Strong foundations. Sustainable future.

Long Term **Financial Plan**

2027-2036

District Council of
Loxton Waikerie

CONTENTS

District Council of Loxton Waikerie
Long Term Financial Plan 2027-2036

EXECUTIVE SUMMARY 3

FINANCIAL SUSTAINABILITY STATEMENT 4

KEY ASSUMPTIONS 5

SUMMARY OF COUNCIL OPERATIONS

- Operating Expenditure 7
- Operating Income 8
- Capital Expenditure 9

LONG TERM FINANCIAL PLAN MODEL 10

FINANCIAL STATEMENTS

- Summary Statement 11
- Statement of Comprehensive Income 12
- Statement of Financial Position 13
- Statement of Changes in Equity 14
- Statement of Cash Flow 15
- Capital Expenditure 16

KEY FINANCIAL INDICATORS

- Explanation of financial indicators 17
- Operating Surplus Ratio (financial performance) 18
- Net Financial Liabilities Ratio (financial position) 19
- Asset Sustainability Ratio (asset management performance) 20

GLOSSARY 21

APPENDICES

- Appendix A - 23

Acknowledgement of Country
We acknowledge the first people of the River Murray and Mallee Region as the traditional custodians of the land and waters on which we meet and pay our respects to their elders, past, present, and emerging.

EXECUTIVE SUMMARY

Purpose

The Long-Term Financial Plan (LTFP) plays a vital role within the Council's array of strategic management plans, interconnecting with the Annual Business Plan, Corporate Plan, and Asset Management Plans. It serves as a bridge, translating the goals and strategies outlined in the Council's Business Plans into financial projections and allocations. The primary aim of the LTFP is to articulate, in financial terms, the initiatives and projects the Council plans to pursue over the forthcoming decade to realize its objectives.

The LTFP ensures that long term financial sustainability can be maintained while meeting the needs and expectations of our communities and delivering Council's objectives. It guides the future planning of Council's financial operations regarding key components such as rate increases, service levels to our community, and infrastructure asset replacement and renewal. It also influences Council's treasury management decisions such as loan indebtedness and internal cash reserve utilisation.

Principles

The Local Government Act 1999 s122 requires Councils to prepare strategic management plans.
Under subsections 122(1a)(a) and (1a)(b) each council must prepare a long term financial plan and an infrastructure asset management plan for periods of at least 10 years.
The Local Government (Financial Management) Regulations 2011 5(1) requires a Long-Term Financial Plan to include:

a. a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and
b. estimates and target ranges adopted by the council for each year of the long-term financial plan with respect to an operating surplus ratio, a net financial liabilities ratio and an asset sustainability ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

Councils must also prepare an Annual Business Plan and Budget pursuant to the Local Government Act 1999 s123(1) (a) and (b).



FINANCIAL SUSTAINABILITY STATEMENT

Our Council is committed to making financial decisions that meet today's needs while safeguarding the prosperity of future generations. Through disciplined financial management and prudent planning, we continue to deliver essential services and invest in the growth and well-being of our community.

By strengthening the integration of our strategic documents, we have built a transparent and robust financial management framework. The Long-Term Financial Plan (LTFP) confirms that Council can maintain existing services, renew assets, introduce new initiatives, and achieve strategic objectives in a financially sustainable manner over the medium to long term.

Key Highlights from the LTFP:

1. **Stable Financial Foundations:** Council has maintained balanced budgets and healthy reserves, providing stability and confidence to support community priorities despite economic challenges.
2. **Transparency and Accountability:** Our financial practices are open and accountable. The LTFP offers clear insights into performance, decision-making, and future plans, ensuring residents remain informed and engaged.
3. **Sustainable Growth:** We focus on growth that meets current needs without compromising future generations or placing undue burden on ratepayers.
4. **Challenges and Impacts:** We operate in an environment subject to ongoing local and broader economic pressures that may impact financial performance over the life of the LTFP. These pressures affect both the community's ability to pay and our ability to deliver services. Currently, this includes a severe slump in wine grape prices and the impact of the Iran war on diesel and transportation costs. These factors affect the local economy, driving cost of living pressures within the community and broader inflationary factors influencing operating and capital costs. Council will continue to monitor these factors and review the LTFP annually to ensure it remains responsive, relevant, and aligned with changing conditions and community needs.

Looking ahead, Council's financial performance is projected to remain strong over the next decade. Sustainability ratios largely fall within target ranges, demonstrating our capacity to fund essential services and infrastructure for a growing community—while balancing rate increases to minimize impacts on households and businesses.

KEY ASSUMPTIONS

Made in preparation of the plan

The preparation of the Long-Term Financial Plan has been determined based upon the following key assumptions:

Core service levels - The LTFP assumes Council will continue to provide existing services at the current levels within Council's continuous improvement philosophy. This ensures services are effectively and efficiently undertaken while under regular review. Included in this review will be an efficiency audit to ensure that agreed standards are met.

Indexation -The LTFP will incorporate forecasted expenditure levels adjusted to accommodate current cost pressures and anticipated future expenses. Forecast indexation has been updated using the two-year average forecast of the Local Government Price Index (LGPI) or Consumer Price Index (CPI), as recently provided to Council by the South Australian Centre for Economic Studies and the University of Adelaide.

Sustainable Asset Management - The requirement to maintain and improve ageing infrastructure assets to acceptable standards, including roads, footpaths, stormwater drainage, street trees, open space and Council properties is a key priority and responsibility. The LTFP makes allowance for total renewal of all existing assets in line with the updated figures per the Asset Management Plan.

Proposed projects are for indicative purposes only and are subject to future approval by the Council. The LTFP excludes operating costs for the life of the proposed projects, excluding depreciation.

Grant Funding - Council will continue to seek and optimise the opportunity to leverage any State and Federal stimulus funding provided to the sector. While several proposed projects are outlined in the LTFP, their implementation is contingent upon securing grant funds.

Breakeven or Better Funding Surplus + Cash Position - Maintaining operating surplus positions in the future ensures that the Council can fulfill both current and future commitments, promoting financial sustainability. Concurrently, ensuring a positive cash flow is crucial for sustaining ongoing operational requirements, guaranteeing uninterrupted delivery of council services, and enabling the maintenance of existing assets to meet community service standards. Additionally, it supplies the essential funds required to address long-term asset management objectives.

SUMMARY OF COUNCIL OPERATIONS

Operating Income

Rates

In setting rates, the council is committed to minimising the impact on our community while striving to achieve its long-term strategic goals. General rate revenue and service charges are projected to increase by 2.9% per annum over the term of the plan. A projected natural growth factor of 0.6% per annum has been incorporated into this plan.

Statutory Charges, User Charges & Reimbursement

Statutory Charges, User Charge and Reimbursement Revenue to increase by 2.93% per annum.

Grants, Subsidies and Contributions

Operating Grants to increase by 2.9% per annum

- Roads to Recovery Grants projected to continue for the term of the plan, with provision for years 2-3 adjusted to reflect the 2024-2025 Federal budget announcement.
- Capital income has been allocated for multiple capital projects. However, this allocation is subject to the availability of suitable grants and successful application processes.

Investment Income

- Investment income for deposits projected to increase by 1.00 % per annum

Reimbursements / Other Income

- Other Income to increase by 2.9% per annum
- The sale of the Loxton Riverfront Holiday Park has been factored into Year 2 projections. Consequently, a decrease in other income is anticipated

Operating Expenditure

Employee Costs

- No increases in staffing levels proposed over the life of the plan.
- Wage component increases to be consumer price index movement of 2.65% per annum.

Materials, Contracts and Other Expenses

- All operational costs to increase by 2.9% per annum.
- The sale of the Loxton Riverfront Holiday Park has been factored into Year 1 projections. Consequently, a decrease in expenditure is anticipated.
- Infrastructure valuations and conditions assessments and election expenses have been included in their relevant years, noting these are not indexed.

Finance Costs

The LTFP does not include any new borrowings; instead, it relies on the utilisation of cash reserves to finance capital expenditure. This approach aligns with Council's Treasury Management Policy.

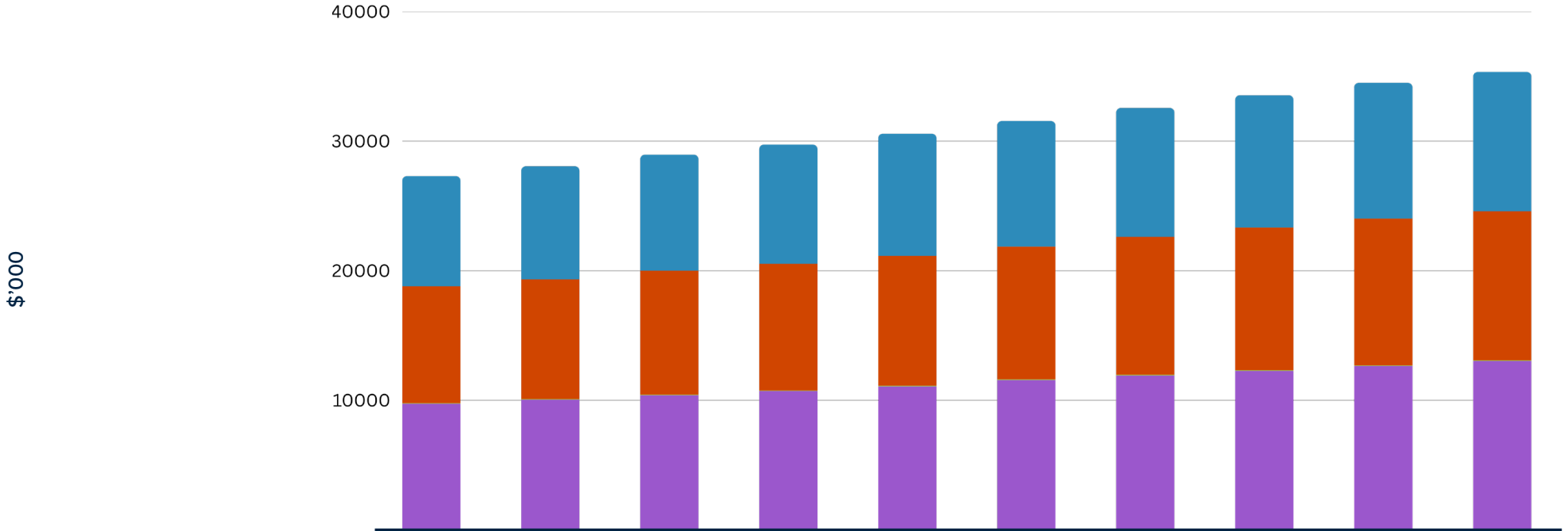
Depreciation, Amortisation and Impairment

Depreciation to increase by 2.9% per annum. A provision has been included for new and upgrade assets in the year they become available for use.

SUMMARY OF COUNCIL OPERATIONS

Operating Expenditure

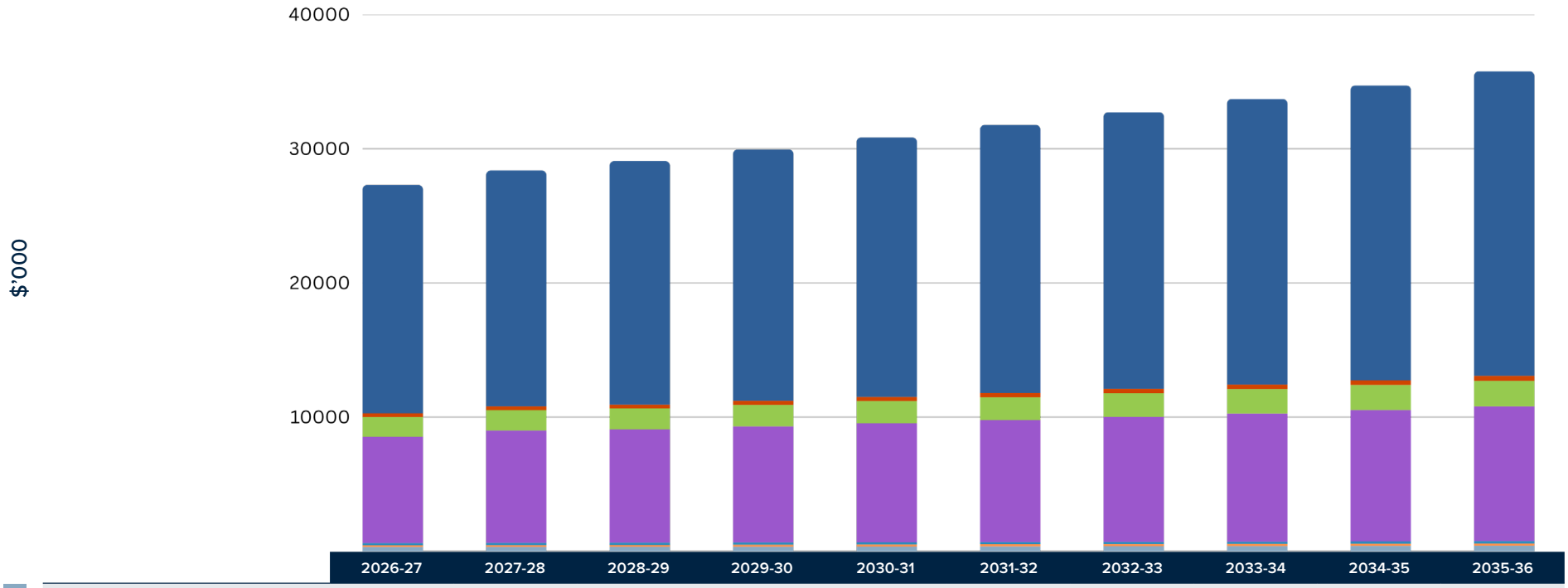
The Long-Term financial plan shows Council's Operating is sustainable over the life of the plan while still maintaining the level of service Council current provides to the community. The below tables demonstrate the growth in Council's operating expenditure and income.



	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Depreciation, Amortisation & Impairment	9,733	10,046	10,393	10,707	11,073	11,563	11,914	12,275	12,647	13,030
Finance Costs	41	42	43	45	46	47	49	50	52	53
Materials, Contracts & Other Expenses	9,025	9,249	9,564	9,787	10,018	10,257	10,654	11,011	11,326	11,500
Employee Costs	8,500	8,725	8,956	9,194	9,437	9,688	9,944	10,208	10,478	10,756

SUMMARY OF COUNCIL OPERATIONS

Operating Income



	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Other Income	314	323	332	342	352	362	373	384	395	406
Reimbursements	135	139	143	147	151	156	160	165	170	175
Investment Income	159	161	162	164	165	167	169	170	172	174
Grants, Subsidies & Contributions	7,916	8,374	8,438	8,649	8,865	9,088	9,316	9,552	9,793	10,042
User Charges	1,480	1,523	1,567	1,613	1,659	1,707	1,757	1,808	1,860	1,914
Statutory Charges	277	285	293	302	311	320	329	338	348	358
Rates	17,018	17,571	18,142	18,732	19,340	19,968	20,616	21,285	21,975	22,687

SUMMARY OF COUNCIL OPERATIONS

Capital Expenditure

Renewal and replacement of existing assets

Total expenditure on the renewal and replacement of existing assets over the term of the plan is estimated at $101.166 million. This amount includes ongoing allocations for the below asset classes;

- Buildings and Structures including the
- Loxton Retirement Village building assets
- Roads, Footpaths and Kerbing
- Community Wastewater Management Scheme (CWMS)
- Stormwater
- Irrigation
- Plant and Equipment
- Information & Technology

New and Upgrade

Total expenditure on new and upgraded assets over the term of the plan is estimated at $37.911 million. The projects have been classified below as either 'approved' or 'proposed'

Approved Projects

- Disability Access Plan Building Upgrades
- Upgrades to footpath and mobility access in the district.
- Information technology communication
- Wastewater Upgrade for Reuse
- Footpath and Walking Trail Upgrades

Proposed Projects

Council's corporate plan includes several new and upgraded capital projects, these include

- Capital Expenditure to Reduce Operating
- CDB Upgrades for Waikerie & Loxton
- Upgrades of the Loxton Infrastructure depot
- Population Growth
- Paisley Riverfront
- Waikerie Institute
- Waikerie Recreation Centre
- Loxton and Waikerie Swimming Pool Upgrades

The implementation of several proposed projects is contingent upon securing grant funds and the estimated costs may vary depending on the final project scope. The proposed projects do not include indexation.

A table showing capital expenditure forecasts is shown on page 16. This appendix is for year 2-10 only. Year 1 projects have been included in Council's 2026-2027 Annual business plan. These costs include an allocation for project management and Council's full cost attribution.



LONG TERM FINANCIAL PLAN MODEL

FINANCIAL STATEMENTS

Summary Statement

	2027 YEAR 1 $'000	2028 YEAR 2 $'000	2029 YEAR 3 $'000	2030 YEAR 4 $'000	2031 YEAR 5 $'000	2032 YEAR 6 $'000	2033 YEAR 7 $'000	2034 YEAR 8 $'000	2035 YEAR 9 $'000	2036 YEAR 10 $'000
Operating Activities										
Operating Income	27,299	28,376	29,079	29,948	30,844	31,768	32,720	33,701	34,713	35,756
less Operating Expenses	27,299	28,062	28,957	29,732	30,574	31,555	32,561	33,544	34,502	35,339
Operating Surplus / Deficit	**-**	**314**	**122**	**215**	**270**	**212**	**159**	**158**	**211**	**417**
CAPITAL ACTIVITIES										
Net Outlays on Existing Assets										
Capital Expenditure on renewal and replacement of Existing Assets	7,224	8,678	8,043	8,819	9,861	10,821	11,903	10,306	12,576	12,940
less Depreciation, Amortisation and Impairment	9,733	10,046	10,393	10,707	11,073	11,563	11,914	12,275	12,647	13,030
less Proceeds from Sale of Replaced Assets	195	228	368	219	242	275	479	522	177	496
Net Outlays on Existing Assets	**(2,704)**	**(1,368)**	**(2,350)**	**(1,888)**	**(1,212)**	**(742)**	**(10)**	**(1,969)**	**(71)**	**(90)**
Net Outlays on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets	6,701	7,209	9,616	7,754	3,516	590	599	641	635	653
less Amounts received for New and Upgraded Assets	2,984	4,175	3,550	2,175	750	-	-	-	-	-
	3,717	**3,034**	**6,066**	**5,579**	**2,766**	**590**	**599**	**641**	**635**	**653**
Net Lending / (Borrowing) for financial year	**(1,013)**	**(1,352)**	**(3,595)**	**(3,476)**	**(1,285)**	**364**	**(430)**	**1,486**	**(353)**	**(146)**

FINANCIAL STATEMENTS

Summary of Comprehensive Income

	2027 YEAR 1 $'000	2028 YEAR 2 $'000	2029 YEAR 3 $'000	2030 YEAR 4 $'000	2031 YEAR 5 $'000	2032 YEAR 6 $'000	2033 YEAR 7 $'000	2034 YEAR 8 $'000	2035 YEAR 9 $'000	2036 YEAR 10 $'000
Income										
Rates	17,018	17,571	18,142	18,732	19,340	19,968	20,616	21,285	21,975	22,687
Statutory Charges	277	285	293	302	311	320	329	338	348	358
User Charges	1,503	1,547	1,591	1,638	1,685	1,734	1,784	1,836	1,889	1,944
Grants, Subsidies and Contributions	7,916	8,374	8,438	8,649	8,865	9,088	9,316	9,552	9,793	10,042
Investment Income	159	161	162	164	165	167	169	170	172	174
Reimbursements	135	139	143	147	151	156	160	165	170	175
Other Income	314	323	332	342	352	362	373	384	395	406
Total Income	**27,299**	**28,376**	**29,079**	**29,948**	**30,844**	**31,768**	**32,720**	**33,701**	**34,713**	**35,756**
Expenses										
Employee Costs	8,500	8,725	8,956	9,194	9,437	9,688	9,944	10,208	10,478	10,756
Materials, Contracts & Other Expenses	9,025	9,249	9,564	9,787	10,018	10,257	10,654	11,011	11,326	11,500
Finance Costs	41	42	43	45	46	47	49	50	52	53
Depreciation, Amortisation & Impairment	9,733	10,046	10,393	10,707	11,073	11,563	11,914	12,275	12,647	13,030
Total Expenses	**27,299**	**28,062**	**28,957**	**29,732**	**30,574**	**31,555**	**32,561**	**33,544**	**34,502**	**35,339**
Operating Surplus/Deficit	-	314	122	215	270	212	159	158	211	417
Amounts Specifically for New or Upgraded Assets	2,984	4,175	3,550	2,175	750	-	-	-	-	-
Gain (Loss) on Sale of Asset	2,000	-	-	-	-	-	-	-	-	-
Net Surplus / Deficit	**4,984**	**4,489**	**3,672**	**2,390**	**1,020**	**212**	**159**	**158**	**211**	**417**

FINANCIAL STATEMENTS

Statement of Financial Position

	2027 YEAR 1 $'000	2028 YEAR 2 $'000	2029 YEAR 3 $'000	2030 YEAR 4 $'000	2031 YEAR 5 $'000	2032 YEAR 6 $'000	2033 YEAR 7 $'000	2034 YEAR 8 $'000	2035 YEAR 9 $'000	2036 YEAR 10 $'000
ASSETS										
Current Assets										
Cash and cash equivalents	5,259	4,692	2,042	-625	-1,060	203	891	3,556	4,055	5,098
Trade and other receivables	1,631	1,678	1,727	1,777	1,829	1,882	1,936	1,992	2,050	2,110
Inventories	600	617	635	654	673	692	712	733	754	776
Total Current Assets	**7,490**	**6,988**	**4,404**	**1,806**	**1,441**	**2,776**	**3,540**	**6,282**	**6,859**	**7,983**
Non-Current Assets										
Financial assets	612	1,531	1,478	1,425	1,371	1,316	1,262	1,207	1,153	1,099
Investment property	19,791	20,365	20,956	21,563	22,189	22,832	23,494	24,175	24,877	25,598
Infrastructure, property, plant and equipment	310,566	314,288	320,198	324,831	325,850	324,349	323,354	320,367	319,583	318,447
Other non-current assets	10,000	10,290	10,588	10,895	11,211	11,537	11,871	12,215	12,570	12,934
Total Non-Current Assets	**340,969**	**346,475**	**353,220**	**358,715**	**360,620**	**360,034**	**359,981**	**357,965**	**358,182**	**358,077**
TOTAL ASSETS	**348,459**	**353,462**	**357,624**	**360,520**	**362,061**	**362,810**	**363,521**	**364,246**	**365,042**	**366,061**
LIABILITIES										
Current Liabilities										
Trade and other payables	16,638	17,121	17,617	18,128	18,654	19,195	19,751	20,324	20,913	21,520
Short Term Provisions	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Short Term Borrowings	11	14	11	11	12	12	12	13	13	13
Total Current Liabilities	**18,249**	**18,734**	**19,228**	**19,739**	**20,265**	**20,807**	**21,364**	**21,937**	**22,526**	**23,133**
Non-Current Liabilities										
Long Term Provisions	221	227	234	241	248	255	262	270	278	286
Long Term Borrowings	171	194	182	171	159	147	135	122	109	96
Total Non-Current Liaibilities	**392**	**421**	**416**	**412**	**407**	**402**	**397**	**392**	**387**	**382**
TOTAL LIABILITIES	**18,641**	**19,155**	**19,645**	**20,151**	**20,672**	**21,209**	**21,761**	**22,329**	**22,913**	**23,515**
NET ASSETS	**329,818**	**334,307**	**337,979**	**340,369**	**341,389**	**341,601**	**341,760**	**341,918**	**342,128**	**342,546**
EQUITY										
Accumulated Surplus	121,180	125,669	129,341	131,731	132,751	132,963	133,122	133,280	133,490	133,908
Asset revaluation reserve	207,991	207,991	207,991	207,991	207,991	207,991	207,991	207,991	207,991	207,991
Other reserves	647	647	647	647	647	647	647	647	647	647
TOTAL EQUITY	**329,818**	**334,307**	**337,979**	**340,369**	**341,389**	**341,601**	**341,760**	**341,918**	**342,128**	**342,546**

FINANCIAL STATEMENTS

Statement of Changes in Equity

	2027 YEAR 1 $'000	2028 YEAR 2 $'000	2029 YEAR 3 $'000	2030 YEAR 4 $'000	2031 YEAR 5 $'000	2032 YEAR 6 $'000	2033 YEAR 7 $'000	2034 YEAR 8 $'000	2035 YEAR 9 $'000	2036 YEAR 10 $'000
Accumulated Surplus										
Bal. at beginning of period	116,117	121,180	125,669	129,341	131,731	132,751	132,963	133,122	133,280	133,490
Net Surplus / (Deficit) for Yr	4,984	4,489	3,672	2,390	1,020	212	159	158	211	417
Transfer (to) / from reserves	79	-	-	-	-	-	-	-	-	-
Balance at end of period	**121,180**	**125,669**	**129,341**	**131,731**	**132,751**	**132,963**	**133,122**	**133,280**	**133,490**	**133,908**
RESERVE ACCOUNTS										
Asset Revaulation Reserve										
Bal.at beginning of period	207,491	207,991	207,991	207,991	207,991	207,991	207,991	207,991	207,991	207,991
Intangible asset - water rights	500	-	-	-	-	-	-	-	-	-
Balance at end of period	**207,991**	**207,991**	**207,991**	**207,991**	**207,991**	**207,991**	**207,991**	**207,991**	**207,991**	**207,991**
Other Reserves										
Bal.at beginning of period	726	647	647	647	647	647	647	647	647	647
Transfer to / (from) reserves	(79)	-	-	-	-	-	-	-	-	-
Balance at end of period	**647**	**647**	**647**	**647**	**647**	**647**	**647**	**647**	**647**	**647**
TOTAL RESERVE BALANCES	**208,638**	**208,638**	**208,638**	**208,638**	**208,638**	**208,638**	**208,638**	**208,638**	**208,638**	**208,638**
TOTAL EQUITY	**329,818**	**334,307**	**337,979**	**340,369**	**341,389**	**341,601**	**341,760**	**341,918**	**342,128**	**342,546**

FINANCIAL STATEMENTS

Statement of Cash Flow

	2027 YEAR 1 $'000	2028 YEAR 2 $'000	2029 YEAR 3 $'000	2030 YEAR 4 $'000	2031 YEAR 5 $'000	2032 YEAR 6 $'000	2033 YEAR 7 $'000	2034 YEAR 8 $'000	2035 YEAR 9 $'000	2036 YEAR 10 $'000
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Operating receipts	26,555	28,216	28,916	29,784	30,678	31,600	32,551	33,531	34,541	35,582
Investment receipts	159	161	162	164	165	167	169	170	172	174
Payments										
Operating payments to suppliers and employees	(17,112)	(17,974)	(18,521)	(18,981)	(19,455)	(19,945)	(20,599)	(21,218)	(21,804)	(22,256)
Finance payments	(5)	(5)	(5)	(5)	(4)	(4)	(4)	(3)	(3)	(3)
Net Cash provided by (or used in) Operating Activities	**9,597**	**10,397**	**10,553**	**10,962**	**11,384**	**11,819**	**12,117**	**12,479**	**12,906**	**13,498**
CASH FLOW FROM INVESTING ACTIVITIES										
Receipts										
Amounts specifically for new or upgraded assets	2,984	4,175	3,550	2,175	750	-	-	-	-	-
Sale of replaced assets	195	228	368	219	242	275	479	522	177	496
Sale of assets	3,500		-	-	-	-	-	-	-	-
Repayments of loans by community groups	62	59	59	59	59	59	59	59	58	58
Payments										
Expenditure on renewal/replacement of assets	(6,404)	(8,175)	(7,531)	(8,286)	(9,290)	(10,210)	(11,284)	(9,643)	(11,919)	(12,265)
Expenditure on new/upgraded assets	(6,098)	(7,209)	(9,616)	(7,754)	(3,516)	(590)	(599)	(641)	(635)	(653)
Purchase of investment property	(443)	(503)	(512)	(534)	(571)	(611)	(620)	(663)	(657)	(676)
Net Cash provided by (or used in) Investing Activities	**(6,204)**	**(11,425)**	**(13,682)**	**(14,121)**	**(12,326)**	**(11,077)**	**(11,964)**	**(10,366)**	**(12,975)**	**(13,039)**
CASH FLOW FROM FINANCING ACTIVITIES										
Receipts										
Proceeds from Borrowings	-	-	-	-	-	-	-	-	-	-
Proceeds from Aged Care Facility deposits	698	718	739	761	783	805	829	853	877	903
Payments										
Repayments of Borrowings	(16)	(14)	(11)	(11)	(12)	(12)	(12)	(13)	(13)	(13)
Repayment of Aged Care Facility deposits	(236)	(243)	(250)	(257)	(265)	(272)	(280)	(288)	(297)	(305)
Net Cash provided by (or used in) Financing Activities	**446**	**461**	**478**	**492**	**506**	**521**	**536**	**552**	**568**	**584**
NET INCREASE (DECREASE) IN CASH HELD	**3,839**	**(567)**	**(2,651)**	**(2,667)**	**(435)**	**1,263**	**689**	**2,665**	**499**	**1,043**
Cash & cash equivalents at beginning of period	**1,420**	**5,259**	**4,692**	**2,042**	**(625)**	**(1,060)**	**203**	**891**	**3,556**	**4,055**
CASH & CASH EQUIVALENTS AT END OF PERIOD	**5,259**	**4,692**	**2,042**	**(625)**	**(1,060)**	**203**	**891**	**3,556**	**4,055**	**5,098**

FINANCIAL STATEMENTS

Capital Expenditure

	2028 YEAR 2 ($)	2029 YEAR 3 ($)	2030 YEAR 4 ($)	2031 YEAR 5 ($)	2032 YEAR 6 ($)	2033 YEAR 7 ($)	2034 YEAR 8 ($)	2035 YEAR 9 ($)	2036 YEAR 10 ($)
ASSET RENEWAL & REPLACEMENT									
Asset Management Plans									
Roads, Footpaths and Kerbing	5,382,719	5,487,760	5,716,091	6,117,027	6,545,371	6,641,247	7,101,457	7,033,661	7,237,637
Buildings	787,217	801,852	835,258	893,868	956,384	970,394	1,037,728	1,027,962	1,057,773
Community Waste Management System (CWMS)	42,448	42,342	471,887	806,211	86,421	1,134,706	165,754	1,395,837	1,436,317
Stormwater	-	238,493	-	-	-	-	24,181	41,114	42,306
Plant & Fleet Management	1,898,345	754,560	1,111,897	1,404,651	2,562,377	2,402,433	1,182,945	2,345,197	2,413,208
Irrigation	18,704	159,269	102,399	16,859	4,548	78,706	71,258	15,776	16,234
Asset Management Plans	**8,129,432**	**7,484,277**	**8,237,532**	**9,238,616**	**10,155,102**	**11,227,486**	**9,583,323**	**11,859,547**	**12,203,474**
Other									
Buildings - Loxton Retirement Village	502,817	512,166	533,503	570,939	610,870	619,818	662,827	656,588	675,629
Information Technology	45,504	46,350	48,281	51,669	55,282	56,092	59,984	59,420	61,143
Total Asset Renewal/Replacement	**8,677,753**	**8,042,792**	**8,819,316**	**9,861,223**	**10,821,254**	**11,903,396**	**10,306,134**	**12,575,556**	**12,940,247**
NEW/UPGRADED ASSETS									
Information Technology	34,128	34,762	36,211	38,752	41,462	42,069	44,988	44,565	45,857
Disability Access Plan Building Upgrade	34,128	34,762	36,211	38,752	41,462	42,069	44,988	44,565	45,857
Mobility Access / Footpath Upgrade Program	-	309,675	322,576	345,211	369,355	374,765	400,770	396,998	408,511
Capital Expenditure to Reduce Operating	113,760	115,875	120,702	129,172	138,206	140,230	149,961	148,549	152,857
East Terrace Loxton Upgrades*	227,519	-	-	-	-	-	-	-	-
Loxton Infrastructure depot	-	1,126,089	2,279,890	1,185,554	-	-	-	-	-
Paisley Riverfront	252,091	-	-	-	-	-	-	-	-
Population Growth (Infrastructure Provision)*	568,798	563,045	-	-	-	-	-	-	-
Waikerie Recreation Centre*	-	3,941,312	3,989,807	1,778,330	-	-	-	-	-
Waikerie Swimming Pool Upgrades*	1,877,034	619,349	-	-	-	-	-	-	-
Loxton Swimming Pool Upgrades*	-	2,871,528	968,953	-	-	-	-	-	-
Heinrich Road & Drogemuller Road Upgrades*	4,101,811	-	-	-	-	-	-	-	-
Total New/Upgraded Assets	**7,209,269**	**9,616,397**	**7,754,348**	**3,515,770**	**590,484**	**599,134**	**640,707**	**634,677**	**653,083**
TOTAL CAPITAL EXPENDITURE	**15,887,022**	**17,659,189**	**16,573,664**	**13,376,993**	**11,411,738**	**12,502,530**	**10,946,841**	**13,210,233**	**13,593,329**

* Grant-funded project, contingent on securing grant funding.

KEY FINANCIAL INDICATORS

Explanation of Financial Indicators

The Council utilises three Key Performance Indicators (KPIs) to monitor its financial performance and sustainability. These indicators are:

- Operating Surplus Ratio
- Net Financial Liabilities Ratio
- Asset Sustainability Ratio

These indicators aim to provide decision-makers and stakeholders with a clearer understanding of financial performance, position, and asset management effectiveness. Each indicator is accompanied by detailed commentary, offering a description, rationale, and proposed target to facilitate informed decision-making.

KEY FINANCIAL INDICATORS

Operating Surplus Ratio (Financial Performance)

This ratio is the operating surplus/(deficit) expressed as percentage of oeprating income.

By what percentage does the operating income vary from operating expenses?

How is this ratio calculated?

$$\frac{A}{B}$$

A = Operating surplus

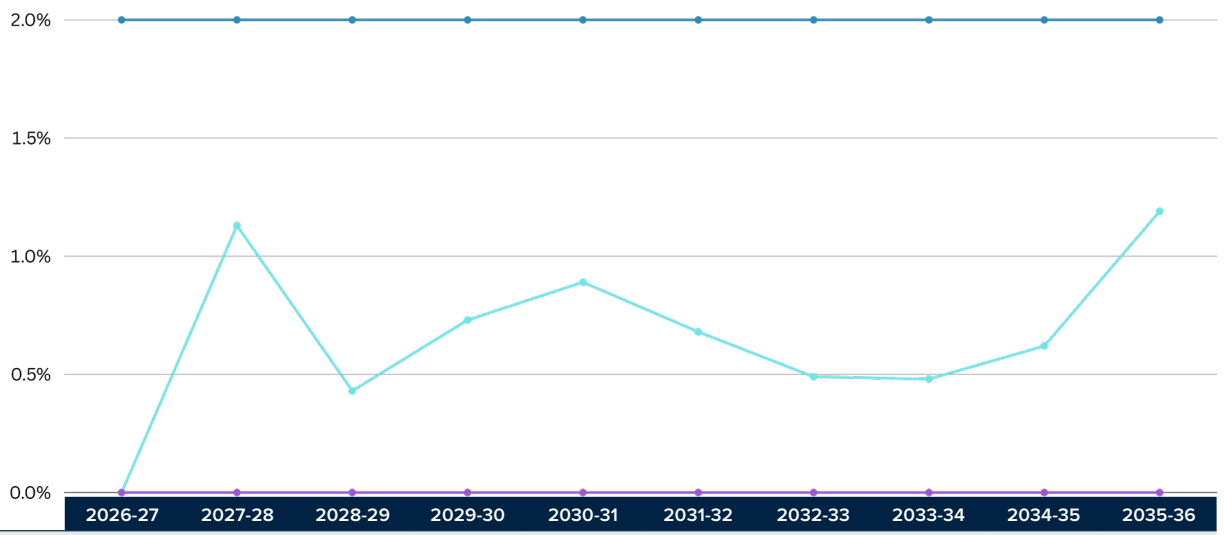
B = Total operating income

Council Target

Council's target is to achieve, on average over time, an operating surplus ratio within a range of 0-2%.

LGA Target

The Local Government Association of SA recommended target is to achieve an operating surplus ratio of between 0% and 10% over any five year period.



	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Plan	0.00%	1.13%	0.43%	0.73%	0.89%	0.68%	0.49%	0.48%	0.62%	1.19%
Upper Limit	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Lower Limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Commentary on Projected Performance

Council's projected operating surplus ratio is consistent with the LGA recommended target range, though it is worth noting the increase reflected within the plan ensures that the Council can fulfill both current and future commitments, promoting financial sustainability.

KEY FINANCIAL INDICATORS

Net Financial Liabilities Ratio (Financial Position)

This ratio is a measure of the ability to cover operational costs and have revenues available for capital funding, repayment of debt or consider the provision of new services.

What is owed to others less money held, invested or owed to Council, compared with operating income?

How is this ratio calculated?

$$\frac{A}{B}$$

A = Total liabilities less current cash and cash equivalents, trade and other receivables, other financial assets, non-current financial assets

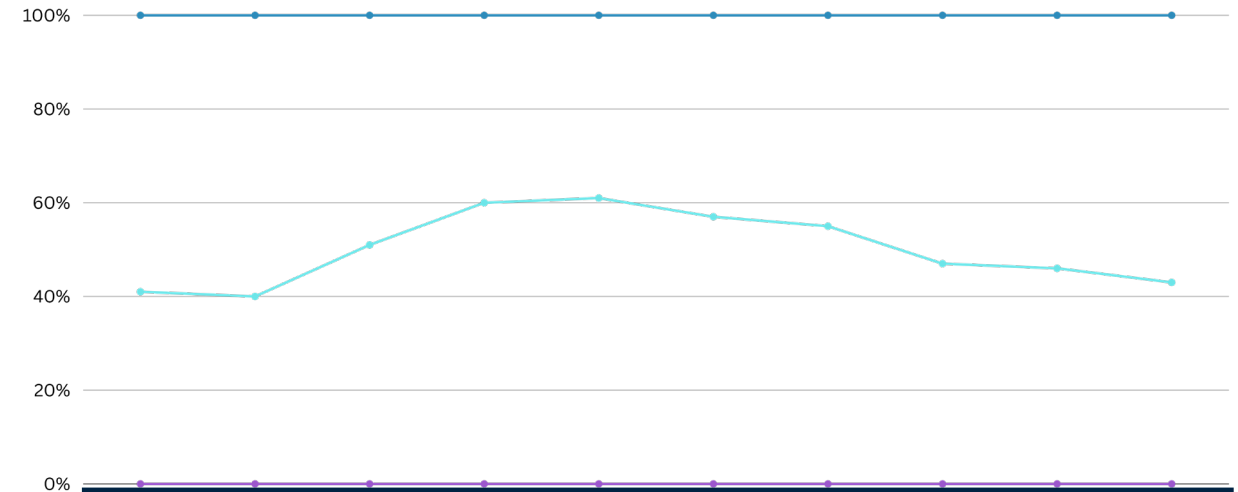
B = Total operating revenue

Council Target

Council's limit is for Net Financial Liabilities to be greater than zero and less than 100% of total operating revenue.

LGA Target

The Local Government Association of SA target is the same as Council's.



	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Plan	41%	40%	51%	60%	61%	67%	55%	47%	46%	43%
Upper Limit	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Lower Limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Commentary on Projected Performance

This ratio is set to remain within Council's target for the entire 10 years of the Long Term Financial Plan

KEY FINANCIAL INDICATORS

Asset Sustainability Ratio (Asset Management Performance)

This ratio indicates whether the Council is renewing or replacing existing assets at the rate of consumption.

Capital expenditure on renewal or replacement of existing depreciable assets/required expenditure as required by respective asset management plans.

How is this ratio calculated?

$$\frac{A}{B}$$

A = Expenditure on the renewal / replacement of assets

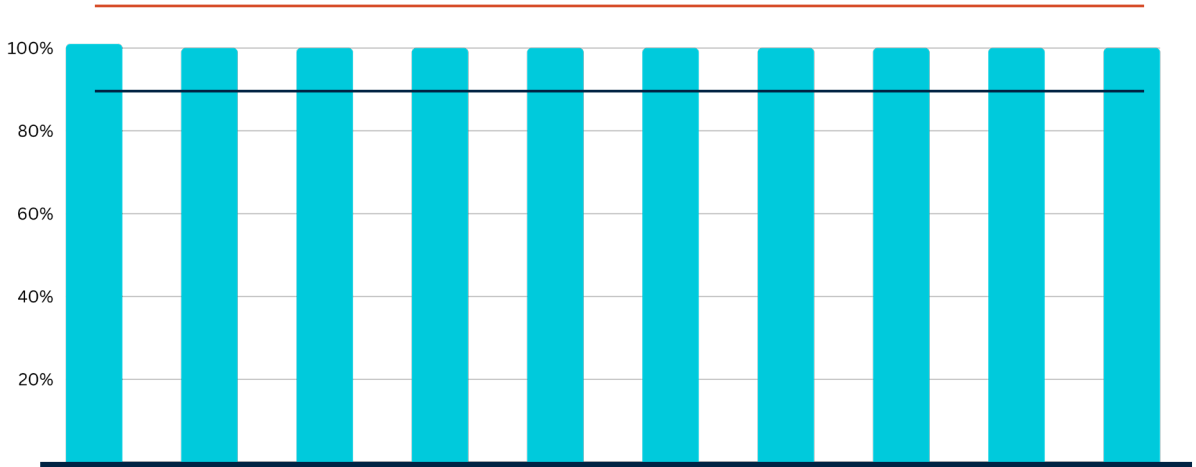
B = Optimal level of such expenditure proposed in Council's Infrastructure and Asset Management Plan

Council Target

Council's target is that capital outlays on renewal / replacement of assets net of proceeds from sale of replaced assets are greater than 90% but less than 110% of the level proposed in the Infrastructure and Asset Management Plan.

LGA Target

Capital outlays on renewing/replacing assets are, on average, greater than 80% but less than 120% with a rolling average of 100% of the level proposed in the Infrastructure and Asset Management Plan.



	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Plan	101%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Upper Limit	110%	110%	110%	110%	110%	110%	110%	110%	110%	110%
Lower Limit	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%

Commentary on Projected Performance

Council has allocated an amount in years 2-10 to cover 100% of the cost of renewal for Council's infrastructure assets, in line with the Asset Management Plan.

GLOSSARY

Operating Expenses
Recurrent expenditure necessary in the operations of Council.

Operating Income
Revenue generated by the provision of service including any service rates and charges raised. It is also inclusive of grant funding, statutory charges, reimbursements, contributions, donations and other income.

Operating Surplus / (Deficit) before capital amounts
Operating income less operating expenditure before capital amounts.

Capital Expenditure on Renewal / Replacement of Existing Assets
Expenditure on assets has two components. The first is maintenance. This is included in operating expenditure. The second is capital. That is, expenditure on the renewal of Council assets. This is not shown under operating expenditure, rather it is included in the Balance Sheet of Council as an asset. Generally the asset is subsequently depreciated.

Depreciation
Depreciation represents the systematic allocation of the depreciable amount (service potential) of an asset over its useful life. Put simply – an expense recognising systematic consumption of Council assets.

Capital Expenditure on New/Upgraded Assets
The amount spent on new or upgraded assets.

Amounts Received Specifically For New or Upgraded Assets
Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand and demand deposits, as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. These investments generally have a maturity of three months or less from the date of acquisition.

Loans Received
Representative of loans drawn down and received throughout the year. Loans result in funds being received which are then repaid over a period of time with interest (an additional cost).

Net Lending / (Borrowing) for the Financial Year

Net lending / (borrowing) is a flow measure that reflects the difference between revenue and expenditure from both operating and capital activities during the financial year. A result of zero indicates that the Council has funded all operating and capital expenditure from current year income, including amounts received specifically for new or upgraded assets.

Reserves
Council may elect to nominate funds that will be required for specified future capital expenditure. Until these funds are required, they may be used to fund other capital expenditure that would otherwise require a loan.

Depreciation, Amortisation and Impairment
Depreciation, Amortisation and Impairment is represented by the fact that all non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Finance Costs
Finance costs are represented by the cost of borrowings including the interest component of loan repayments.

Materials, Contracts and Other Expenses
Materials, contracts and other expenses include costs associated with both the acquisition of goods and services such as payments for insurance cover premiums, light and power, consulting fees, legal charges, fuel and oil, repairs and maintenance, communications and all other costs not elsewhere attributable.

Employee Costs
This classification includes all expenditure in the employment of Council's staff inclusive of on-costs. It includes staff salaries and wages, accrued leave entitlements, superannuation, and workers compensation. It does not include capitalised employee expenditure.

GLOSSARY

Other Revenues

Other revenue is revenue received, not elsewhere classified. Examples include insurance recoupments, rebates and commissions.

Reimbursements

Reimbursements are amounts received as payment for work done by the Council acting as an agent for other government bodies and property owners, organisations and individuals. It also includes "contributions" received by the parent or main operating council from member Council's for a joint undertaking. They include:

a. reimbursement for road works - state government, public corporations, private bodies/private roads,
b. Council's private works
c. joint undertakings - dog control, health/building inspection boards, libraries
d. recoveries from other bodies for work done - Construction Industry Training Fund Levy collection fees
e. reimbursement of collection costs for NRM levy.

Investment Income

Investment income is revenue from financial investments or loans to community groups. It includes interest received:

- from the Local Government Finance Authority or banks; and
- on loans to community groups.

Grants, Subsidies and Contributions

Grants, subsidies and contributions include such grant and other related income from all sources but excludes grants and subsidies received specifically for new or upgraded assets.

User Charges

User charges is revenue from the sale of goods and services or rent of property/facilities (other than rental of investment property as defined in the accounting standards). They are voluntary charges for which the payer receives a direct benefit. They include: admission charges; caravan park fees; cemetery fees; parking fees; building rents; library fees/fines; waste transfer station disposal fees; sundry sales; hall hire; equipment hire.

Statutory Charges

Statutory charges are fees levied from regulatory services. They are associated with the granting of a permit/licence, the regulation of an activity or penalties for non-compliance with a regulatory requirement. They include Development Act fees; town planning fees; rate searches; dog registration fees and fines; parking fines and expiation fees; litter fines; health fines; environmental control fines; litter control fines; septic tank fees; other licences/fees/fines.

Rates

Rates income is all revenue including an amount charged by reference to a valuation, any fixed charge also included within that structure. It includes amounts received from general rates, service rates (CWMS and Kerbside Waste Collection charges), levies collected on behalf of State Government agencies (Natural Resource Management Levy) and late payment penalties imposed. Mandatory and discretionary rebates allowed are netted off against rate revenue items.

APPENDIX A

Asset Renewal & Replacement Reconciliation

The renewal and replacement of Council's assets should be informed and guided by Council's Asset Management Plan (AMP). The AMP enables Council to prioritise and allocate resources effectively for the maintenance, renewal, and upgrade of assets by assessing both the level of service provided and the current asset condition. The AMP also strengthens Council's financial planning framework by defining renewal funding needs, supporting the maintenance of key asset performance indicators, and informing long-range financial projections.

Alignment between the AMP and the Long Term Financial Plan (LTFP) is critical to ensuring consistent and sustainable financial planning. Council follows the guidelines of the Local Government Association to prepare the AMP using current-day dollars, and apply indexation to the LTFP to asset renewal projections to reflect anticipated future cost movements.

The table below presents a reconciliation of asset renewal and replacement values between the Asset Management Plan and the Long Term Financial Plan.

	2027 YEAR 1 ($)	2028 YEAR 2 ($)	2029 YEAR 3 ($)	2030 YEAR 4 ($)	2031 YEAR 5 ($)	2032 YEAR 6 ($)	2033 YEAR 7 ($)	2034 YEAR 8 ($)	2035 YEAR 9 ($)	2036 YEAR 10 ($)
Asset Management Plan										
Transport	4,472,820	4,468,717	4,472,766	4,472,536	4,472,417	4,472,778	4,472,773	4,472,384	4,471,773	4,471,773
Buildings	692,000	692,000	692,000	692,000	692,000	692,000	692,000	692,000	692,000	692,000
Community Waste Management System (CWMS)	35,622	35,240	34,511	369,226	589,455	59,056	764,206	104,389	887,428	887,428
Stormwater	-	-	194,382	-	-	-	-	15,229	26,139	26,139
Plant & Fleet Management	1,868,000	1,576,000	615,000	870,000	1,027,000	1,751,000	1,618,000	745,000	1,491,000	1,491,000
Irrigation	87,662	15,528	129,811	80,122	12,326	3,108	53,007	44,877	10,030	10,030
Total Asset Management Plan	**7,156,104**	**6,787,485**	**6,138,470**	**6,483,884**	**6,793,198**	**6,977,942**	**7,599,986**	**6,073,879**	**7,578,370**	**7,578,370**
Adjustments										
Indexation	-	358,664	507,785	742,371	999,461	1,260,017	1,636,725	1,512,434	2,173,880	2,456,695
Buildings - Loxton Retirement Village	441,607	502,817	512,166	533,503	570,939	610,870	619,818	662,827	656,588	675,629
Information Technology	84,200	45,504	46,350	48,281	51,669	55,282	56,092	59,984	59,420	61,143
Council Project Management & Full Cost Attribution Costs	969,018	983,283	838,021	1,011,277	1,445,956	1,917,144	1,990,775	1,997,010	2,107,298	2,168,409
Parks & Gardens Projects	150,000	-	-	-	-	-		-	-	-
Strategic Asset Upgrades/New*	(1,682,789)	-	-	-	-	-	-	-	-	-
Total Adjustments	**(37,964)**	**1,890,268**	**1,904,322**	**2,335,432**	**3,068,025**	**3,843,312**	**4,303,410**	**4,232,255**	**$4,997,186**	**5,361,877**
LONG TERM FINANCIAL PLAN (AMP *less* Adjustments)	**7,118,140**	**8,677,753**	**8,042,792**	**8,819,316**	**9,861,223**	**10,821,254**	**11,903,396**	**10,306,134**	**12,575,556**	**12,940,247**

*Council has a number of strategic asset upgrades and new purchases included in the 2026–27 Budget, which has resulted in a lower level of asset renewals for that year. In the 2026–27 financial year, grant funding will support an $3 milllion in investment in upgrades to Heinrich Road and Drogumuller Road, as well as the second stage of the Community Wastewater Management System treatment plants for both Loxton and Waikerie. To further reduce reliance on contractors, Council will also purchase a new prime mover and side tipper trailer, which has reduced the plant renewal allocation for the year.

CONTACT DETAILS & FURTHER INFORMATION

Long Term Financial Plan

A copy of Council's Long Term Financial Plan is available on our website, lwdc.sa.gov.au

Our website has recently been updated and contains a vast array of information regarding our services and activities. It also contains all the other relevant plans and documents mentioned within the Long Term Financial Plan.

If you have a question or comment regarding our Long Term Financial Plan, or any other query regarding our business, please contact us.

Loxton Office
35 Bookpurnong Tce, Loxton
08 8584 8000

Waikerie Office
Strangman Rd, Waikerie
08 8541 0700

council@lwdc.sa.gov.au
www.lwdc.sa.gov.au



LoxtonWaikerieCouncil
District Council of Loxton Waikerie