rubble Road Resheeting Works		1.34%								
- Other Strategic Objectives	-0.72%									
- Other Legislative Requirements	0.64%									
- Loss of Services	-0.43%									

The general rate revenue increase associated with loan borrowings for the Bratten Way Rehabilitation project have been reduced from 1.10% in 2025 to 0.40% in 2024 following a review of available cash reserve funding and future project works. In addition the 0.85% increase for sealed road loan repayments has been moved from 2024 to 2025 after a review of project timings and required loan borrowings.

Review Two – Comment

Project timings has been a key consideration as part of review two of the Long Term Financial Plan given the significant amount of unforeseen grant funding that Council has been awarded and resulted in new projects coming onboard and requiring staff resourcing.

A number of the new capital projects have been rescheduled as per section 2.1 of this report and a change in the use of fixed term debentures and management of cash on hand has resulted in changes to the proposed rate increases over and above CPI as detailed in the below table:

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
PROJECTED RATE GENERAL INCREASES	**2.79%**	**3.86%**	**5.15%**	**10.10%**	**6.50%**	**4.61%**	**3.93%**	**4.49%**	**4.41%**	**4.31%**
- Development / Growth	0.90%	1.10%	0.80%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
- Consumer Price Index	2.40%	1.20%	3.50%	8.60%	4.75%	3.25%	2.75%	2.75%	2.75%	2.75%
- Sealed Road Loan Repayments										
- Depreciation Expense		0.22%	0.14%	0.50%	0.00%	0.36%	0.18%	0.74%	0.66%	0.56%
- Bratten Way Rehabilitation Loan Repayments					0.75%					
- Increase in Rubble Road Resheeting Works										
- Construction Coordinator Position		1.34%								
- Other Strategic Objectives	-0.72%		0.48%							
- Other Legislative Requirements	0.64%		0.23%							
- Loss of Services	-0.43%									

The annual average rate revenue increase (excluding CPI) has further decreased from 0.61% in review 1 to 0.57% in review 2 with the previous 0.85% increase planned in the 2024/25 financial year for sealed road loan repayments no longer deemed necessary given the changes to debt and cash management practices detailed in section 5 of this report.

An increase in general rate revenue has still been included to make repayments for the Bratten Way Rehabilitation works and has been increased from 0.40% in the 2023/24 financial year to 0.75% in the 2024/25 financial year to coincide with project completion. The primary reason for the increase in percentage is attributed to the increased interest rates used in the plan for debentures from 3.00% to 6.00% following the Reserve Bank of Australia's 3.50% increase to the Offical Cash Rate since May 2022.

1.1.4. Other Revenues

Council also receives revenues from several other sources including statutory charges, user charges, reimbursements and other revenues. These items (excluding business activities) have been indexed inline with movements in the Consumer Price Index.

Review One – Comment

No changes have been made to assumptions made surrounding Other Revenue.

Review Two – Comment

No changes have been made to assumptions made surrounding Other Revenue.

1.1.5. Operating Grants

Council receives annual Financial Assistance Grants by way of a General Purpose and a Local Road grant which have been indexed inline with the Consumer Price Index movement.

The plan has assumed the continuation of the Local Government Supplementary Local Road funding that is provided to address the inequality in Local Road Financial Assistance Grant allocated to South Australian Councils.

Roads to Recovery grant has been included for the duration of the plan with the current five year program expiring in 2023/24. The Long Term Financial Plan includes an 8.80% increase to the current level of funding in the 2024/25 and 2029/30 financial years.

Review One – Comment

No changes have been made to assumptions made surrounding Operating Grants except to note that there is still no commitment for the continuation of the South Australian Supplementary Local Road Funding grant.

Review Two – Comment

No changes have been made to assumptions made surrounding Operating Grants except to note that there is still no commitment for the continuation of the South Australian Supplementary Local Road Funding grant.

1.1.6. Investment Income

Interest earned on investments has been calculated at an interest rate of 0.50% over the life of the plan.

Review One – Comment

No changes have been made to assumptions made surrounding Investment Income.

Review Two – Comment
The Reserve Bank of Australia has lifted the official cash rate 3.50% since May 2022 which has resulted in interest rates on deposits increasing from 0.50% to 3.80% as at March 2023. A rate of 3.55% on closing cash on held for the previous year has been used to calculate investment earnings has been used for the purposes of this review.

1.1.7. Effluent Service Charge
The Effluent Service Charge has been indexed inline with the movements in the Consumer Price Index.

As per legislative requirements any funds raised through service charges applied for the Community Wastewater Management Schemes must be quarantined for future use within the scheme. These funds are managed by Council through the provision of reserve accounts, with any excess funds allocated to the reserve and available for future asset renewals and general operations as required.

Review One – Comment
No changes have been made to assumptions made surrounding Effluent Service Charges.

Review Two – Comment
The Community Wastewater Management Schemes were subject to a revaluation and condition assessment with detailed componentisation as at 1 July 2021 which has resulted in the schemes annual depreciation expense increasing by 45% from $239,000 to $346,000.

This depreciation increase has resulted in the combined CWMS projecting an annual $131,000 operating deficit and indicates that the CWMS will likely be unable to fund all future asset replacements when required.

To bring the CWMS back to an operationally neutral position a 10.50% increase (over and above CPI) has been included as follows:

2024/25	1.25%
2025/26	2.75%
2026/27	3.25%
2027/28	3.25%

No additional growth has been included for the CWMS given minimal new connections are added annually.

1.2. EXPENDITURE

1.2.1. Operating Expenditure
Operating expenditures have been indexed inline with the movements in the Consumer Price Index.

Review Two – Comment
Operating expenses continue to be indexed inline with movements in the Consumer Price Index.

The following adjustments were made to annual operating expense accounts commencing from the 2023/24 financial year:

- $50,000 increase to unsealed road grading activities recognising the increased effort and average expenditures of this account over the past three years
- $8,000 increasing in Auditing costs to account for increased Audit & Risk Committee Independent Member sitting fees
- $10,000 allocation for Development Act Legal Fees following new legislated requirement to report legal fees incurred with Council's Annual Report.

1.2.2. Wages
The plan assumes no increase in the current levels of staffing and has assumed that wages increase inline with the movements in the Consumer Price Index.

Review One – Comment
No changes have been made to assumptions made surrounding Wages.

Review Two – Comment
No changes have been made to assumptions made surrounding Wages.

1.2.3. Finance Charges
Finance charges for new loan borrowings have been assumed at 3.00% for the life of the plan and may include both fixed term and cash advance loan facilities with the Local Government Finance Authority.

Review One – Comment
No changes have been made to assumptions made surrounding Finance Charges.

Review Two – Comment
The Reserve Bank of Australia has lifted the official cash rate 3.50% since May 2022 which has resulted in interest rates on loan facilities increasing from 2.30% to 5.55% as at March 2023 with a rate of 6.00% on all new loan facilities having been used for the purposes of this review.

The overall impact on this rate increases is detailed in full in section 5 of this report.

1.2.4. Depreciation
Depreciation has been calculated using the 'Straight Line Method' based on Current Replacement Cost (CRC) of an asset and its expected life. Annual depreciation amounts have been indexed inline with the assumed Consumer Price Index Movement to ensure depreciation rates maintain relativity to the cost of renewing or replacing assets in any given year.

Review One – Comment
No changes have been made to assumptions made surrounding Depreciation.

Review Two – Comment
All of Council's asset classes (excluding Machinery, Plant & Equipment and Furniture and Fittings) were revalued as at 1 July 2021 which resulted in an $867,000 per annum increase in annual depreciation expense between the 2020/21 and 2021/22 financial years with the key asset class movements being:

Asset Class	$'000 2020/21	$'000 2021/22	$'000 Difference
Buildings & Other Structures	644	739	95
CWMS	239	346	107
Sealed Roads	757	1,001	244
Formed & Surfaced Roads	816	1,232	416

Depreciation is still indexed annual inline with movements in the Consumer Price Index.

2. CAPITAL WORKS

2.1. Capital Works Plan

Council developed a ten year capital works plan that included $14.29m of works that are to be funded by a combination of cash, loan and grant and are summarised in the following 11 categories:

- Community Facilities $1,200,000
- Footpaths $901,000
- Infrastructure (Non-Roads) $850,000
- Other $600,000
- Roads $9,546,250
- Streetlighting $255,000
- Playgrounds / Reserve Upgrades $305,000
- Community Contributions $80,000
- Stormwater Improvements $60,000
- Cemetery Improvements $65,000
- District Enhancements $430,000

A full breakdown of the identified projects and their anticipated timings are provided in Appendix A.

As detailed above new road sealing works and rehabilitation of current sealed roads has been a key consideration in the review and development of this Long Term Financial Plan. Of the $9.55m allocated to roads, $5.24m of this relates to constructing and seal new roads and $4.11m to renewing, rehabilitating and upgrading current sealed roads.

Of these road works the Plan includes the following projects subject to the receipt of either grant or external party funding being received as follows:

- Bratten Way Rehabilitation - $3.80m total project - $2.53m Grant Funding
- Farm Beach Road Sealing - $3.77m total project - $2.52m Grant Funding
- Airport Lane Sealing - $3.24m total project - $2.16m Grant Funding
- Fishery Bay Sealing - $4.15m total project - $3.32m external funding

The Bratten Way Rehabilitation works has been a key consideration in the review and development of this Long Term Financial Plan. It is envisaged that to ensure Council's continued financial sustainability that additional rate increases totalling 1.10% in the 2024/25 financial year will be required to fund loan repayments associated with the $3.80m, three year Bratten Way Rehabilitation project.

The plan has been developed based on Council being successful with Special Local Roads funding applications. In addition Council will be pursuing other funding opportunities for Bratten Way works with the State and Federal Governments.

Review One – Comment
The following adjustments have been made to the Capital Works Plan:

Project Title	Year	Est Cost	Comment
Esplanade - Chemist to Town Entrance, Coffin Bay	2025	$40,000	Funded by LRCIP in 2020/21 - Removed
Cummins Railway Triangle Playground Upgrade	2025	$30,000	Funded by LRCIP in 2022/23 - Removed
Cummins Railway Triangle Playground Upgrade	2028	$30,000	Funded by LRCIP in 2022/23 - Removed
Playground Equipment - Unallocated Allocation	2025	$20,000	Funded by LRCIP in 2022/23 - Removed
Playground Equipment - Unallocated Allocation	2026	$20,000	Funded by LRCIP in 2022/23 - Removed
North Shields Playground Reserve Beautification	2027	$30,000	Funded by LRCIP in 2022/23 - Removed
North Shields Playground Reserve Beautification	2030	$30,000	Funded by LRCIP in 2022/23 - Removed
Louth Bay Jetty Precinct Beautification	2029	$30,000	Funded by LRCIP in 2020/21 - Removed
Depot Upgrades / Expansion	2023	$400,000	Deferred 1 year
Administration Building Upgrades	2024	$200,000	Deferred 1 year
Engineering assessment of Flinders Highway & Coulta Bridges	2023	$10,000	Removed - Included in 2022 so not required
Coastal Access Projects / Upgrades	2023-2025	$45,000	Removed as no scope provided.
Coffin Bay Stormwater Management Plan Implementation Works	2023	$50,000	Deferred to 2025
Contribution towards tidal mitigation engineering, Tulka	2023	$30,000	Deferred 1 year
Streetlighting Capital Works	Misc	$255,000	Deferred all projects 1 year
Dodd Road / Stamford Industrial Area Intersection Upgrade	2022	$170,000	Deferred to 2023
Construct & Seal Ford Avenue	2023	$250,000	Deferred to 2024
Bratten Way Rehabilitation	2025	$314,000	Increased to $500,000
Bratten Way Rehabilitation	2027	$314,000	Increased to $500,000
Bratten Way Rehabilitation	2029	$314,000	Increased to $500,000
Construct & Seal Fishery Bay Road	2028	$830,000	Removed

The following projects have been included or adjusted in the Capital Works Plan due to receipt of funding under Phase 3 of the Local Roads and Community Infrastructure Program:

Project Title	**Est Cost**	**Previous Year in LTFP**
Railway Triangle Upgrade	$270,000	2025 & 2028
Playgrounds Softfall installation	$140,000	N/A
Shade Sail Installation	$180,000	N/A
Adventure Bike Trail	$10,000	N/A
Flinders Highway Upgrade	$100,000	2022
Oyster Walk Wayfinding Signage	$15,000	N/A
Cummins hospital carpark reseal	$45,000	N/A
Footpath programs	$256,588	
- Coffin Bay Oyster Walk Rubble Upgrade	$39,100	N/A
- Easton Road - Dorward Street to Boat Ramp, North Shields	$53,750	2024
- Natasha Drive - Hirchausen Road to Road Bend, Poonindie	$38,750	2024
- Campbell Court to Louth Terrace Playground, North West Ring Route, Louth Bay	$125,000	2023

Review Two – Comment

Council has received unusually high levels of grant funding in the past 2-3 years, namely through the Local Roads and Community Infrastructure Program which has resulted in a significant number of new and unplanned capital works projects coming online and requiring prioritisation. This has resulted in a number of Council funded projects requiring deferral pending the availability of staff resourcing and suitable contractors with the changes to the new capital works projects listed in the below table:

Project Title	Year	Est Cost	Comment
Depot Upgrades / Expansion	2024	$400,000	Deferred 1 year
Administration Building Upgrades	2025	$200,000	Deferred 1 year
Brinkworth Reserve Public Toilet Upgrade Contribution	2024	$50,000	Brought forward to 2023 and reduced to $20,000 inline with Council resolution
Florence, St Andrews Rd, East Terrace, Sabey Cummins	2025	$230,000	Deferred 1 year
Murray Drive, North Shields	2027	$200,000	Deferred 1 year
Boundary Rd (jointly with CPL), Boston	2024	$300,000	Deferred 1 year
Ford Ave, Boston	2024	$250,000	Deferred 1 year
Roberts Rd - Stage 2, Tiatukia	2026	$420,000	Deferred 1 year
Brocubruna Drive, Mount Dutton Bay	2024	$150,000	Deferred 1 year
Farm Beach Road	2025	$629,000	Deferred 2 years
Farm Beach Road	2026	$629,000	Deferred 2 years
Bratten Way Rehabilitation	2024	$426,000	Increased to $750,000 and made subject to SLRP funding
Bratten Way Rehabilitation	2025	$500,000	Increased to $750,000 and made subject to SLRP funding
Bratten Way Rehabilitation	2027	$500,000	Brought forward 1 year, increased to $600,000 and made subject to SLRP funding
Bratten Way Rehabilitation	2029	$500,000	Increased to $600,000
White Flat Road Rehabilitation	2027	$813,000	Deferred 1 year and combined with year 2 of project. Now funded from Asset Sustainability Reserve
Airport Lane	2029	$540,000	Deferred 1 Year
Airport Lane	2030	$541,000	Deferred 1 Year
Campground Improvements, Louth Bay	2024	$60,000	Toilet Block in reasonable condition and covered through Asset Management Plan and Reserve
Streetscape Improvements, North Shields	2024	$20,000	Deferred 1 year
Coffin Bay Swimming Area Implementation	2024	$100,000	Deferred 1 year
Stormwater impact investigation, Wangary	2024	$10,000	Deferred 1 year
Tidal mitigation engineering contribution, Tulka	2024	$30,000	Deferred 1 year
Kerbing and Swale Drain Improvements, Boston	2024	$200,000	Deferred 1 year
Street Lighting Capital Works	Various	$255,000	Deferred 1 year each project

Asset Management Plan
Exclusive of sealed and unsealed roads the Long Term Financial Plan includes $9.40m of works associated with assets that have been identified in Council's Asset Management Plan as reaching the end of their useful lives over the duration of the Plan.

In addition a $1.32m annual provision has been included for sealed and unsealed road renewal works which factors in a $250,000 increase to the annual allocation for rubble road resheeting in recognition of the identified backlog and future works for these categories of assets.

The funding of the above asset renewal works is achieved through Council previously adopting an asset renewal methodology that aims to fund the replacement of its infrastructure and building assets in any given year to the extent of 90% of annual depreciation and to replace plant assets to the extent of 100% of annual depreciation.

In addition to the above 50% of Council's annual growth is being allocated to the Asset Sustainability Reserve to enable assets to be renewed inline with their replacement schedules.

Review One – Comment
In reviewing the Asset Management Plan the following adjustments have been made:

Project Title	*Year*	*Est Cost*	*Comment*
SI0009 – Playground – Railway Triangle	*2027*	*$63,100*	*Removed – Playground replaced and upgraded in 2022/23 under LRCIP program*
BD0006 - Fitout - Coffin Bay Caravan Park Southern Ablution Block	*2024*	*$93,643*	*Pushed back to 2029 following staffing discussion regarding timing of required expenditures*
CP0028 - Power Supply Incl Lights - Electrical - Coffin Bay	*2024*	*$68,083*	*Pushed back to 2028 inline with replacement of power outlets to achieve economy of scale with electrical work required*

Review Two – Comment
All of Council's asset classes (excluding Machinery, Plant & Equipment and Furniture and Fittings) were revalued as at 1 July 2021 which resulted in the alteration to asset replacement costs, useful lives, condition and remaining lives.
This revaluation has resulted in new asset renewal timings which have been updated in the latest 2023-2032 Asset Management Plan and subsequently entered into review 2 of the Long Term Financial Plan.

The adopted asset renewal funding methodology remains unchanged with Council's Asset Sustainability Reserve indicating a $4.75m balance as at 30 June 2030.

3. BUSINESS ACTIVITIES

3.1. Port Lincoln Airport
The Port Lincoln Airport will remain in debt for the life of the plan. While the existing debt will be repaid by 30 June 2029 the plan has been developed based on Council extending the main runway in 2029/30, with this $8.0m project funded by a combination of grant, cash and $3.70m of new loan borrowings.

The Port Lincoln Airport has been significantly affected by the COVID-19 pandemic which saw a rapid decline in passenger movements from the general 170,000 annual movements to an estimated 80,000 passenger movements in 2020/21.

The Plan includes a steady return in passenger movements to a peak 160,000 annual passengers in 2024/25 which is 10,000 movements less per annum than historically experienced. This in on the basis that COVID-19 has caused a shift to online / video conference based meetings that is anticipated to reduce business related travel, partially off set by increased regional visitation for visiting friends and relatives and holidays.

A 16 percent increase in the passenger levy over the ten year period has been included along with capital works expenditure totalling $11.56m.

The airport shows an average operating loss of $84,600 per year over the ten years which is due to the impact of the COVID pandemic on passenger movements and the predicted passenger recovery model. This has resulting in the 2021-2024 years yielding an average annual operating loss of $346,700 whist the 2025-2030 period predicts an average annual operating profit of $90,000 following the return to full operations and passenger numbers post the COVID-19 downturn.

The Port Lincoln Airport continues to provide 6% of its operating income as a return on investment to Council's ratepayers. This averages $109,700 per annum over the life of the plan and equates to a 1.62% of Council's 2020/21 general rate revenue saving to Council's ratepayers.

The overall financial position of the Port Lincoln Airport is considered reasonable given the Plan predicts the repayment of the current debt whilst undertaking $11.56m of capital works and returning to an annual operating profit.

Review One – Comment
The reduction to annual passenger movements due to COVID-19 have not been as sustained as initially predicted resulting in adjustments to annual operating income. Subsequently the Port Lincoln Airport repays outstanding debt in the 2026/27 year and yields an average operating loss of $58,000 over the life of the plan as opposed to the initial $84,600 average annual operating loss.

Review Two – Comment
Passenger numbers have rebounded post the COVID-19 pandemic quicker than anticipated with the airport on track for upwards of 170,000 passenger movements in the 2022/23 financial year.

Given the increase in passenger movements the airports LTFP has been adjusted to maintain 170,000 annual passenger movements over the life of the plan with a $0.50 per passenger increase to the head tax every 3 years.

Despite the increase in annual passenger movements the airport projects a $236,800 annual operating deficit.

3.2. Coffin Bay Caravan Park

The Caravan Park will operate with a cash deficit until 2022/23 being a legacy of not borrowing for overheads apportioned to the Caravan Park in the building of ablution blocks.

A total of $950,000 of capital works (as listed below) are included in the plan of which $536,000 relate to the renewal or replacement of existing assets identified as reaching end of life over the duration of the Plan.

- Upgrade and extension of cottage	$111,500	2021/22
- Park expansion	$345,000	2022/23
- Replacement of effluent system	$123,000	2025/26
- Replacement of barbeque 1	$9,000	2026/27
- Replacement of Power Supplies & Outlets	$232,500	2027/28
- Replacement of barbeque 2	$14,000	2028/29
- Fitout of southern ablution block	$115,000	2028/29

The Coffin Bay Caravan Park continues to provide 6% of its operating income as a return on investment to Council's ratepayers. This averages at $7,800 per annum over the life of the plan and equates to a 0.12% of Council's 2020/21 general rate revenue saving to Council's ratepayers.

The Caravan Park as at 30 June 2030 will have a total debt closing balance of $130,000 and a $14,500 cash deficit.

The ten year plan provides for a $30,000 average annual operating profit, sufficient funds to renew / replace assets when due and repay loan borrowings for new capital works which is considered to be a good result.

Review One – Comment

The park expansion project has been deferred for two years to the 2024/25 financial year. No other amendments have been made.

Review Two – Comment

No amendments to the Coffin Bay Caravan Park have been made in review 2 of the plan.

3.3. Cummins Homes

Occupancy rates at the Cummins Homes have improved in recent years, to the extent that the plan has been put together based on approximately 85% occupancy per year. The increased occupancy relates to a combination of more pro active management of the facility, increased demand for such accommodation and significant capital renewal works that have modernised the facilities.

The capital works included for the Cummins Homes over the life of the plan include:

- Replacement of septic tank (renewal)	$15,000	2020/21
- Construction of new carport	$57,500	2023/24
- Fit-out of Units 7 & 8 (renewal)	$99,000	2025/26
- Replacement of carport (renewal)	$17,300	2027/28

The Cummins Homes will operate with a cash deficit over the life of the plan however this deficit will reduce from $136,200 as at 1 July 2020 to $26,200 as at 30 June 2030.

As an action flowing from Councils 'Health & Ageing inn the Community Project the Council have resolved that the Cummins Homes does not have to pay interest to Council on this accumulated debt.

The Cummins Homes shows an operating loss averaging $29,900 per year over the ten years which is of some concern for the overall longevity of the Cummins Homes. However it should be noted that the Cummins Homes are not funding the significant cost associated with the recent kitchen refurbishments as these are being funded by Council General Rate Revenue. In effect it could reasonably be said that this decision of Council means that the Cummins Homes are not required to fund full depreciation of the facility.

Review One – Comment
No adjustments have been made to the Cummins Homes Reserve.

Review Two – Comment
No adjustments have been made to the Cummins Homes Reserve.

3.4. Community Waste Water Management Schemes

The CWMS cash flow is projected to decrease to a negative $96,500 position in the 2022 financial year following significant capital works on all schemes along with routine desludging requirements.

The CWMS is forecast to have a cash closing balance of $2.25m as at 30 June 2030 however this is due to the limited capital new and renewal works identified over the life of the plan.

It is envisaged that additional capital renewal works will be identified following a more detailed componentisation, condition assessment and revaluation of the CWMS assets scheduled for the 2021/22 financial year which will result in a reduced closing cash balance as at 30 June 2030.

There is $1.69m of capital works included in the ten year plan for the CWMS' of which $745,300 are included for the upgrade and replacement of pump stations in Cummins and aligns with the identified works within Council's Asset Management Plan.

Total capital works are summarised per township as follows:

- Coffin Bay $187,000
- Cummins $1,251,300
- North Shields $130,400
- Tulka $122,700

The CWMS' show an overall operating profit average of $46,600 over the ten years of the plan which includes an average service charge increase of 1.75 percent per annum which is inline with assumed movements in the Consumer Price Index.

Review One – Comment
Council has accepted pricing for the replacement and upgrade of pump stations in Cummins, North Shields and Tulka which has been adjusted for within the CWMS' reserve.

The replacement of the Coffin Bay Lagoon liner has been deferred to the 2025/26 year at a cost of $150,000 and a provision has been made for a capacity upgrade to the Coffin Bay Wastewater Treatment Plant at a cost of $1.0m.

The above items has resulted in the reserve going into a negative cash position for the life of the plan with a maximum negative cash position of $1.34m as at 30 June 2023 and negative $783,000 as at 30 June 2030.

Review Two – Comment

The Community Wastewater Management Schemes were revalued and undertook a detailed asset componentisation as at 1 July 2021 which resulted in annual depreciation expenditure increasing from $239,000 to $346,000 per annum (an increase of $107,000).

The revaluation and condition assessment has resulted in a new asset renewal schedule and an increase of $580,000 in asset renewals over the 2023/24 to 2029/30 period compared to review 1.

As detailed in section 1.1.7 due to the increased annual depreciation and subsequent average annual operating deficit projections a 10.5% increase (over and above CPI) to the annual service charge has been factored in to bring the consolidated schemes back to an operationally neutral position by the end of the plan.

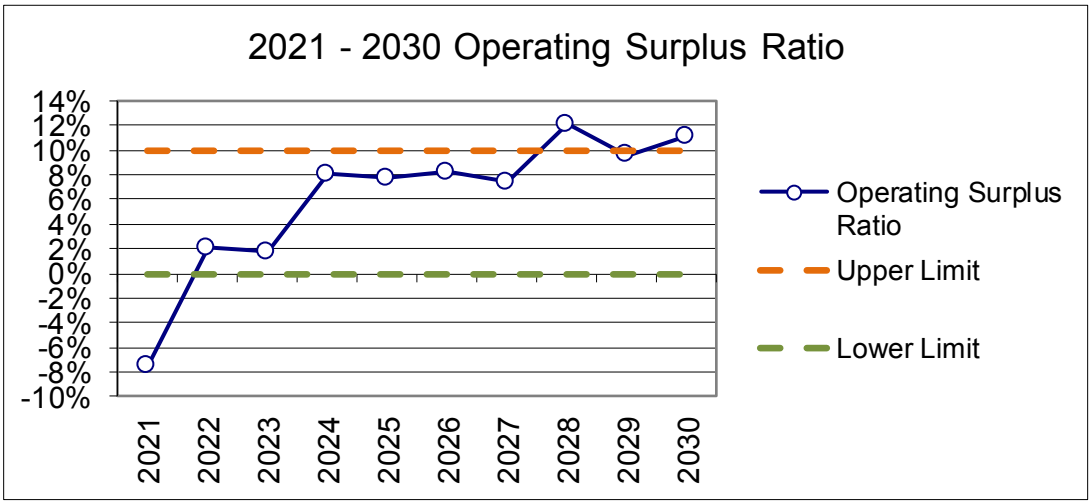
4. SUSTAINABILITY RATIOS

4.1. Operating Surplus Ratio

The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of total operating income.

The operating surplus ratio averages 6.05% over the ten years of the plan, and ranges from a surplus ratio of negative 7.44% in 2020/21 (primarily due to carryover works from 2019/20) to 12.08% in 2027/28.

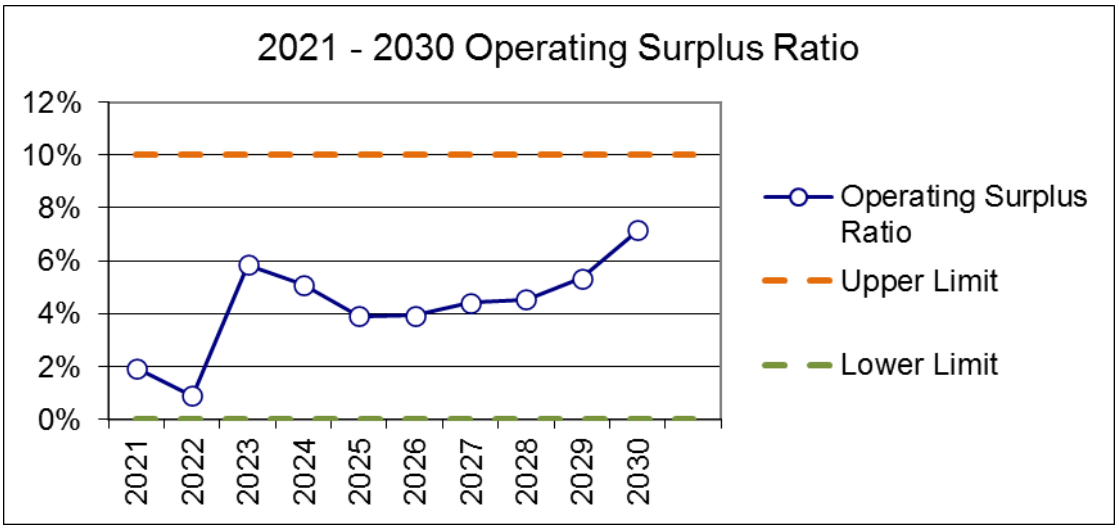
An Operating Surplus Ratio ranging from 0% to 10% is considered sound for Local Government, and on that basis the surplus is considered to be appropriate.



Review One – Comment

Adjustments made to projects identified within the Capital Works Plan as detailed in section 2 and adjustments made to rate revenue increases as detailed in section 1 has resulted in an average operating surplus ratio of 4.31% being down 1.74% on the initial 6.05%.

This is still considered a sustainable operating position for Council as it indicates that Council should have sufficient revenue to fund annual operations and replace assets when required.

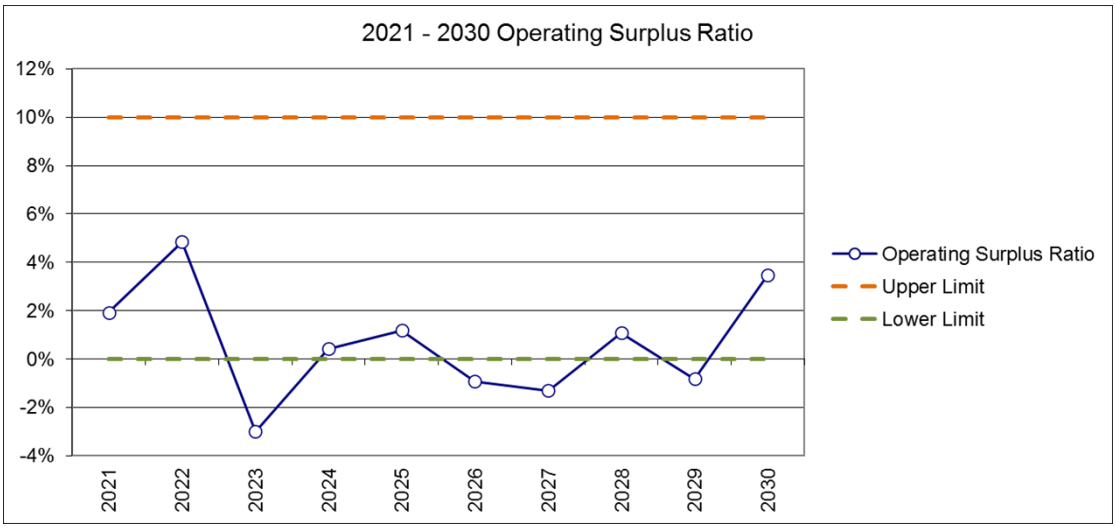


Review Two – Comment

The adjustments to the plans operating expenses and incomes as detailed in sections 1.1 and 1.2 has resulted in a 0.47% average operating surplus ratio over the 10 year life of the plan and is 5.58% down on the initial plans average of 6.05%.

The primary reason for this decrease is due to the significant annual depreciation expense increase following the 1 July 2021 revaluations as detailed in section 1.2.4 of this report.

A range between 0% - 10% is considered reasonable for Local Governments and therefore Council should still have sufficient revenues to fund its annual operations and replace assets when required.



4.2. Net Financial Liabilities Ratio

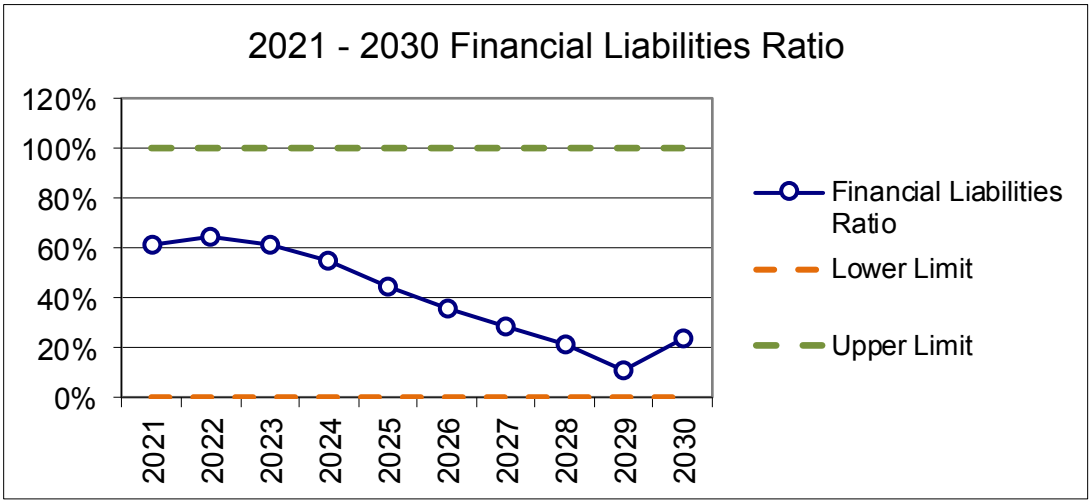
The net financial liabilities ratio is calculated by expressing net financial liabilities as a percentage of operating revenue.

The Local Government Association suggests a Council's net financial liabilities ratio should range between 0% and 100% of total operating income.

Over the ten year plan this ratio declines from a maximum 65% in 2021/22 to 11% in 2028/29, reflecting the build up of cash reserves and decrease in debt held by the Council. The ratio increases to 24% in 2029/30 due to the extension of the Port Lincoln Airport runway 01/19 which requires $3.70m of new loan borrowings.

The significant improvement in Council's net financial liabilities ratio is attributed to the following:

- A build up in Council's reserve funds with a total of $5.26m in cash reserves at the end of the ten year plan.
- Repayment of $3.15m of debt associated with the Port Lincoln Airport by 30 June 2029.

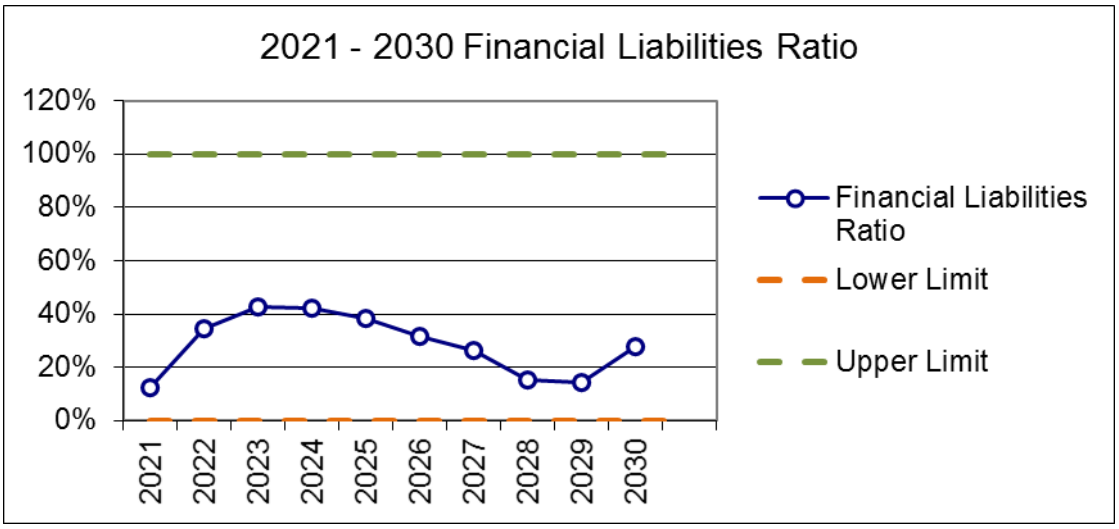


Review One – Comment

Adjustments made to the timing of capital projects and associated loan borrowings as detailed in section 2 and the receipt of LRCIP funding, subsequently reducing Council's net borrowings required has resulted in Council average annual net financial liabilities ratio decreasing from a maximum 65% in 2021/22 to 43% in 2022/23.

The ratio reduces to 14% in 2028/29 reflecting a repayment of borrowings associated with the Port Lincoln Airport prior to new borrowings being drawn for the airport runway extension project in 2029/30.

The net financial liabilities ratio remains within recommended ranges.



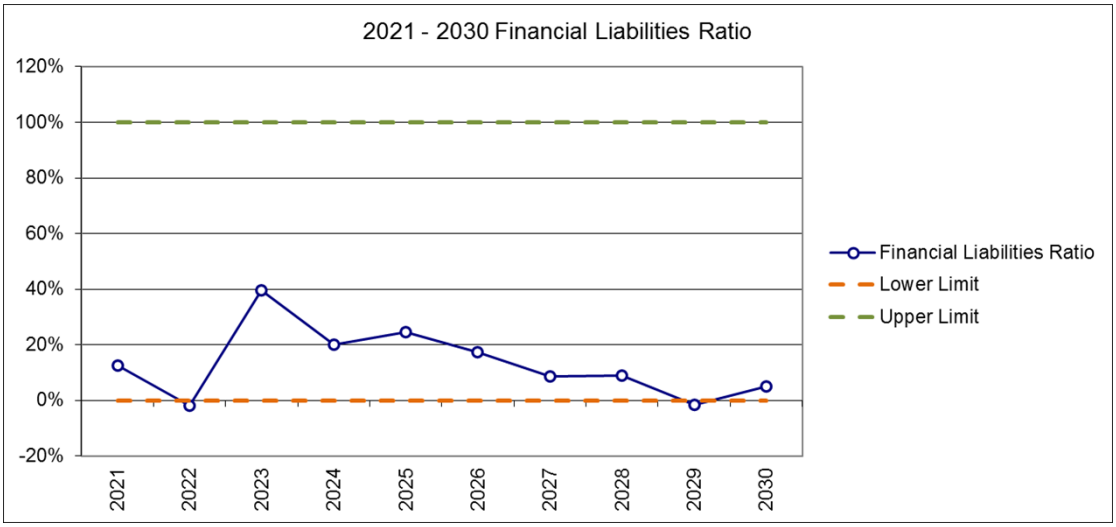
Review Two – Comment

This review has incorporated a new loan and cash management policy whereby Council will utilise available cash on hand prior to taking out loan borrowings associated with new capital works projects.

This methodology projects no new Council borrowings (excluding self-funded business activities) being required to the end of the plan and will result in a $1.19m net interest saving for Council over the 2023/24 to 2029/30 financial years.

With no new borrowings projected Council net debt position reduces from $3.06m as at 30 June 2023 to $180,500 and is associated with the self-funded Coffin Bay Caravan Park.

The Financial Liabilities Ratio therefore averages 13% over the life of the plan and reduces from 40% in 2022/23 to 5% in 2029/30 and is well below the recommended upper threshold of 100% for Local Governments.



4.3. Asset Renewal Funding Ratio

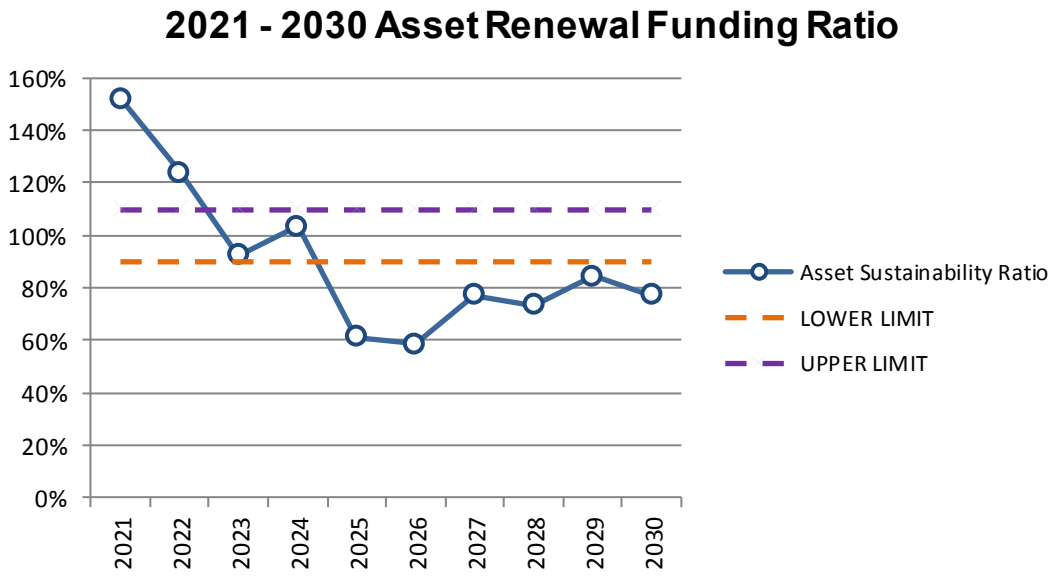
The Asset Renewal Funding Ratio is calculated by measuring capital expenditure on renewal or replacement of assets, divided by the level of spend specified in the Asset Management Plan (annual depreciation has been used in this plan).

The LGA suggest Councils should be aiming for a result between 90-100 percent.

Council aims to achieve an asset renewal target of 90% of Council's annual infrastructure and building depreciation and 100% of annual plant depreciation.

The 90% of Council's infrastructure and building depreciation target is based on the fact that it is not uncommon to find that asset life for these typically longer life assets is slightly longer than is reflected in valuation figures, and that non rate revenue can assist with the replacement of significant assets, an example being Roads to Recovery grants.

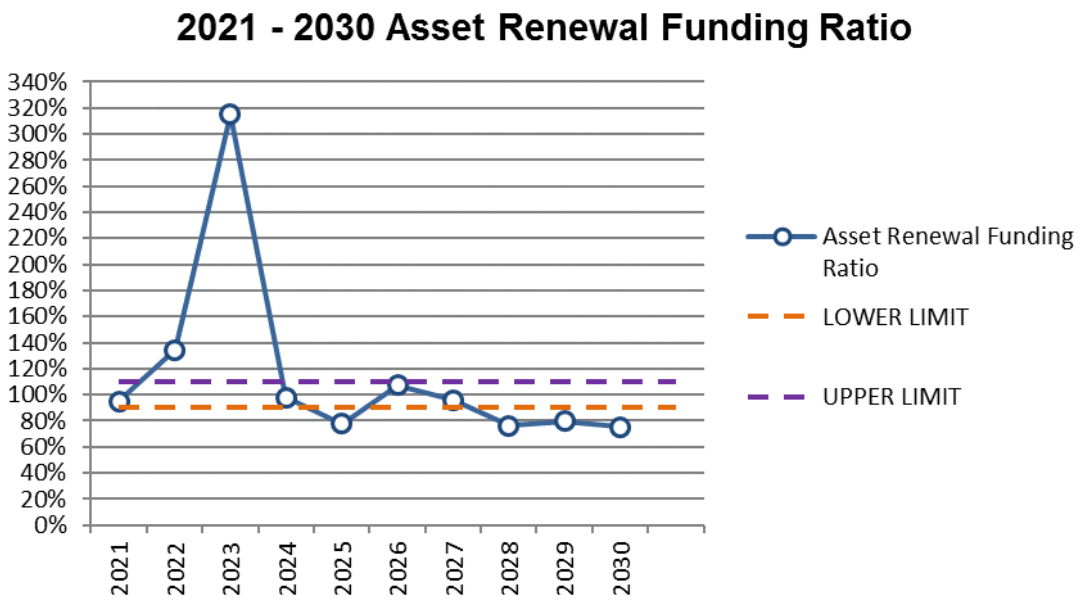
The Asset Renewal Funding Ratio reflects that on average Council is expending 90 percent of annual depreciation each year on the renewal of assets which is a good result.



Review One – Comment

The previous revision of the Long Term Financial Plan utilised depreciation expenditure as its denominator for calculating the Asset Renewal Funding Ratio. The adoption of the Asset Management Plan has resulted in the Long Term Financial Plan assessing annual expenditures on the renewal of assets against expenditures required per the Asset Management Plan. This has resulted in significant alterations to the Asset Renewal Funding Ratio for review one of the Long Term Financial Plan.

The ratio averages 115% over the life of the plan however this is inflated due to significant expenditures on the rehabilitation of Bratten Way being expected in the 2022/23 year. Excluding this year the ratio averages 93% which is still within the recommended range of 90% - 110% and indicates that Council's asset should be maintained over the life of the plan.



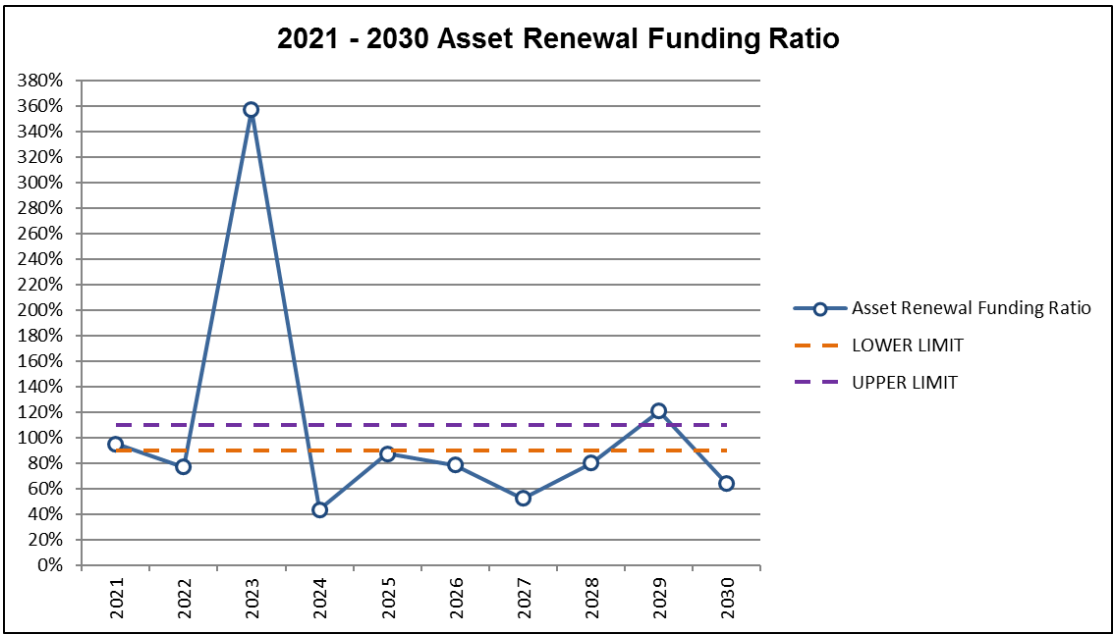
Review Two – Comment

Following the revaluation of assets as at 1 July 2021, as detailed in section 2.2 of this report a revised program of asset renewal works have been included in the LTFP and has resulted in an annual average Asset Renewal Funding Ratio of 106%.

Whilst the ratio exceeds the 100% upper limit this is predominantly due to the significant levels of Bratten Way Rehabilitation works that have been projected across the 2023 to 2026 financial years.

The Asset Management Plan indicates approximately $4.5m per annum of asset renewal works are required on sealed and unsealed roads from the 2024 – 2028 financial years which is well in excess of annual depreciation and the annual sealed and unsealed road renewal budget of $1.68m.

Further validation of the Asset Management Plans project timings and costs is required to identify the priority projects that need to be undertaken by Council within resourcing capabilities.



5. COUNCIL DEBT

Council's policy on loan borrowings reflects that Council will maintain its annual debt repayments for loans serviced by general rate revenue at less than a 15 percent of general rate revenue.

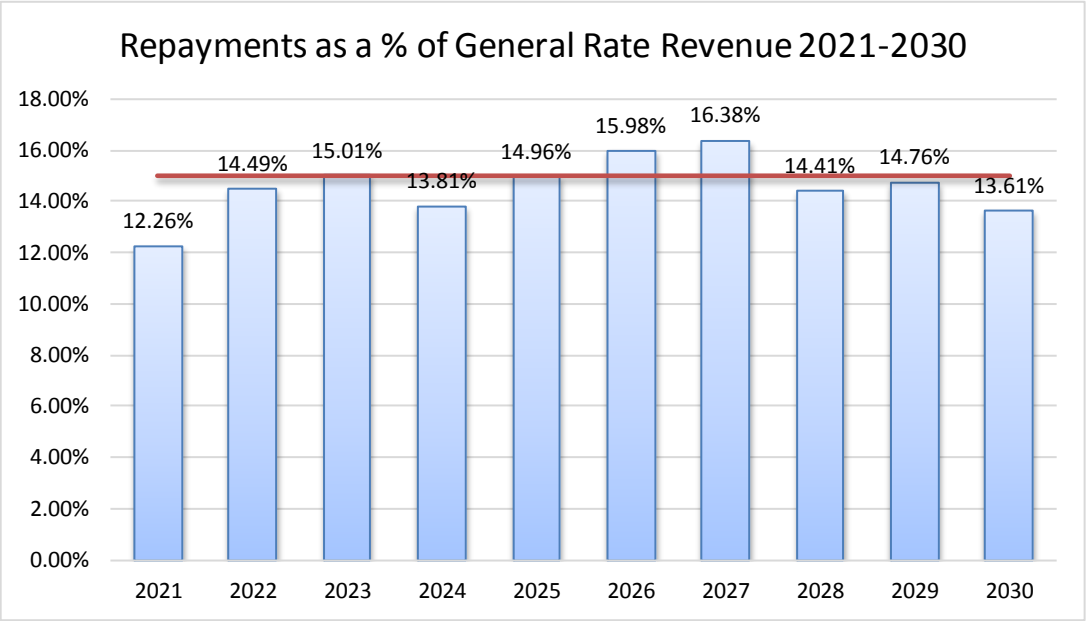
Over the 10 years of the Long Term Financial Plan these repayments amount to an annual average of 14.57% of general rate revenue with peak repayments of 16.38% in the 2026/27 financial year and repayments exceeding the 15 percent threshold in three of the ten years.

Total Council debt (excluding business activities and self funding loans) increases from $4.67m in 2020/21 to $7.35m in 2029/30 of which $0.91m relates to the Bratten Way Rehabilitation works which are funded through a 1.10% increase in rates in the 2024/25 year.

Major new Capital Works have been funded entirely by loan borrowings, with repayments of such loans factored into subsequent year cash flows. This methodology is considered to be sound, and allows routine cash flow streams to be used to replace and manage existing infrastructure.

The total debt level, and repayments as a percentage of general rate revenue are considered to be at a sustainable level.

The following graph details the levels for each financial year:-

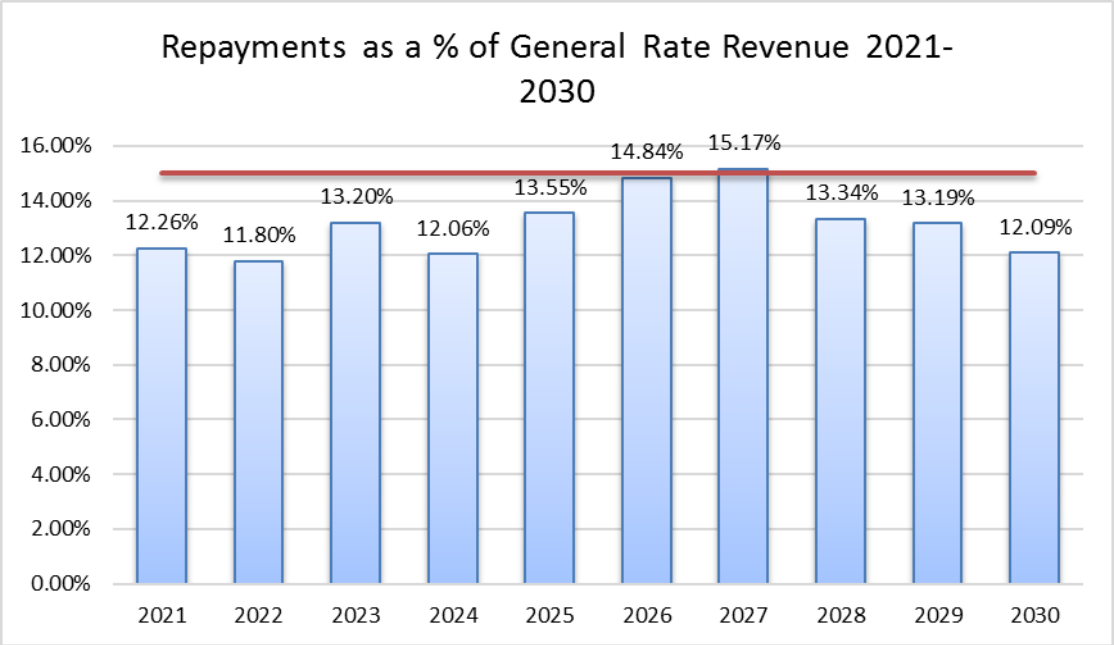


Review One – Comment

Total loan borrowings required have reduced due to the receipt of Local Roads and Community Infrastructure Program funding, alteration to capital projects as detailed in section 2 and the review of borrowings associated with the Bratten Way Rehabilitation project.

Council's nominated 15% threshold of loan repayments as a percentage of general rate revenue is only exceeded once during the life of the plan in the 2026/27 year as opposed to three times as part of the initial plan.

Total Council debt reaches a maximum of $8.3m as at 30 June 2025 of which $1.45m relate to self funded or business activities resulting in net Council debt of $6.85m.



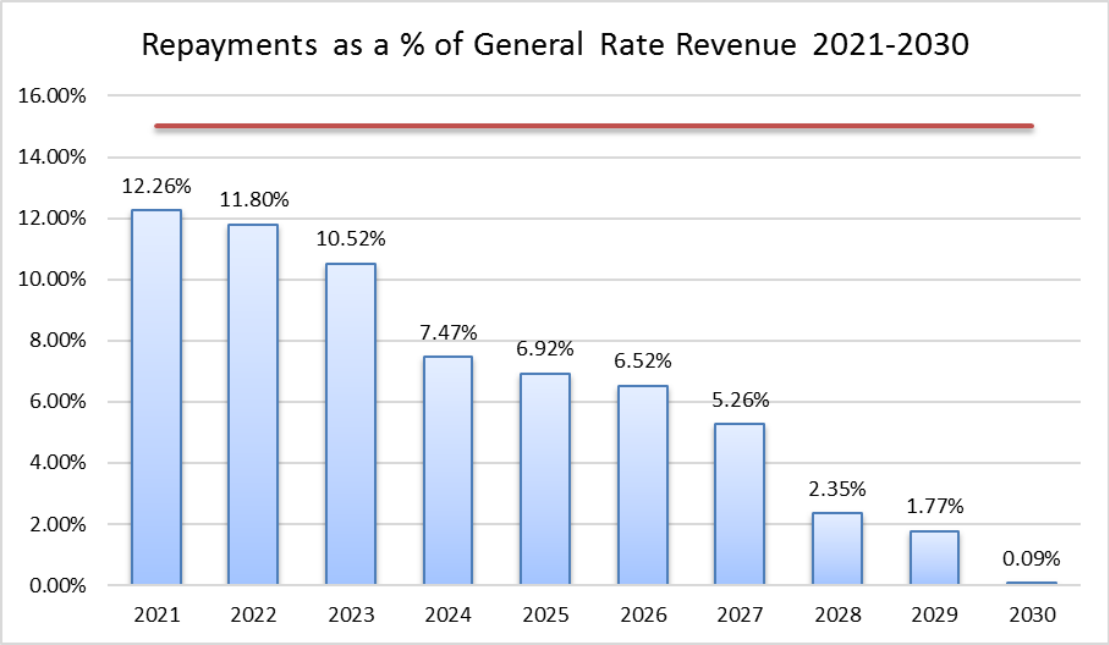
Review Two – Comment

Council reviewed and adopted its Treasury Management Policy in March 2022 with a key purpose to ensure that the net cost associated with borrowing and investing are minimised over the longer term and that Council maximise its return on surplus funds.

Previous revisions of the LTFP projected significant cash surplus' over the life of the plan due to a number of internal reserve funds, namely the Asset Sustainability Reserve projecting increasing annual cash balances. This presented an opportunity to reduce the number of new borrowings and associated repayments being required and resulted in no new borrowings (excluding business activities) being required aver the 2023 to 2030 period.

This approach has resulted in savings of approximately $1.19m and $3.03m in net interest and principal repayments respectively over the 2024 to 2030 period whilst still projecting a closing cash balance of $1.38m as at 30 June 2023.

This change in approach to debt and cash management further resulted in a decrease in repayments as a percentage of general rate revenue which was a key financial indicator for the Lower Eyre Council in managing its debt at financially sustainable levels without impacting service delivery.



6. ANALYSIS OF THE LONG TERM FINANCIAL PLAN

The cash flow statement indicates that Council has (including reserves) $4.99m of cash on hand at 30 June 2021 and $10.80m on hand at 30 June 2030 being an increase of $5.81m. This increase includes the Council's business activities and reserve funds which recorded an increase in cash on hand over the period of the plan.

The Long Term Financial Plan provides for an average operating surplus ratio of 6.05% which when combined with Council's asset replacement strategy and 90% average Asset Renewal Funding Ratio represents a sound financial position for Council.

Council debt levels increase from $6.83m in 2020/21 to $11.19m in 2029/30. However a large portion of this debt relates to business activities, in particular the debt taken to upgrade the Port Lincoln Airport. After removal of business activity and self funded debt, the remaining general rate funded debt decreases from $4.67m in 2020/21 to $7.35m in 2029/30 being a direct result of the significant road capital works program included within this Long Term Financial Plan.

The Long Term Financial Plan has been thoroughly researched by elected members and staff. The additional general rate revenue increases above that of CPI have been determined as required for council to be sustainable into the future and are at a level that would be acceptable to the community given the significant investment in new infrastructure across the district.

Review One – Comment
Review one of the Long Term Financial Plan continues to demonstrate that Council is financially sustainable over the life of the plan and is able to fund its general operations, renewal of assets and the construction of new assets throughout the district through the effective use of debt whilst minimising rate increases.

Review Two – Comment
Review two of the Long Term Financial Plan continues to demonstrate that Council is financially sustainable over the life of the plan and is able to fund its general operations, renewal of assets and the construction of new assets throughout the district through the effective use of debt whilst minimising rate increases over and above the Consumer Price Index.

Further validation of works identified within the Asset Management Plan, specifically surrounding sealed and unsealed roads will be required to ensure that Council is able to resource the renewal of its assets when required to ensure they remain serviceable and fit for purpose for the community.

Delfina Lanzilli
Chief Executive Officer
District Council of Lower Eyre Peninsula

DISTRICT COUNCIL OF LOWER EYRE PENINSULA
BUDGET BALANCE SHEET & EQUITY

	2021 BUDGET	2022 LTFP	2023 LTFP	2024 LTFP	2025 LTFP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP
ASSETS										
Current Assets										
Cash and cash equivalents	4,989,703	4,255,945	4,600,555	5,062,510	6,014,350	6,788,049	7,224,678	8,557,999	9,473,050	10,802,565
Trade & other receivables	747,598	747,598	747,598	747,598	747,598	747,598	747,598	747,598	747,598	747,598
Other financial assets	8,000	8,000	8,000	8,000	-	-	-	-	-	-
Inventories	443,838	443,838	443,838	443,838	443,838	443,838	443,838	443,838	443,838	443,838
TOTAL CURRENT ASSETS	**6,189,139**	**5,455,381**	**5,799,991**	**6,261,946**	**7,205,786**	**7,979,485**	**8,416,114**	**9,749,435**	**10,664,486**	**11,994,001**
Non-current Assets										
Financial Assets	26,000	18,000	10,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Equity in Council Business	-	-	-	-	-	-	-	-	-	-
Infrastructure Property, Plant and Equipment	173,319,353	184,095,980	192,310,883	201,286,142	210,119,226	219,364,079	227,753,747	240,316,433	250,731,427	269,114,615
Less Accumulated Depreciation	(71,674,326)	(75,566,429)	(79,536,569)	(83,584,687)	(87,709,496)	(91,949,830)	(96,314,545)	(100,763,902)	(105,341,848)	(110,034,757)
TOTAL NON-CURRENT ASSETS	**101,671,027**	**108,547,550**	**112,784,314**	**117,703,455**	**122,411,730**	**127,416,249**	**131,441,202**	**139,554,531**	**145,391,580**	**159,081,857**
TOTAL ASSETS	**107,860,166**	**114,002,931**	**118,584,305**	**123,965,401**	**129,617,516**	**135,395,734**	**139,857,316**	**149,303,966**	**156,056,065**	**171,075,858**
LIABILITES										
Current Liabilities										
Trade & Other Payables	2,666,846	2,713,516	2,761,002	2,809,320	2,858,483	2,908,507	2,959,405	3,011,195	3,063,891	3,117,509
Borrowings	1,245,155	1,335,932	1,464,085	1,441,342	1,859,290	1,776,893	1,203,772	1,605,976	1,097,627	-
Provisions	972,809	989,833	1,007,155	1,024,780	1,042,714	1,060,961	1,079,528	1,098,420	1,117,642	1,137,201
TOTAL CURRENT LIABILITIES	**4,884,810**	**5,039,281**	**5,232,242**	**5,275,442**	**5,760,487**	**5,746,361**	**5,242,706**	**5,715,591**	**5,279,160**	**4,254,710**
NON-CURRENT LIABILITIES										
Long -term Borrowings	7,337,605	7,938,923	8,039,838	8,048,496	7,338,206	6,990,312	7,003,540	6,814,564	6,654,937	11,185,937
Long-term Provisions	56,103	57,085	58,084	59,100	60,135	61,187	62,258	63,347	64,456	65,584
TOTAL NON-CURRENT LIABILITIES	**7,393,708**	**7,996,008**	**8,097,922**	**8,107,597**	**7,398,340**	**7,051,499**	**7,065,798**	**6,877,911**	**6,719,393**	**11,251,521**
TOTAL LIABILITIES	**12,278,518**	**13,035,288**	**13,330,164**	**13,383,039**	**13,158,828**	**12,797,861**	**12,308,504**	**12,593,502**	**11,998,553**	**15,506,231**
NET ASSETS	**95,581,648**	**100,967,643**	**105,254,141**	**110,582,363**	**116,458,688**	**122,597,873**	**127,548,812**	**136,710,464**	**144,057,512**	**155,569,627**
EQUITY										
Accumulated Surplus	41,026,731	44,314,596	45,072,768	47,168,761	47,918,222	48,630,412	48,748,473	52,744,708	55,167,407	61,219,287
Asset Revaluation Reserve	56,661,111	59,694,200	62,915,879	66,281,320	69,803,827	73,480,914	77,319,785	81,305,476	85,511,013	89,898,813
Business Activites at Beginning of Year	(115,472)	(2,106,194)	(3,041,153)	(2,734,506)	(2,867,718)	(1,263,361)	486,548	1,480,554	2,660,281	3,379,092
Transfers to Business Activities	(1,990,722)	(934,959)	306,646	(133,212)	1,604,358	1,749,909	994,006	1,179,726	718,812	1,072,435
Transfers from Business Activities	-	-	-	-	-	-	-	-	-	-
Business Activities at End of Year	(2,106,194)	(3,041,153)	(2,734,506)	(2,867,718)	(1,263,361)	486,548	1,480,554	2,660,281	3,379,092	4,451,527
TOTAL EQUITY	**95,581,648**	**100,967,643**	**105,254,141**	**110,582,363**	**116,458,688**	**122,597,873**	**127,548,812**	**136,710,464**	**144,057,512**	**155,569,627**

DISTRICT COUNCIL OF LOWER EYRE PENINSULA
BUDGET STATEMENT OF COMPREHENSIVE INCOME

	2021 BUDGET	2022 LTFP	2023 LTFP	2024 LTFP	2025 LTFP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP
REVENUE										
Rates	7,896,900	8,269,401	8,548,246	8,849,306	9,216,876	9,517,162	9,774,958	10,099,062	10,413,272	10,740,258
Statutory charges	162,900	165,630	168,408	171,234	174,110	177,036	180,014	183,043	186,126	189,262
User charges	1,315,000	1,794,537	2,043,005	2,264,180	2,525,546	2,579,945	2,592,052	2,646,872	2,701,906	2,714,660
Grants, subsidies and contributions	1,450,800	1,640,796	1,661,972	1,683,519	1,742,736	1,765,044	1,787,743	1,810,838	1,834,338	1,898,805
Investment Income	40,603	26,574	22,506	23,829	25,739	30,149	33,968	36,152	42,819	47,394
Reimbursements	64,000	906,849	921,940	1,237,295	952,919	968,816	984,992	1,001,450	1,018,197	1,035,237
Other income	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Net gain - joint ventures & associates										
TOTAL INCOME	**10,935,203**	**12,808,787**	**13,371,077**	**14,234,363**	**14,642,926**	**15,043,153**	**15,358,726**	**15,782,417**	**16,201,658**	**16,630,617**
EXPENSES										
Employee Costs	2,807,560	2,839,322	3,140,364	3,231,313	3,304,876	3,381,594	3,590,661	3,230,342	3,521,076	3,551,691
Materials, contracts & other expenses	4,834,513	5,544,860	5,774,377	5,583,520	5,855,210	5,973,390	6,044,016	6,015,938	6,363,494	6,227,086
Finance Costs	263,500	276,846	261,378	260,631	262,214	243,736	247,268	230,818	228,991	316,615
Depreciation, amortisation & impairment	3,815,900	3,892,103	3,970,140	4,048,118	4,124,810	4,240,334	4,364,715	4,449,357	4,577,946	4,692,910
Net loss - joint ventures & associates										
TOTAL EXPENSES	**11,721,473**	**12,553,131**	**13,146,258**	**13,123,582**	**13,547,109**	**13,839,054**	**14,246,658**	**13,926,456**	**14,691,507**	**14,788,302**
OPERATING SURPLUS/(DEFICIT)	**(786,270)**	**255,656**	**224,819**	**1,110,781**	**1,095,818**	**1,204,099**	**1,112,068**	**1,855,962**	**1,510,150**	**1,842,315**
Asset disposal & fair value adjustments	-	-	-	-	-	-	-	-	-	-
Amounts specifically for new or upgraded assets	2,602,500	2,097,250	840,000	852,000	1,258,000	1,258,000	-	3,320,000	1,631,360	5,282,000
Physical resources received free of charge										
NET SURPLUS/(DEFICIT)	**1,816,230**	**2,352,906**	**1,064,819**	**1,962,781**	**2,353,818**	**2,462,099**	**1,112,068**	**5,175,962**	**3,141,510**	**7,124,315**

DISTRICT COUNCIL OF LOWER EYRE PENINSULA
BUDGET CASH FLOW STATEMENT

	2021 BUDGET	2022 LTFP	2023 LTFP	2024 LTFP	2025 LTFP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP
CASHFLOWS FROM OPERATING ACTIVITIES										
RECEIPTS										
Rates	7,896,900	8,269,401	8,548,246	8,849,306	9,216,876	9,517,162	9,774,958	10,099,062	10,413,272	10,740,258
Statutory charges	162,900	165,630	168,408	171,234	174,110	177,036	180,014	183,043	186,126	189,262
User charges	1,315,000	1,794,537	2,043,005	2,264,180	2,525,546	2,579,945	2,592,052	2,646,872	2,701,906	2,714,660
Grants, subsidies and contributions	1,450,800	1,640,796	1,661,972	1,683,519	1,742,736	1,765,044	1,787,743	1,810,838	1,834,338	1,898,805
Investment Income	40,603	26,574	22,506	23,829	25,739	30,149	33,968	36,152	42,819	47,394
Reimbursements	64,000	906,849	921,940	1,237,295	952,919	968,816	984,992	1,001,450	1,018,197	1,035,237
Other Income	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL RECEIPTS	**10,935,203**	**12,808,787**	**13,371,077**	**14,234,363**	**14,642,926**	**15,043,153**	**15,358,726**	**15,782,417**	**16,201,658**	**16,630,617**
PAYMENTS										
Employee costs	2,787,385	2,821,316	3,122,043	3,212,671	3,285,908	3,362,294	3,571,023	3,210,361	3,500,745	3,531,004
Materials, contracts & other services	4,782,222	5,498,190	5,726,890	5,535,203	5,806,046	5,923,367	5,993,117	5,964,149	6,310,798	6,173,467
Finance costs	263,500	276,846	261,378	260,631	262,214	243,736	247,268	230,818	228,991	316,615
TOTAL PAYMENTS	**7,833,107**	**8,596,352**	**9,110,310**	**9,008,505**	**9,354,168**	**9,529,397**	**9,811,407**	**9,405,328**	**10,040,535**	**10,021,087**
NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	**3,102,096**	**4,212,435**	**4,260,766**	**5,225,858**	**5,288,758**	**5,513,756**	**5,547,319**	**6,377,089**	**6,161,123**	**6,609,530**
CASH FLOWS FROM INVESTING ACTIVITIES										
RECEIPTS										
Grants specifically for new or upgraded assets	2,602,500	2,097,250	840,000	852,000	1,258,000	1,258,000	-	3,320,000	1,631,360	5,282,000
Sale of replaced assets	387,500	238,000	30,000	317,000	153,500	170,000	321,000	278,000	110,000	382,000
Sale of surplus assets	-	-	-	-	-	-	-	-	-	-
Distributions received from associated entities										
Repayments of loans by community groups	13,000	8,000	8,000	8,000	8,000	-	-	-	-	-
	3,003,000	**2,343,250**	**878,000**	**1,177,000**	**1,419,500**	**1,428,000**	**321,000**	**3,598,000**	**1,741,360**	**5,664,000**
PAYMENTS										
Expenditure on renewal/replacement of assets	5,806,622	4,827,062	3,663,494	4,181,330	2,520,452	2,490,425	3,370,708	3,269,631	3,859,134	3,620,475
Expenditure on new/upgraded assets	4,956,055	3,154,476	1,359,731	1,745,488	2,943,625	3,247,341	1,501,088	5,585,365	2,460,323	10,756,912
Loans made to community groups	-	-	-	-	-	-	-	-	-	-
	10,762,677	7,981,538	5,023,224	5,926,818	5,464,077	5,737,766	4,871,796	8,854,996	6,319,457	14,377,387
NET CASH USED IN INVESTMENT ACTIVITIES	**(7,759,677)**	**(5,638,288)**	**(4,145,224)**	**(4,749,818)**	**(4,044,577)**	**(4,309,766)**	**(4,550,796)**	**(5,256,996)**	**(4,578,097)**	**(8,713,387)**
CASH FLOWS FROM FINANCING ACTIVITIES										
RECEIPTS										
Proceeds from Borrowings	2,807,000	1,937,250	1,565,000	1,450,000	1,149,000	1,429,000	1,217,000	1,417,000	938,000	4,531,000
PAYMENTS										
Repayments of Borrowings	1,055,300	1,245,155	1,335,932	1,464,085	1,441,342	1,859,290	1,776,893	1,203,772	1,605,976	1,097,627
NET CASH FROM FINANCING ACTIVITIES	**1,751,700**	**692,095**	**229,068**	**(14,085)**	**(292,342)**	**(430,290)**	**(559,893)**	**213,228**	**(667,976)**	**3,433,373**
NET INCREASE (DECREASE) IN CASH HELD	(2,905,881)	(733,758)	344,610	461,955	951,839	773,699	436,629	1,333,321	915,050	1,329,515
CASH AT BEGINNING OF YEAR	7,895,584	4,989,703	4,255,945	4,600,555	5,062,510	6,014,350	6,788,049	7,224,678	8,557,999	9,473,050
PROJECTED CASH AT END OF YEAR	**4,989,703**	**4,255,945**	**4,600,555**	**5,062,510**	**6,014,350**	**6,788,049**	**7,224,678**	**8,557,999**	**9,473,050**	**10,802,565**

DISTRICT COUNCIL OF LOWER EYRE PENINSULA
PROJECTED UNIFORM PRESENTATION OF FINANCES

	2021 BUDGET	2022 LTFP	2023 LTFP	2024 LTFP	2025 LTFP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP
Operating Revenues	10,935,203	12,808,787	13,371,077	14,234,363	14,642,926	15,043,153	15,358,726	15,782,417	16,201,658	16,630,617
less Operating Expenses	(11,721,473)	(12,553,131)	(13,146,258)	(13,123,582)	(13,547,109)	(13,839,054)	(14,246,658)	(13,926,456)	(14,691,507)	(14,788,302)
Adjusted Operating Surplus / (Deficit) before Capital Amounts	(786,270)	255,656	224,819	1,110,781	1,095,818	1,204,099	1,112,068	1,855,962	1,510,150	1,842,315
***less* Net Outlays on Existing Assets**										
Capital Expenditure on renewal and replacement of Existing Assets	5,806,622	4,827,062	3,663,494	4,181,330	2,520,452	2,490,425	3,370,708	3,269,631	3,859,134	3,620,475
Add Back Depreciation, Amortisation and Impairment	(3,815,900)	(3,892,103)	(3,970,140)	(4,048,118)	(4,124,810)	(4,240,334)	(4,364,715)	(4,449,357)	(4,577,946)	(4,692,910)
Proceeds from Sale of Replaced Assets	(387,500)	(238,000)	(30,000)	(317,000)	(153,500)	(170,000)	(321,000)	(278,000)	(110,000)	(382,000)
	1,603,222	696,959	(336,646)	(183,788)	(1,757,858)	(1,919,909)	(1,315,006)	(1,457,726)	(828,812)	(1,454,435)
***less* Net Outlays on New and Upgraded Assets**										
Capital Expenditure on New and Upgraded Assets	4,956,055	3,154,476	1,359,731	1,745,488	2,943,625	3,247,341	1,501,088	5,585,365	2,460,323	10,756,912
less Grants and Contributions specifically for New and Upgraded Assets	(2,602,500)	(2,097,250)	(840,000)	(852,000)	(1,258,000)	(1,258,000)	-	(3,320,000)	(1,631,360)	(5,282,000)
less Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
less net movements in inventories										
	2,353,555	1,057,226	519,731	893,488	1,685,625	1,989,341	1,501,088	2,265,365	828,963	5,474,912
Net Lending / (Borrowing) for Financial Year	(4,743,047)	(1,498,528)	41,734	401,081	1,168,050	1,134,666	925,986	1,048,323	1,509,999	(2,178,162)

DISTRICT COUNCIL OF LOWER EYRE PENINSULA
FINANCIAL INDICATORS

	2021 BUDGET	2022 LTFP	2023 LTFP	2024 LTFP	2025 LTFP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP
Operating Surplus (Deficit) before Capital Revenues										
	(786,270)	255,656	224,819	1,110,781	1,095,818	1,204,099	1,112,068	1,855,962	1,510,150	1,842,315
Operating Surplus Ratio										
Adjusted Operating Surplus	(7.44%)	2.06%	1.73%	8.02%	7.69%	8.23%	7.44%	12.08%	9.57%	11.08%
Total Operating Revenue less NRM Levy										
Net Financial Liabilities Ratio										
Net Financial Liabilities	62%	65%	61%	55%	45%	36%	29%	21%	11%	24%
Total Operating Revenue										
Asset Sustainability Ratio										
Net Asset Renewals	152%	124%	92%	103%	61%	59%	77%	73%	84%	77%
Depreciation Expense										

REVIEW 1 FINANCIAL STATEMENTS

DISTRICT COUNCIL OF LOWER EYRE PENINSULA
BUDGET STATEMENT OF COMPREHENSIVE INCOME

	2021 ACTUAL	2022 REVIEW 1	2023 LTFP	2024 LTFP	2025 LTFP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP
REVENUE										
Rates	7,943,211	8,255,400	8,620,285	8,908,765	9,233,663	9,532,068	9,843,190	10,109,149	10,376,178	10,698,290
Statutory charges	250,099	184,900	186,015	189,185	192,409	195,691	199,030	202,427	205,884	209,401
User charges	1,803,475	2,325,200	2,390,027	2,553,172	2,679,096	2,736,141	2,793,484	2,811,131	2,869,086	2,927,356
Grants, subsidies and contributions	1,715,323	3,324,450	3,434,279	1,760,551	1,821,116	1,844,795	1,868,889	1,893,405	1,918,350	1,984,287
Investment Income	67,688	52,300	18,940	16,016	17,717	21,481	24,506	26,673	33,167	33,451
Reimbursements	81,968	168,300	294,715	1,291,047	1,007,664	1,024,571	1,041,775	1,059,280	1,077,091	1,095,214
Other income	16,000	70,100	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Net gain - joint ventures & associates										
TOTAL INCOME	**11,877,764**	**14,380,650**	**14,949,261**	**14,723,735**	**14,956,666**	**15,359,747**	**15,775,874**	**16,107,065**	**16,484,756**	**16,952,998**
EXPENSES										
Employee Costs	3,577,173	3,651,125	3,655,294	3,774,305	3,905,886	4,013,028	4,133,065	4,259,521	4,123,615	4,162,246
Materials, contracts & other expenses	4,491,805	6,547,153	6,270,440	5,961,881	6,141,423	6,302,986	6,389,341	6,471,098	6,723,341	6,614,633
Finance Costs	203,699	173,896	210,784	219,045	222,456	223,443	219,814	222,489	210,203	279,309
Depreciation, amortisation & impairment	3,382,879	3,884,100	3,961,447	4,039,982	4,116,529	4,231,755	4,355,986	4,440,651	4,568,984	4,683,715
Net loss - joint ventures & associates										
TOTAL EXPENSES	**11,655,556**	**14,256,274**	**14,097,964**	**13,995,212**	**14,386,293**	**14,771,212**	**15,098,207**	**15,393,760**	**15,626,143**	**15,739,904**
OPERATING SURPLUS/(DEFICIT)	**222,208**	**124,376**	**851,297**	**728,523**	**570,372**	**588,536**	**677,667**	**713,305**	**858,613**	**1,213,095**
Asset disposal & fair value adjustments	- 279,908	- 51,000	-	-	-	-	-	-	-	-
Amounts specifically for new or upgraded assets	2,731,320	1,153,750	3,000,900	852,000	1,258,000	1,258,000	-	-	1,631,360	5,282,000
Physical resources received free of charge	140,335									
NET SURPLUS/(DEFICIT)	**2,813,955**	**1,227,126**	**3,852,197**	**1,580,523**	**1,828,372**	**1,846,536**	**677,667**	**713,305**	**2,489,973**	**6,495,095**

DISTRICT COUNCIL OF LOWER EYRE PENINSULA
BUDGET CASH FLOW STATEMENT

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	ACTUAL	REVIEW 1	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
CASHFLOWS FROM OPERATING ACTIVITIES										
RECEIPTS										
Rates	8,030,843	8,255,400	8,620,285	8,908,765	9,233,663	9,532,068	9,843,190	10,109,149	10,376,178	10,698,290
Statutory charges	250,099	184,900	186,015	189,185	192,409	195,691	199,030	202,427	205,884	209,401
User charges	1,687,379	2,325,200	2,390,027	2,553,172	2,679,096	2,736,141	2,793,484	2,811,131	2,869,086	2,927,356
Grants, subsidies and contributions	1,858,223	3,324,450	3,434,279	1,760,551	1,821,116	1,844,795	1,868,889	1,893,405	1,918,350	1,984,287
Investment Income	55,005	52,300	18,940	16,016	17,717	21,481	24,506	26,673	33,167	33,451
Reimbursements	100,265	168,300	294,715	1,291,047	1,007,664	1,024,571	1,041,775	1,059,280	1,077,091	1,095,214
Other Income	16,514	70,100	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL RECEIPTS	**11,998,328**	**14,380,650**	**14,949,261**	**14,723,735**	**14,956,666**	**15,359,747**	**15,775,874**	**16,107,065**	**16,484,756**	**16,952,998**
PAYMENTS										
Employee costs	3,396,547	3,636,265	3,622,111	3,753,531	3,884,696	3,991,414	4,111,019	4,237,034	4,100,679	4,138,851
Materials, contracts & other services	4,112,484	6,531,093	6,246,737	5,937,764	6,116,884	6,278,017	6,363,936	6,445,248	6,697,038	6,587,871
Finance costs	336,375	173,896	210,784	219,045	222,456	223,443	219,814	222,489	210,203	279,309
TOTAL PAYMENTS	**7,845,406**	**10,341,253**	**10,079,632**	**9,910,339**	**10,224,036**	**10,492,874**	**10,694,769**	**10,904,772**	**11,007,920**	**11,006,031**
NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	**4,152,922**	**4,039,397**	**4,869,629**	**4,813,396**	**4,732,630**	**4,866,873**	**5,081,105**	**5,202,293**	**5,476,836**	**5,946,968**
CASH FLOWS FROM INVESTING ACTIVITIES										
RECEIPTS										
Grants specifically for new or upgraded assets	872,970	1,153,750	3,000,900	852,000	1,258,000	1,258,000	-	-	1,631,360	5,282,000
Sale of replaced assets	174,091	411,500	30,000	317,000	153,500	170,000	321,000	278,000	110,000	382,000
Sale of surplus assets	-	-	-	-	-	-	-	-	-	-
Distributions received from associated entities										
Repayments of loans by community groups	47,000	-	-	-	-	-	-	-	-	-
	1,094,061	**1,565,250**	**3,030,900**	**1,169,000**	**1,411,500**	**1,428,000**	**321,000**	**278,000**	**1,741,360**	**5,664,000**
PAYMENTS										
Expenditure on renewal/replacement of assets	2,918,050	5,209,270	6,016,056	3,236,433	2,524,409	2,482,249	3,281,387	3,044,060	3,789,643	3,545,638
Expenditure on new/upgraded assets	3,446,474	3,721,857	3,275,774	2,492,108	3,137,519	2,919,776	1,372,630	718,732	3,285,706	10,406,004
Loans made to community groups	-	-	-	-	-	-	-	-	-	-
	6,364,524	8,931,127	9,291,829	5,728,541	5,661,928	5,402,025	4,654,017	3,762,792	7,075,349	13,951,641
NET CASH USED IN INVESTMENT ACTIVITIES	**(5,270,463)**	**(7,365,877)**	**(6,260,929)**	**(4,559,541)**	**(4,250,428)**	**(3,974,025)**	**(4,333,017)**	**(3,484,792)**	**(5,333,989)**	**(8,287,641)**
CASH FLOWS FROM FINANCING ACTIVITIES										
RECEIPTS										
Proceeds from Borrowings	500,000	2,264,250	1,748,500	1,400,000	1,624,000	1,429,000	1,217,000	587,000	938,000	3,631,000
PAYMENTS										
Repayments of Borrowings	1,094,799	1,092,800	1,187,389	1,313,662	1,353,561	1,716,979	1,531,792	1,005,796	1,024,220	961,889
NET CASH FROM FINANCING ACTIVITIES	**(594,799)**	**1,171,450**	**561,111**	**86,338**	**270,439**	**(287,979)**	**(314,792)**	**(418,796)**	**(86,220)**	**2,669,111**
NET INCREASE (DECREASE) IN CASH HELD	(1,712,340)	(2,155,030)	(830,190)	340,193	752,641	604,870	433,297	1,298,705	56,627	328,438
CASH AT BEGINNING OF YEAR	7,895,584	6,183,244	4,028,214	3,198,024	3,538,217	4,290,859	4,895,728	5,329,025	6,627,730	6,684,357
PROJECTED CASH AT END OF YEAR	**6,183,244**	**4,028,214**	**3,198,024**	**3,538,217**	**4,290,859**	**4,895,728**	**5,329,025**	**6,627,730**	**6,684,357**	**7,012,794**

DISTRICT COUNCIL OF LOWER EYRE PENINSULA
BUDGET BALANCE SHEET & EQUITY

	2021 ACTUAL	2022 REVIEW 1	2023 LTFP	2024 LTFP	2025 LTFP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP
ASSETS										
Current Assets										
Cash and cash equivalents	6,183,244	4,028,214	3,198,024	3,538,217	4,290,859	4,895,728	5,329,025	6,627,730	6,684,357	7,012,794
Trade & other receivables	955,903	955,903	955,903	955,903	955,903	955,903	955,903	955,903	955,903	955,903
Other financial assets	-	-	-	-	-	-	-	-	-	-
Inventories	251,791	251,791	251,791	251,791	251,791	251,791	251,791	251,791	251,791	251,791
TOTAL CURRENT ASSETS	**7,390,938**	**5,235,908**	**4,405,718**	**4,745,911**	**5,498,553**	**6,103,422**	**6,536,719**	**7,835,424**	**7,892,051**	**8,220,488**
Non-current Assets										
Financial Assets	-	-	-	-	-	-	-	-	-	-
Infrastructure Property, Plant and Equipment	162,370,157	172,787,226	185,072,832	193,723,147	202,621,730	211,399,635	219,432,146	226,757,000	237,690,597	255,419,824
Less Accumulated Depreciation	(69,297,648)	(73,181,748)	(77,143,195)	(81,183,176)	(85,299,705)	(89,531,461)	(93,887,447)	(98,328,098)	(102,897,082)	(107,580,797)
TOTAL NON-CURRENT ASSETS	**93,072,509**	**99,605,478**	**107,929,637**	**112,539,971**	**117,322,025**	**121,868,175**	**125,544,699**	**128,428,903**	**134,793,515**	**147,839,027**
TOTAL ASSETS	**100,463,447**	**104,841,385**	**112,335,355**	**117,285,882**	**122,820,577**	**127,971,597**	**132,081,418**	**136,264,327**	**142,685,566**	**156,059,516**
LIABILITES										
Current Liabilities										
Trade & Other Payables	1,338,350	1,354,410	1,378,112	1,402,229	1,426,768	1,451,737	1,477,142	1,502,992	1,529,295	1,556,057
Borrowings	1,092,764	1,187,389	1,313,662	1,353,561	1,716,979	1,531,792	1,005,796	1,024,220	961,889	-
Provisions	900,096	913,597	943,746	962,621	981,874	1,001,511	1,021,541	1,041,972	1,062,811	1,084,068
TOTAL CURRENT LIABILITIES	**3,331,210**	**3,455,397**	**3,635,520**	**3,718,412**	**4,125,620**	**3,985,039**	**3,504,479**	**3,569,184**	**3,553,995**	**2,640,125**
NON-CURRENT LIABILITIES										
Long -term Borrowings	5,143,497	6,220,322	6,655,160	6,701,599	6,608,620	6,505,829	6,717,033	6,279,813	6,255,924	9,886,924
Long-term Provisions	90,589	91,948	94,982	96,882	98,819	100,796	102,812	104,868	106,965	109,105
TOTAL NON-CURRENT LIABILITIES	**5,234,086**	**6,312,270**	**6,750,142**	**6,798,481**	**6,707,440**	**6,606,625**	**6,819,845**	**6,384,681**	**6,362,890**	**9,996,029**
TOTAL LIABILITIES	**8,565,296**	**9,767,666**	**10,385,662**	**10,516,892**	**10,833,060**	**10,591,664**	**10,324,324**	**9,953,865**	**9,916,884**	**12,636,154**
NET ASSETS	**91,898,151**	**95,073,719**	**101,949,692**	**106,768,990**	**111,987,517**	**117,379,933**	**121,757,094**	**126,310,462**	**132,768,682**	**143,423,362**
EQUITY										
Accumulated Surplus	38,374,028	40,926,324	46,833,130	47,610,104	47,846,357	47,943,386	47,546,454	46,863,169	48,573,801	53,930,818
Asset Revaluation Reserve	53,478,072	55,426,514	58,450,290	61,689,065	65,079,220	68,625,100	72,324,594	76,164,656	80,132,904	84,292,489
Business Activites at Beginning of Year	(115,469)	46,051	(1,279,119)	(3,333,728)	(2,530,180)	(938,060)	811,446	1,886,046	3,282,636	4,061,977
Transfers to Business Activities	417,620	(1,325,170)	(2,054,609)	803,549	1,592,120	1,749,506	1,074,599	1,396,591	779,341	1,138,077
Transfers from Business Activities	(256,100)	-	-	-	-	-	-	-	-	-
Business Activities at End of Year	46,051	(1,279,119)	(3,333,728)	(2,530,180)	(938,060)	811,446	1,886,046	3,282,636	4,061,977	5,200,054
TOTAL EQUITY	**91,898,151**	**95,073,719**	**101,949,692**	**106,768,990**	**111,987,517**	**117,379,933**	**121,757,094**	**126,310,462**	**132,768,682**	**143,423,362**

DISTRICT COUNCIL OF LOWER EYRE PENINSULA
FINANCIAL INDICATORS

	2021 ACTUAL	2022 REVIEW 1	2023 LTFP	2024 LTFP	2025 LTFP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP
Operating Surplus (Deficit) before Capital Revenues										
	222,208	124,376	851,297	728,523	570,372	588,536	677,667	713,305	858,613	1,213,095
Operating Surplus Ratio										
Adjusted Operating Surplus	1.93%	0.89%	5.84%	5.08%	3.92%	3.93%	4.41%	4.55%	5.35%	7.16%
Total Operating Revenue less RL Levy										
Net Financial Liabilities Ratio										
Net Financial Liabilities	12%	34%	43%	42%	38%	32%	26%	15%	14%	28%
Total Operating Revenue										
Asset Renewal Funding Ratio										
Net Asset Renewals	95%	134%	315%	98%	78%	107%	96%	76%	80%	75%
Asset Management Plan Expense										
** 2022 Budget is based on Depreciation Expense										

DISTRICT COUNCIL OF LOWER EYRE PENINSULA
PROJECTED UNIFORM PRESENTATION OF FINANCES

	2021 ACTUAL	2022 REVIEW 1	2023 LTFP	2024 LTFP	2025 LTFP	2026 LTFP	2027 LTFP	2028 LTFP	2029 LTFP	2030 LTFP
Operating Revenues	11,877,764	14,380,650	14,949,261	14,723,735	14,956,666	15,359,747	15,775,874	16,107,065	16,484,756	16,952,998
less Operating Expenses	(11,655,556)	(14,256,274)	(14,097,964)	(13,995,212)	(14,386,293)	(14,771,212)	(15,098,207)	(15,393,760)	(15,626,143)	(15,739,904)
Adjusted Operating Surplus / (Deficit) before Capital Amounts	222,208	124,376	851,297	728,523	570,372	588,536	677,667	713,305	858,613	1,213,095
***less* Net Outlays on Existing Assets**										
Capital Expenditure on renewal and replacement of Existing Assets	2,918,050	5,209,270	6,016,056	3,236,433	2,524,409	2,482,249	3,281,387	3,044,060	3,789,643	3,545,638
Add Back Depreciation, Amortisation and Impairment	(3,382,879)	(3,884,100)	(3,961,447)	(4,039,982)	(4,116,529)	(4,231,755)	(4,355,986)	(4,440,651)	(4,568,984)	(4,683,715)
Proceeds from Sale of Replaced Assets	(174,091)	(411,500)	(30,000)	(317,000)	(153,500)	(170,000)	(321,000)	(278,000)	(110,000)	(382,000)
	(638,920)	913,670	2,024,609	(1,120,549)	(1,745,620)	(1,919,506)	(1,395,599)	(1,674,591)	(889,341)	(1,520,077)
***less* Net Outlays on New and Upgraded Assets**										
Capital Expenditure on New and Upgraded Assets	3,446,474	3,721,857	3,275,774	2,492,108	3,137,519	2,919,776	1,372,630	718,732	3,285,706	10,406,004
less Grants and Contributions specifically for New and Upgraded Assets	(872,970)	(1,153,750)	(3,000,900)	(852,000)	(1,258,000)	(1,258,000)	-	-	(1,631,360)	(5,282,000)
less Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
less net movements in inventories										
	2,573,504	2,568,107	274,874	1,640,108	1,879,519	1,661,776	1,372,630	718,732	1,654,346	5,124,004
Net Lending / (Borrowing) for Financial Year	(1,712,376)	(3,357,401)	(1,448,186)	208,964	436,473	846,266	700,637	1,669,164	93,607	(2,390,832)

REVIEW 2 FINANCIAL STATEMENTS

LOWER EYRE COUNCIL
STATEMENT OF COMPREHENSIVE INCOME

	2021 ACTUAL $'000	2022 ACTUAL $'000	2023 BUDGET $'000	2024 LTFP $'000	2025 LTFP $'000	2026 LTFP $'000	2027 LTFP $'000	2028 LTFP $'000	2029 LTFP $'000	2030 LTFP $'000
Income										
Rates	7,943	8,395	8,665	9,522	10,128	10,603	11,037	11,541	12,021	12,512
Statutory charges	250	226	201	224	234	242	248	255	262	268
User charges	1,803	2,215	2,397	2,813	2,871	2,947	3,018	3,048	3,122	3,196
Grants, subsidies and contributions	1,715	4,234	3,364	2,484	2,087	2,139	2,185	2,232	2,281	2,371
Investment Income	68	74	21	13	16	2	6	33	25	75
Reimbursements	82	77	100	1,088	1,439	1,175	1,206	1,239	1,272	1,306
Other Revenues	16	16	6	6	6	6	6	6	6	6
Net gain - joint ventures & associates										
Total Revenues	**11,878**	**15,237**	**14,755**	**16,150**	**16,780**	**17,114**	**17,707**	**18,354**	**18,988**	**19,735**
Expenses										
Employee Costs	3,577	3,854	4,027	4,485	4,357	4,690	4,905	4,954	5,110	5,123
Materials, contracts & other expenses	4,492	6,247	7,058	6,725	7,137	7,271	7,546	7,568	8,196	7,899
Finance Costs	204	167	140	97	78	77	40	25	17	12
Depreciation, Amortisation & Impairment	3,383	4,250	3,959	4,776	5,013	5,231	5,439	5,612	5,817	6,012
Share of loss – joint ventures & associates										
Total Expenses	**11,656**	**14,517**	**15,185**	**16,084**	**16,585**	**17,269**	**17,931**	**18,159**	**19,140**	**19,047**
Operating Surplus / (Deficit)	**222**	**720**	**(430)**	**66**	**196**	**(154)**	**(224)**	**195**	**(152)**	**688**
Asset disposal & fair value adjustments	(280)	(1,734)	-	-	-	-	-	-	-	-
Amounts received specifically for new or upgraded assets	2,731	449	3,992	1,500	2,127	1,200	1,258	1,258	1,414	5,282
Physical resources received free of charge	140	6	-	-	-	-	-	-	-	-
NET SURPLUS/(DEFICIT)	**2,814**	**(558)**	**3,562**	**1,566**	**2,323**	**1,046**	**1,034**	**1,453**	**1,262**	**5,970**

LOWER EYRE COUNCIL
CASH FLOW STATEMENT

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	ACTUAL	ACTUAL	BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash Flows from Operating Activities										
Receipts										
Operating receipts	11,931	15,446	14,734	16,137	16,765	17,112	17,701	18,321	18,963	19,660
Investment receipts	68	74	21	13	16	2	6	33	25	75
Payments										
Operating payments to suppliers and employees	(8,182)	(10,450)	(12,945)	(11,180)	(11,514)	(12,017)	(12,446)	(12,484)	(13,250)	(12,955)
Finance payments	336	180	140	97	78	77	40	25	17	12
Net Cash provided by (or used in) Operating Activities	**4,153**	**5,250**	**1,951**	**5,068**	**5,344**	**5,174**	**5,301**	**5,894**	**5,756**	**6,793**
Cash Flows from Investing Activities										
Receipts										
Amounts specifically for new or upgraded assets	873	2,161	3,992	1,500	2,127	1,200	1,258	1,258	1,414	5,282
Sale of replaced assets	174	494	20	352	188	242	310	409	-	509
Distributions received from associated entities	-	-	-	-	-	-	-	-	-	-
Repayments of loans by community groups	47	-	-	2	2	2	2	2	2	2
Payments										
Expenditure on renewal/replacement of assets	(2,918)	(3,278)	(6,799)	(4,103)	(5,090)	(3,774)	(2,718)	(5,061)	(3,580)	(3,406)
Expenditure on new/upgraded assets	(3,446)	(1,065)	(6,610)	(1,639)	(3,300)	(1,613)	(2,680)	(2,533)	(1,592)	(10,391)
Loans made to community groups	-	(346)	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	**(5,270)**	**(1,961)**	**(9,397)**	**(3,889)**	**(6,074)**	**(3,943)**	**(3,829)**	**(5,926)**	**(3,757)**	**(8,004)**
Cash Flows from Financing Activities										
Receipts										
Proceeds from Borrowings	500	-	3,084	-	815	-	-	-	-	-
Payments										
Repayments of Borrowings	(1,095)	(2,993)	(684)	(1,039)	(550)	(1,085)	(512)	(262)	(207)	(39)
Net Cash provided by (or used in) Financing Activities	**(595)**	**(2,993)**	**2,400**	**(1,039)**	**265**	**(1,085)**	**(512)**	**(262)**	**(207)**	**(39)**
Net Increase (Decrease) in cash held	(1,712)	296	(5,047)	140	(465)	145	960	(293)	1,791	(1,251)
Cash & cash equivalents at beginning of period	7,895	6,183	6,479	1,432	1,573	1,108	1,253	2,213	1,920	3,712
Cash & cash equivalents at end of period	**6,183**	**6,479**	**1,432**	**1,573**	**1,108**	**1,253**	**2,213**	**1,920**	**3,712**	**2,461**

LOWER EYRE COUNCIL
BALANCE SHEET

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	ACTUAL	ACTUAL	BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets										
Current Assets										
Cash & cash equivalents	6,183	6,479	1,430	503	39	184	1,144	851	2,643	1,392
Trade & other receivables	956	1,227	956	1,227	1,227	1,227	1,227	1,227	1,227	1,225
Other financial assets	-	-	-	-	-	-	-	-	-	-
Inventories	252	197	252	197	197	197	197	197	197	197
Total Current Assets	**7,391**	**7,903**	**2,638**	**1,927**	**1,462**	**1,608**	**2,568**	**2,275**	**4,066**	**2,814**
Non-current Assets										
Financial Assets	-	13	-	10	8	7	5	4	2	2
Equity accounted investments in Council businesses	-	837	-	837	837	837	837	837	837	837
Investment Property										
Infrastructure, Property, Plant & Equipment	93,073	91,296	112,412	120,007	132,913	140,057	146,164	154,513	161,027	175,802
Other Non-current Assets	-	-	-	-	-	-	-	-	-	-
Total Non-current Assets	**93,073**	**92,145**	**112,412**	**120,853**	**133,757**	**140,900**	**147,006**	**155,353**	**161,866**	**176,640**
Total Assets	**100,463**	**100,048**	**115,050**	**122,780**	**135,220**	**142,508**	**149,573**	**157,628**	**165,932**	**179,454**
Liabilities										
Current Liabilities										
Trade & Other Payables	1,338	3,055	1,369	1,564	1,638	1,691	1,738	1,786	1,835	1,885
Borrowings	1,093	684	1,314	550	1,085	512	262	207	39	-
Short-term Provisions	900	1,033	944	1,159	1,214	1,253	1,288	1,323	1,360	1,397
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	**3,331**	**4,772**	**3,626**	**3,273**	**3,937**	**3,456**	**3,287**	**3,316**	**3,234**	**3,282**
Non-current Liabilities										
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-
Long-term Borrowings	5,143	2,560	4,330	1,471	1,200	689	427	220	181	181
Long-term Provisions	91	115	95	129	135	140	143	147	151	156
Other Non-current Liabilities	-	-	-	-	-	-	-	-	-	-
Total Non-current Liabilities	**5,234**	**2,675**	**4,425**	**1,600**	**1,335**	**828**	**570**	**367**	**332**	**336**
Total Liabilities	**8,565**	**7,446**	**8,051**	**4,872**	**5,273**	**4,284**	**3,858**	**3,683**	**3,565**	**3,618**
Net Assets	**91,898**	**92,601**	**106,999**	**117,908**	**129,947**	**138,223**	**145,716**	**153,944**	**162,366**	**175,836**
Equity										
Accumulated Surplus	38,374	37,884	49,815	42,187	44,587	44,176	42,489	43,391	42,415	45,779
Asset Revaluation Reserve	53,478	54,739	61,054	76,011	85,728	92,958	99,416	106,192	113,352	120,851
Other Reserves	46	(22)	(3,870)	(291)	(368)	1,089	3,810	4,362	6,599	9,205
Total Equity	**91,898**	**92,601**	**106,999**	**117,908**	**129,947**	**138,223**	**145,716**	**153,944**	**162,366**	**175,836**

LOWER EYRE COUNCIL
UNIFORM PRESENTATION OF FINANCES

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	ACTUAL	ACTUAL	BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Operating Revenues	11,878	15,237	14,755	16,150	16,780	17,114	17,707	18,354	18,988	19,735
less Operating Expenses	(11,656)	(14,517)	(15,185)	(16,084)	(16,585)	(17,269)	(17,931)	(18,159)	(19,140)	(19,047)
Operating Surplus / (Deficit) Before Capital Amounts	**222**	**720**	**(430)**	**66**	**196**	**(154)**	**(224)**	**195**	**(152)**	**688**
Less: Net Outlays on Existing Assets										
Capital Expenditure on Renewal/Replacement of Existing Assets	(2,918)	(3,278)	(6,799)	(4,103)	(5,090)	(3,774)	(2,718)	(5,061)	(3,580)	(3,406)
less Proceeds from Sale of Replaced Assets	174	494	20	352	188	242	310	409	-	509
less Depreciation, Amortisation & Impairment	3,383	4,250	3,959	4,776	5,013	5,231	5,439	5,612	5,817	6,012
Net Outlays on Existing Assets	**639**	**1,466**	**(2,820)**	**1,025**	**111**	**1,699**	**3,031**	**961**	**2,238**	**3,116**
Less: Net Outlays on New and Upgraded Assets										
Capital Expenditure on New/Upgraded Assets	(3,446)	(1,065)	(6,610)	(1,639)	(3,300)	(1,613)	(2,680)	(2,533)	(1,592)	(10,391)
less Proceeds from Sale of Surplus Assets	-	73	-	-	-	-	-	-	-	-
less Amounts received specifically for new or upgraded assets	2,731	449	3,992	1,500	2,127	1,200	1,258	1,258	1,414	5,282
Net Outlays on New and Upgraded Assets	**(715)**	**(543)**	**(2,618)**	**(139)**	**(1,173)**	**(413)**	**(1,422)**	**(1,275)**	**(178)**	**(5,109)**
Net Lending / (Borrowing)	**146**	**1,643**	**(5,868)**	**952**	**(866)**	**1,132**	**1,385**	**(120)**	**1,908**	**(1,305)**

KEY FINANCIAL INDICATORS

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	ACTUAL	ACTUAL	BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
Operating Surplus / (Deficit) - $'000	**222**	720	(430)	66	196	(154)	(224)	195	(152)	688
Operating Surplus Ratio - %	**3%**	4.7%	(2.9%)	0.4%	1.2%	(0.9%)	(1.3%)	1.1%	(0.8%)	3.5%
Net Financial Liabilities Ratio - %	**12%**	(2%)	39%	20%	24%	17%	9%	9%	(2%)	5%
Asset Sustainability Ratio - %	**81%**	80%	357%	44%	88%	79%	52%	80%	121%	64%