

## **Long Term Financial Plan 2020-2030**

### **Draft 2022/2023 Annual Review – Public Consultation**

#### **Background**

The District Council of Tumby Bay Long Term Financial Plan was adopted by Council on 27<sup>th</sup> February 2020 and reviewed in March 2022. The current review has been completed having considered several significant changes in the financial landscape over the past twelve months and new depreciation figures obtained for the majority of Council's asset base.

#### **Officers Comments**

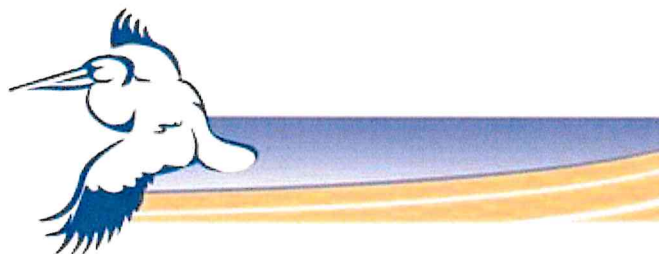
The review document has been completed in line with previous reviews with commentary provided on changes to key assumptions and forecast financial ratios within the document.

Key items taken into consideration for this review have included: -

- Significantly high CPI forecast for the March 2023 (12-month comparison)
- Variations applied to expected General Rate increases
- Operating Surplus Ratio and long-term sustainability
- Asset Management Plan reviews for 2023
- Significant increase in depreciation from 21/22 to 22/23 of \$441,000 (estimate)
- Several significant projects that have not been included in the plan at this time; pending further detail on proposals and cost estimates: -
  - Tumby Bay Jetty Proposals
  - Tumby Bay Foreshore Seawall
  - Pumpa Street Remediation/Reconstruction
  - Salt Creek Crossing Upgrade
  - Tumby Bay Marina & Port Neill Boat Ramp Dredging

Dion Watson  
Deputy CEO  
January 2023

# **DISTRICT COUNCIL OF TUMBY BAY**



**DISTRICT COUNCIL of TUMBY BAY**

## **LONG-TERM FINANCIAL PLAN**

**2020/21 TO 2029/30**

### **REVIEW THREE**

**2023/2024 to 2029/2030**

**Public Consultation**



## **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 achieve the theme's and strategies set out in the Strategic Plan, and to ensure that the Council is adequately providing for Asset renewal as identified in the various Asset Management Plans.

The plan also includes various financing options for a number of proposed new capital works which have been identified in Council's Asset Management Plans.

The ten year plan has been set based on the premise that Council wishes to be financially sustainable over the ten year period, and takes into consideration Council's position in relation to the three key financial indicators adopted by Council.

## ASSUMPTIONS

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

### REVENUE

#### General Rates

General rate revenue has been increased by 1.8% more than the modelled Local Government cost increases to ensure the long-term sustainability of the Council, in doing this the Council will reach a point of sustainability mid-way through the planning period. Proposed rate increases are detailed below:

<u>Adopted Plan</u>		<u>Review Three</u>	
2023/2026	3.8% Increase	2023/2026	9.5% Increase
2026/2030	3.8% Increase	2026/2030	3.5% Increase

The plan allows for modest growth in ratable properties over the ten-year period.

#### Review Three – Comment

*Having considered the current economic climate and recent CPI movements, Council have re-set the CPI assumptions in the plan to the following increases:*

2023/2024	7.0%
2024/2025	4.0%
2025/2026	3.0%
2026/2030	2.5%

*Due to continued cost pressures being experienced by Council and the urgent need to address the trend of significant operating deficits, the following rate increase have been included in the reviewed plan:*

2023/2024	- CPI 7.0%	Rate Increase	- 9.5%	(Fixed Rise)
2024/2025	- CPI 4.0%	Rate Increase	- 9.5%	(Fixed Rise)
2025/2026	- CPI 3.0%	Rate Increase	- 9.5%	(Fixed Rise)
2026/2030	- CPI 2.5%	Rate Increase	- 3.5%	(CPI + 1%)

*The revised plan will enable Council to maintain its current level of services, as well as reaching an acceptable operating position for 2025/2026 and beyond.*

#### Other Revenues

Council also receives revenue from several other sources including statutory charges, user charges, reimbursements and other revenues; these items have been increased by the following amounts to mirror estimated Local Government cost increases:

<u>Adopted Plan</u>		<u>Review Three</u>	
2023/2024	2.0% Increase	2023/2024	7.0% Increase
2024/2025	2.0% Increase	2024/2025	4.0% Increase
2025/2026	2.0% Increase	2025/2026	3.0% Increase
2026/2030	2.0% Increase	2026/2030	2.5% Increase

#### Review Three – Comment

*Other income has been increased in line with the following CPI assumptions: -*



2023/2024 - CPI 7.0%	Other Income Increase - 7.0%
2024/2025 - CPI 4.0%	Other Income Increase - 4.0%
2025/2026 - CPI 3.0%	Other Income Increase - 3.0%
2026/2030 - CPI 2.5%	Other Income Increase - 2.5%

### **Operating Grants**

Local Government Grants Commission general purpose grants have been reduced by 3% annually based on recent advice from the Commission.

Local Government Grants Commission road grants and supplementary road funding has been indexed at 2.0% for the life of the plan, however funding past 2021/2022 is yet to be confirmed for the supplementary component of this funding.

Roads to Recovery grants have been included for the duration of the plan; with the current funding program expiring in 2023/2024.

### **Review Three – Comment**

*Whilst included for the duration of the current plan, a federal commitment to the continuation of the SA supplementary road grant funding past 2022/2023 is yet to be confirmed.*

### **Investment Income**

Interest earned on investments has been calculated at an interest rate of 1% over the period of the plan.

### **Review Three – Comment**

*Interest earned on investments has been revised for the remaining term.*

2023/2025	3.0%
2026/2030	2.0%

## **EXPENDITURE**

### **Operating Expenditure**

Operating expenditure has been based on the following estimated Local Government cost increases:

Adopted Plan		Review Three	
2023/2024	2.0% Increase	2023/2024	7.0% Increase
2024/2025	2.0% Increase	2024/2025	4.0% Increase
2025/2026	2.0% Increase	2025/2026	3.0% Increase
2026/2030	2.0% Increase	2026/2030	2.5% Increase

### **Review Three – Comment**

*Operating expenditure has been increased in line with the following CPI assumptions: -*

2023/2024 - CPI 7.0%	Other Income Increase - 7.0%
2024/2025 - CPI 4.0%	Other Income Increase - 4.0%
2025/2026 - CPI 3.0%	Other Income Increase - 3.0%
2027/2030 - CPI 2.5%	Other Income Increase - 2.5%

## **Wages**

In determining likely increases in annual wage payments the following items have been taken into consideration:

- No Increase in Current Staffing
- Enterprise Bargaining Agreement
- Senior Staff Contracts

On this basis the following increases have been applied within the plan.

Adopted Plan		Review Three	
2023/2024	2.0% Increase	2023/2024	5.0% Increase
2024/2025	2.0% Increase	2024/2025	4.0% Increase
2025/2026	2.0% Increase	2025/2026	3.0% Increase
2026/2030	2.0% Increase	2026/2030	2.5% Increase

### **Review Three – Comment**

***Further refinement of staff structure and responsibilities within the administration department have occurred over the past twelve months, and funding approved for a Project Officer for a period of three years, these changes and associated cost increases have been reflected in the reviewed plan.***

## **Finance Charges**

Finance Charges have been calculated at variable interest rates ranging from 4% to 6.75% over the period of the plan and may include both fixed term and cash advance loan facilities with the LGFA.

### **Review Three – Comment**

***Council currently holds 7 fixed term loans with the LGFA:***

***Fixed terms vary between 5 years and 20 years***

***Fixed interest rates vary between 2.09% and 4.35%***

## **Depreciation**

Depreciation has been calculated using the 'Straight Line Method' based on the Current Replacement Cost (CRC) of an asset and its expected life. In applying depreciation amounts to the various assets CRC has been indexed in line with anticipated asset revaluations to ensure depreciation rates are keeping pace with the increased cost of asset provision and renewal. These rates therefore vary from asset to asset – see chart below for details.

### Adopted Plan

<u>Year</u>	<u>23/24</u>	<u>24/25</u>	<u>25/26</u>	<u>26/27</u>	<u>27/28</u>	<u>28/29</u>	<u>29/30</u>
Buildings	0.0%	0.0%	0.0%	10.4%	0.0%	0.0%	0.0%
Plant	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Infrastructure	0.0%	0.0%	6.1%	0.0%	0.0%	6.1%	0.0%

### Review Two

<u>Year</u>	<u>23/24</u>	<u>24/25</u>	<u>25/26</u>	<u>26/27</u>	<u>27/28</u>	<u>28/29</u>	<u>29/30</u>
Buildings	0.0%	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%
Plant	7.0%	4.0%	3.0%	2.5%	2.5%	2.5%	2.5%
Infrastructure	0.0%	0.0%	14.0%	0.0%	0.0%	7.7%	0.0%

### **Review Three – Comment**

***Depreciation on all assets is forecast to increase in line with CPI indexation.***



## CAPITAL EXPENDITURE

### ***Renewal***

The Capital Renewal requirements as estimated in the Asset Management Plans have been included in the Long-Term Financial Plan. The plan aims for a 100% renewal program at the optimum time to ensure assets do not deteriorate to a point where additional works are required. In the case of long-lived assets such as CWMS, bridges and urban storm water systems, funds will be set aside to offset future renewal programs.

### ***New Assets***

The plan includes the provision of new assets identified within the Council's Asset Management Plans. Due to the size and nature of these assets it is envisaged that a combination of grant and loan funds along with accumulated reserves will be utilized in their provision. Dependence on varying degrees of grant funding may dictate at what time during this planning period these projects are able to proceed.

### ***Review Three – Comment***

***The following major assets projects will have been completed by 30 June 2023:***

- ***Bratten Bridge Upgrade***
- ***Graham Smelt Causeway Bridge Upgrade***
- ***TB CWMS Treatment Plant Upgrade***
- ***Sandbag Seawall adjacent Ritz Car Park***

## SELF FUNDED ACTIVITIES

Funding for the Tumby Bay and Port Neill Community Wastewater Management Schemes has been included within the LTFP and includes future asset renewal in line with Asset Management Plans. As per legislative requirements any funds raised through service charges applied for the 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 reserve and available for future asset renewals as required.

### ***Review Three – Comment***

***The recently completed TB CWMS Treatment Plant Upgrade was funded through the utilization of accumulated CWMS reserves and a capital contribution from Downer Australia in their role as principal contractor for the Electranet HV Transmission Line Upgrade Project.***

## LOAN BORROWING

Council enters this planning period with relatively few loan borrowings and with a number of these loans in the category of self-servicing loans. It is envisaged that new borrowings will be required to fund the replacement of the bridge on the Graham Smelt Causeway and some items within the plant replacement program.

### ***Review Three – Comment***

***The following loan borrowings have been revised:***

***Graham Smelt Causeway Bridge Upgrade***

<b><i>Adopted Plan</i></b>	<b><i>\$1.62M over 15 Years</i></b>
<b><i>Review Three Actual</i></b>	<b><i>\$1.315M over 15 Years</i></b>

### **Major Plant Replacements**

**Adopted Plan**            **\$300K over 5 Years**

**Review Three**           **Reserve Funds Utilised**

### **FINANCIAL INDICATORS**

South Australian Councils are required to use nationally consistent approach of measuring their financial sustainability by using three key indicators:

- Operating Surplus Ratio
- Net Financial Liabilities Ratio
- Asset Renewal Funding Ratio

#### **Operating Surplus Ratio**

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

“This indicator is by far the most important indicator for Councils. If a Council consistently achieves a modest positive operating surplus ratio, and has soundly based projections showing that it can continue to do so in the future, having regard to asset management and its community’s service level needs, then it is financially sustainable.” – LGA Financial Sustainability Paper 9.

The Local Government Association suggests Council’s should be targeting “To achieve, on average, an operating surplus ratio of between 0% and 10%”.

In Council Policy 5.25 Revenue and Financing, Council has set itself a target to achieve an operating break-even position, or better, over any five year period. This LTFP provides Council the opportunity to reach this target in the final four years of the planning period. (See Chart – Page 7)

#### **Review Three – Comment**

***In considering this year’s review, Council has placed significant emphasis on long term sustainability and responsible financial management. To achieve these goals and consistently deliver a positive operating position it is proposed that rates will be increased by 9.5% in the first three years and 1% above CPI for the remaining term. These increases will enable Council to reach a sustainable operating position for 2025/2026 and beyond. (See Chart – Page 9)***

#### **Net Financial Liabilities Ratio**

*The net financial liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year.*

“Net financial liabilities is a broader and more appropriate measure of indebtedness than the level of borrowings, because it includes items such as employee long-service leave entitlements and other amounts payable in future as well as taking account of a Council’s cash holdings and invested monies” – LGA Financial Sustainability Paper 9.

The Local Government Association suggests a Council’s net financial liabilities ratio is between zero and 100% of total operating income, but possibly higher in some circumstances.



In Council Policy 5.24 Treasury, Council has set itself a limit of 100%. This LTFP shows Council's ratio peaking at 39% early in the planning period and closing out in an asset positive position with a ratio of (39%), well below Council's accepted position. (See Chart – Page 8)

**Review Three - Comment**

***The current review document shows Council's ratio peaking at 19% in 2024/2025 and closing out in an asset positive position with a ratio of (68%), well below Council's accepted position. (See chart – Page 10)***

**Asset Renewal Funding Ratio**

*This ratio indicates the extent to which non-financial assets are being renewed and replaced, compared with the asset renewal and replacement expenditure identified as warranted in a Council's infrastructure and asset management plan's (I&AMP's). It is calculated by measuring capital expenditure on renewal or replacement of assets for a period, divided by the optimal level of such expenditure proposed in a Council's I&AMP's.*

"If capital expenditure on renewing or replacing existing assets is at a level consistent with proposed or soundly prepared I&AMP's that is based on long-run affordable service levels, then it is likely that a Council is reasonably optimizing timing of asset renewal activity. Any material underspending on renewal and replacement over the medium term is likely to adversely impact on the cost-effective achievement of preferred, affordable service levels and could potentially undermine a Council's financial sustainability." – LGA Financial Sustainability Paper 9.

The Local Government Association suggests capital outlays on renewing/replacing assets are greater than 90% but less than 110% of the level proposed in the Infrastructure and Asset Management Plan's (I&AMP's). This plan enables Council to maintain a ratio of 100% throughout the planning period. (See Chart – Page 10)

**Review Three – Comment**

***The current review document maintains a ratio of 100% throughout the planning period. (See Chart – Page 11)***

**STRATEGIC PLAN**

It is recognized that the Long-Term Financial Plan does not necessarily cover off on all actions and activities mentioned in Council's Strategic Plan, however every endeavor has been made to include all information considered relevant to the plan at this time. Future review of the plan will be carried out on an annual basis.

The current plan includes the following major projects:

- Tumby Bay Township Master Plan Project
- Graham Smelt Causeway Bridge
- Tumby Bay CWMS Upgrade



***Review Three - Comment***

***The following projects included in the original plan were completed by 30 June 2022: -***

***Graham Smelt Causeway Bridge Upgrade***

***TB CWMS Treatment Plant Upgrade***

***In addition, Council has also completed the following capital projects: -***

***Bratten Bridge Upgrade – Grant Funded***

***Sandbag Seawall adjacent the Ritz Café carpark – Grant Funded***

***Due to financial limitations the proposed Tumby Bay Township Master Plan Project has been removed from the revised plan.***

**ANALYSIS OF LONG-TERM FINANCIAL PLAN**

Council has endeavored to approach the formulation of its Long-Term Financial Plan with two clear objectives: sustainability of essential service delivery and sound infrastructure management. However, in achieving this it is also paramount that Council provides adequate funds within its “Future Projects Reserve” to firstly safeguard against unexpected financial impacts; and secondly, provide funding for future improvements within our communities. Council strongly believes the LTFP provides a degree of certainty in both areas, whilst maintaining an acceptable level of projected rate increases across the plan.

***Review Three – Comment***

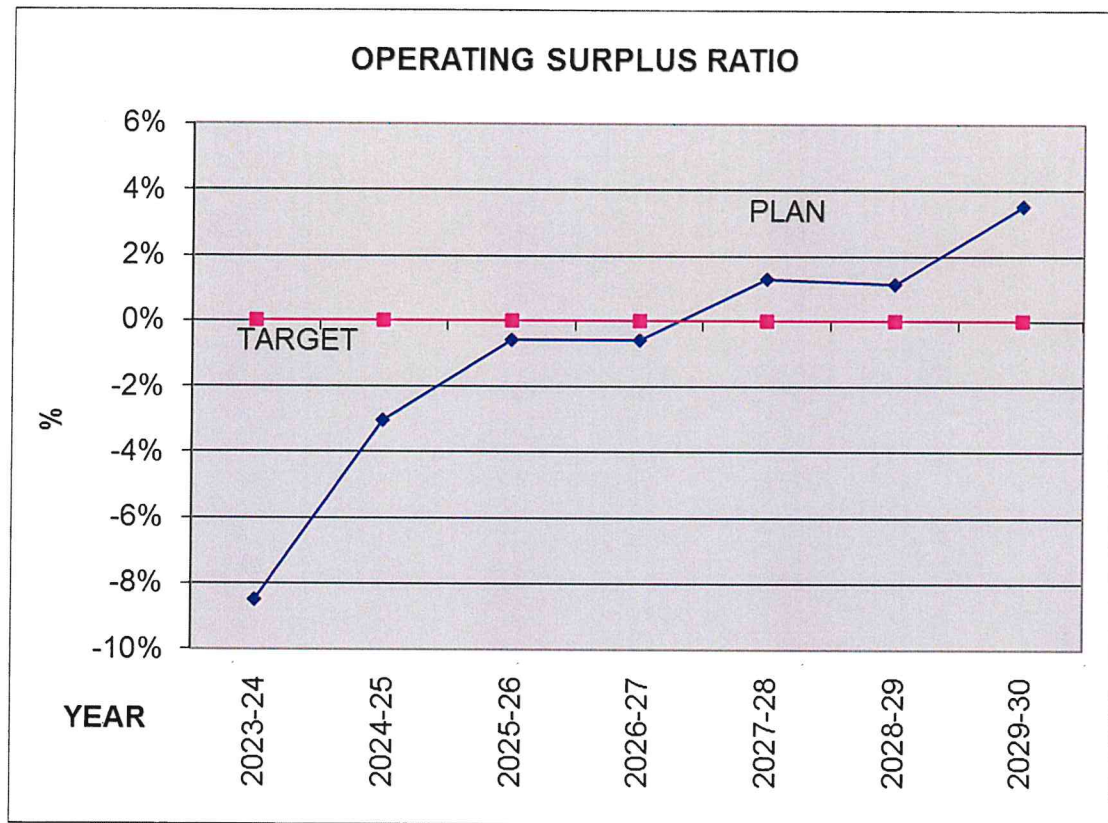
***The current review continues to support the objectives detailed above and aims to deliver a positive and sustainable operating position into the future.***

**FINANCIAL STATEMENTS**

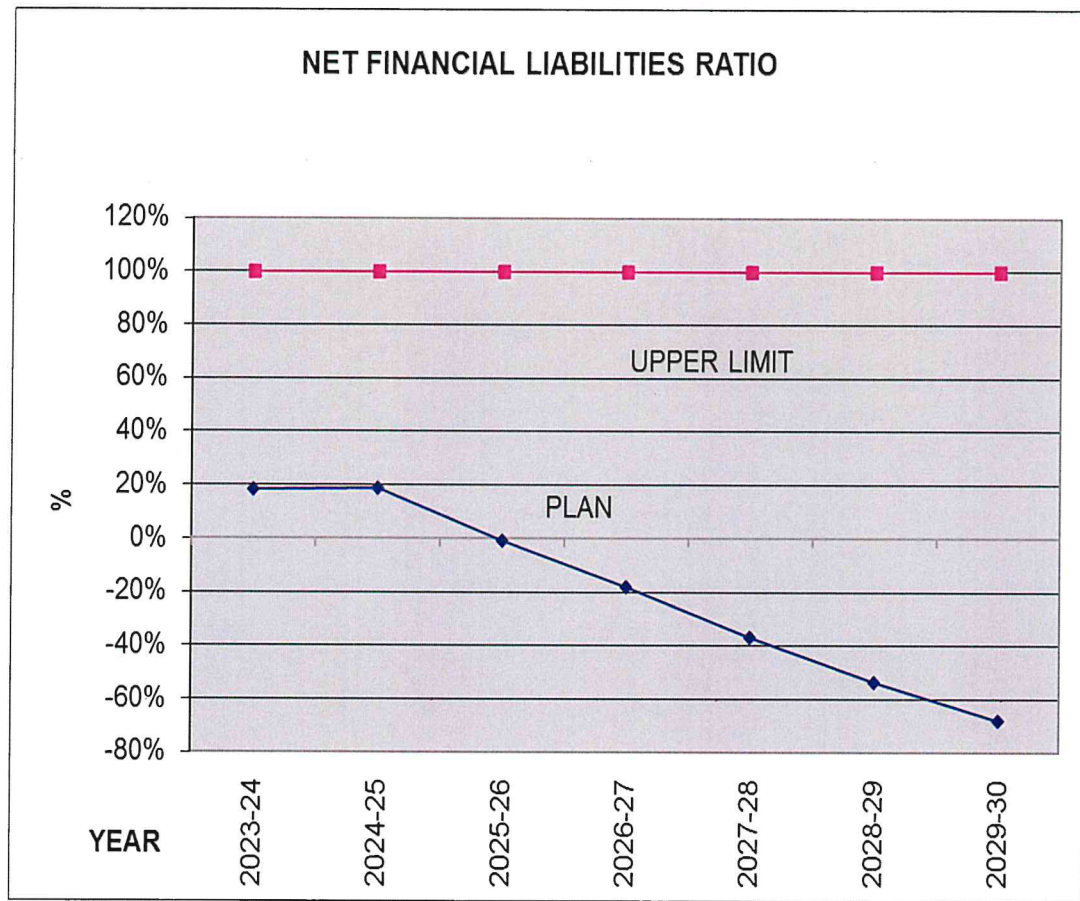
***Review Three – Comment***

***The financial statements included at the back end of the plan have been modified to better reflect the budget templates used by Council. (See Statements – Page 12)***

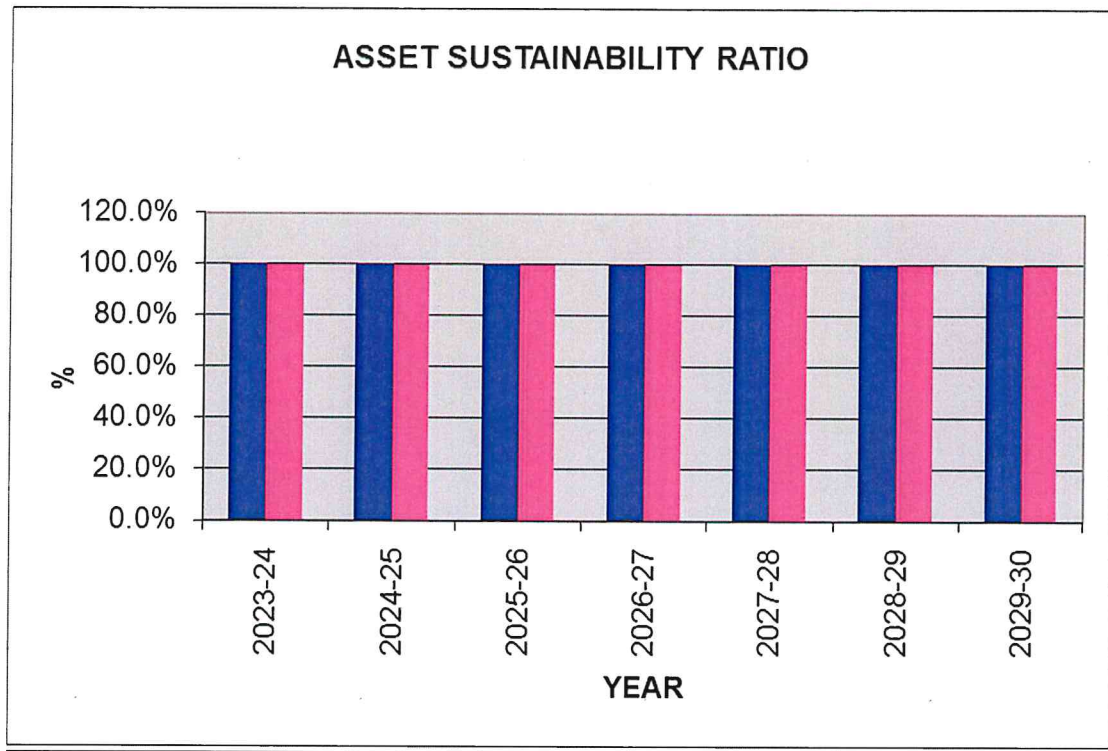
## FINANCIAL CHARTS



## FINANCIAL CHARTS



## FINANCIAL CHARTS



**TARGET - PLAN**



DISTRICT COUNCIL OF TUMBAY BAY									
2020-2030 LTFP STATEMENT OF COMPREHENSIVE INCOME - REVIEW 3 - DRAFT									
		2024	2025	2026	2027	2028	2029	2030	
		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	
REVENUE		\$	\$	\$	\$	\$	\$	\$	\$
Rates		6,482,310	7,025,289	7,596,678	7,862,576	8,137,882	8,422,929	8,718,067	
Statutory charges		92,555	96,257	99,145	101,624	104,164	106,768	109,437	
User charges		244,750	254,540	262,176	268,730	275,449	282,335	289,393	
Other grants, subsidies and contributions		1,175,723	1,239,647	1,265,216	1,265,121	1,265,714	1,266,990	1,287,612	
Investment Income		73,046	41,505	41,417	64,393	90,723	123,241	149,059	
Reimbursements		11,984	12,463	12,837	13,158	13,487	13,824	14,170	
Other Revenues		17,869	18,584	19,141	19,620	20,110	20,613	21,128	
Gain (loss) - joint ventures & associates									
TOTAL REVENUES		8,098,237	8,688,285	9,296,611	9,595,222	9,907,528	10,236,700	10,588,867	
EXPENSES									
Employee Costs		2,324,964	2,451,548	2,534,533	2,503,757	2,573,455	2,621,766	2,685,430	
Materials, contracts & other services		3,355,597	3,401,196	3,444,213	3,612,709	3,677,842	3,800,825	3,834,803	
Finance Costs		133,228	114,918	95,844	77,948	63,918	50,486	43,160	
Depreciation, Amortisation & Impairment		2,972,965	2,983,382	3,274,172	3,454,521	3,461,670	3,646,228	3,653,739	
TOTAL EXPENSES		8,786,754	8,951,045	9,348,761	9,648,935	9,776,886	10,119,305	10,217,132	
OPERATING SURPLUS/(DEFICIT)		(688,517)	(262,759)	(52,151)	(53,713)	130,643	117,394	371,735	
Asset disposal & fair value adjustments		429,390	410,530	77,500	327,660	141,240	220,725	135,930	
Amounts specifically for new or upgraded assets		-	73,200	-	-	-	-	-	
Physical resources received free of charge									
TOTAL COMPREHENSIVE INCOME		(259,127)	220,971	25,349	273,947	271,883	338,119	507,665	



**DISTRICT COUNCIL OF TUMBY BAY**  
**2020-2030 LTFP STATEMENT OF CASH FLOWS - REVIEW 3 - DRAFT**

	2024	2025	2026	2027	2028	2029	2030
	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN
	\$	\$	\$	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>RECEIPTS</b>							
Rates	6,482,310	7,025,289	7,595,678	7,862,576	8,137,882	8,422,929	8,718,067
Statutory charges	92,555	96,257	99,145	101,624	104,164	106,768	109,437
User charges	244,750	254,540	262,176	268,730	275,449	282,335	289,393
Other grants, subsidies and contributions	1,175,723	1,239,647	1,265,216	1,265,121	1,265,714	1,266,990	1,287,612
Investment Income	73,046	41,505	41,417	64,393	90,723	123,241	149,059
Reimbursements	11,984	12,463	12,837	13,158	13,487	13,824	14,170
Other Revenues	(67,251)	(33,461)	(21,454)	(15,224)	(15,605)	(15,995)	(16,395)
<b>TOTAL RECEIPTS</b>	<b>8,013,117</b>	<b>8,636,241</b>	<b>9,256,016</b>	<b>9,560,378</b>	<b>9,871,813</b>	<b>10,200,092</b>	<b>10,551,344</b>
<b>PAYMENTS</b>							
Employee costs	2,296,964	2,428,028	2,516,187	2,488,011	2,557,315	2,605,222	2,668,473
Materials, contracts & other services	3,325,637	3,382,878	3,423,925	3,600,445	3,665,272	3,787,940	3,821,596
Finance costs	133,228	114,918	95,844	77,948	63,918	50,486	43,160
<b>TOTAL PAYMENTS</b>	<b>5,755,829</b>	<b>5,925,824</b>	<b>6,041,956</b>	<b>6,166,403</b>	<b>6,286,505</b>	<b>6,443,649</b>	<b>6,533,229</b>
<b>NET CASH PROVIDED BY (OR USED IN) OPERATING ACTI</b>	<b>2,257,288</b>	<b>2,710,417</b>	<b>3,214,060</b>	<b>3,393,975</b>	<b>3,585,309</b>	<b>3,756,443</b>	<b>4,018,115</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>RECEIPTS</b>							
Grants specifically for new or upgraded assets	-	73,200	-	-	-	-	-
Sale of replaced assets	429,390	410,530	77,500	327,660	141,240	220,725	135,930
Sale of surplus assets	-	-	-	-	-	-	-
Sale of Real Estate Developments	-	-	-	-	-	-	-
Distributions received associated entities	-	-	-	-	-	-	-
Repayments of loans by community groups	32,743	33,810	25,611	8,379	-	-	-
<b>PAYMENTS</b>	<b>462,133</b>	<b>517,540</b>	<b>103,111</b>	<b>336,039</b>	<b>141,240</b>	<b>220,725</b>	<b>135,930</b>
Expenditure on renewal/replacement of assets	2,736,686	3,219,952	1,634,551	2,064,947	1,498,856	2,189,779	2,491,795
Expenditure on new/upgraded assets	93,550	148,900	-	-	384,000	-	-
Expenditure on real estate for sale	-	-	-	-	-	-	-
Loans made to community groups	-	-	-	-	-	-	-
<b>NET CASH USED IN INVESTMENT ACTIVITIES</b>	<b>2,830,236</b>	<b>3,388,852</b>	<b>1,634,551</b>	<b>2,064,947</b>	<b>1,882,856</b>	<b>2,189,779</b>	<b>2,491,795</b>
	<b>(2,388,103)</b>	<b>(2,851,312)</b>	<b>(1,531,440)</b>	<b>(1,728,908)</b>	<b>(1,741,616)</b>	<b>(1,969,054)</b>	<b>(2,355,865)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>RECEIPTS</b>							
Proceeds from Borrowings	-	-	-	-	-	-	-
<b>PAYMENTS</b>							
Repayments of Borrowings	447,718	466,029	475,794	346,248	334,790	235,420	146,967
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(447,718)</b>	<b>(466,029)</b>	<b>(475,794)</b>	<b>(346,248)</b>	<b>(334,790)</b>	<b>(235,420)</b>	<b>(146,967)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(558,533)</b>	<b>(606,924)</b>	<b>1,206,826</b>	<b>1,318,819</b>	<b>1,508,903</b>	<b>1,551,969</b>	<b>1,515,283</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>1,857,200</b>	<b>1,298,667</b>	<b>691,744</b>	<b>1,898,570</b>	<b>3,217,388</b>	<b>4,726,291</b>	<b>6,278,260</b>
<b>PROJECTED CASH AT END OF YEAR</b>	<b>1,298,667</b>	<b>691,744</b>	<b>1,898,570</b>	<b>3,217,388</b>	<b>4,726,291</b>	<b>6,278,260</b>	<b>7,793,543</b>

DISTRICT COUNCIL OF TUMBY BAY											
2020-2030 LTFP BALANCE SHEET & EQUITY - REVIEW 3 - DRAFT											
			2024	2025	2026	2027	2028	2029	2030		
			PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN		
			\$	\$	\$	\$	\$	\$	\$		
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and cash equivalents			1,298,667	691,744	1,898,570	3,217,388	4,726,291	6,278,260	7,793,543		
Trade & other receivables			1,301,120	1,353,165	1,393,760	1,428,604	1,464,319	1,500,927	1,538,450		
Other financial assets			32,000	32,000	32,000	32,000	32,000	32,000	32,000		
Inventories			6,000	6,000	6,000	6,000	6,000	6,000	6,000		
<b>TOTAL CURRENT ASSETS</b>			<b>2,637,787</b>	<b>2,082,908</b>	<b>3,330,329</b>	<b>4,683,992</b>	<b>6,228,610</b>	<b>7,817,187</b>	<b>9,369,993</b>		
<b>Non-current Assets</b>											
<b>Financial Assets</b>											
Equity in Council Business			35,557	1,747	(23,864)	(32,243)	(32,243)	(32,243)	(32,243)		
Infrastructure Property, Plant and Equipment			122,439,336	125,808,187	127,442,738	129,507,686	131,390,542	133,580,321	136,072,115		
Less Accumulated Depreciation			(48,434,165)	(51,417,547)	(54,691,719)	(58,146,240)	(61,607,910)	(65,254,138)	(68,907,877)		
Other Non-current Assets			45,000	45,000	45,000	45,000	45,000	45,000	45,000		
<b>TOTAL NON-CURRENT ASSETS</b>			<b>74,085,728</b>	<b>74,437,387</b>	<b>72,772,156</b>	<b>71,374,203</b>	<b>69,795,389</b>	<b>68,338,940</b>	<b>67,176,996</b>		
<b>TOTAL ASSETS</b>			<b>76,723,515</b>	<b>76,520,296</b>	<b>76,102,485</b>	<b>76,058,195</b>	<b>76,023,998</b>	<b>76,156,127</b>	<b>76,546,989</b>		
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Trade & Other Payables			457,960	476,278	490,567	502,831	515,402	528,287	541,494		
Borrowings			430,000	430,000	430,000	430,000	430,000	430,000	430,000		
Provisions			574,350	597,324	615,244	630,625	646,390	662,550	679,114		
<b>TOTAL CURRENT LIABILITIES</b>			<b>1,462,310</b>	<b>1,503,602</b>	<b>1,535,810</b>	<b>1,563,456</b>	<b>1,591,792</b>	<b>1,620,837</b>	<b>1,650,608</b>		
<b>NON-CURRENT LIABILITIES</b>											
Long-term Borrowings			2,635,082	2,169,053	1,693,259	1,347,011	1,012,221	776,801	629,834		
Long-term Provisions			13,650	14,196	14,622	14,987	15,362	15,746	16,140		
<b>TOTAL NON-CURRENT LIABILITIES</b>			<b>2,648,732</b>	<b>2,183,249</b>	<b>1,707,881</b>	<b>1,361,998</b>	<b>1,027,583</b>	<b>792,547</b>	<b>645,974</b>		
<b>TOTAL LIABILITIES</b>			<b>4,111,042</b>	<b>3,686,851</b>	<b>3,243,691</b>	<b>2,925,454</b>	<b>2,619,375</b>	<b>2,413,384</b>	<b>2,296,582</b>		
<b>NET ASSETS</b>			<b>72,612,473</b>	<b>72,833,444</b>	<b>72,858,794</b>	<b>73,132,741</b>	<b>73,404,623</b>	<b>73,742,743</b>	<b>74,250,408</b>		
<b>EQUITY</b>											
Accumulated Surplus			9,350,646	10,168,335	8,978,897	7,927,192	6,683,169	5,462,140	4,447,163		
Asset Revaluation Reserve			61,762,000	61,762,000	61,762,000	61,762,000	61,762,000	61,762,000	61,762,000		
Reserves beginning of year			2,031,200	1,499,827	903,110	2,117,897	3,443,548	4,959,455	6,518,603		
Transfers to Reserves			150,517	297,123	1,214,787	1,325,652	1,515,906	1,559,148	1,522,642		
Transfers from Reserves			(681,890)	(893,840)	-	-	-	-	-		
Reserves at end of year			1,499,827	903,110	2,117,897	3,443,548	4,959,455	6,518,603	8,041,245		
<b>TOTAL EQUITY</b>			<b>72,612,473</b>	<b>72,833,444</b>	<b>72,858,794</b>	<b>73,132,741</b>	<b>73,404,623</b>	<b>73,742,743</b>	<b>74,250,408</b>		

DISTRICT COUNCIL OF TUMBY BAY							
2020-2030 LTFP BUDGET STATEMENT OF FINANCIAL INDICATORS - REVIEW 3 - DRAFT							
	2024	2025	2026	2027	2028	2029	2030
	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN
Operating Surplus Ratio							
Adjusted Operating Surplus	(8.5%)	(3.0%)	(0.6%)	(0.6%)	1.3%	1.1%	3.5%
Total Operating Revenue							
Net Financial Liabilities Ratio							
Net Financial Liabilities	18.3%	19.0%	(0.6%)	(18.4%)	(36.9%)	(53.7%)	(68.0%)
Total Operating Revenue							
Asset Funding Renewal Ratio							
Outlays on Existing Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Asset Renewals - IAMP							



DISTRICT COUNCIL OF TUMBY BAY							
2020-2030 LTFP BUDGET UNIFORM PRESENTATION OF FINANCES - REVIEW 3 - DRAFT							
	2024	2025	2026	2027	2028	2029	2030
	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN
Operating Revenues	8,098,237	8,688,285	9,296,611	9,595,222	9,907,528	10,236,700	10,588,867
less Operating Expenses	(8,786,754)	(8,951,045)	(9,348,761)	(9,648,935)	(9,776,886)	(10,119,305)	(10,217,132)
Adjusted Operating Surplus / (Deficit) before Capital Amounts	(688,517)	(262,759)	(52,151)	(53,713)	130,643	117,394	371,735
less Net Outlays on Existing Assets							
Capital Expenditure on renewal and replacement of Existing Assets	2,736,686	3,219,952	1,634,551	2,064,947	1,498,856	2,189,779	2,491,795
less Depreciation, Amortisation and Impairment	(2,972,965)	(2,983,382)	(3,274,172)	(3,454,521)	(3,461,670)	(3,646,228)	(3,653,739)
less Proceeds from Sale of Replaced Assets	(429,390)	(410,530)	(77,500)	(327,660)	(141,240)	(220,725)	(135,930)
	(665,669)	(173,961)	(1,717,120)	(1,717,234)	(2,104,054)	(1,677,174)	(1,297,874)
less Net Outlays on New and Upgraded Assets							
Capital Expenditure on New and Upgraded Assets	93,550	148,900	-	-	384,000	-	-
less Grants and Contributions specifically for New and Upgraded Assets	-	(73,200)	-	-	-	-	-
less Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-
less net movements in inventories							
	93,550	75,700	-	-	384,000	-	-
Net Lending / (Borrowing) for Financial Year	(116,398)	(164,498)	1,664,970	1,663,521	1,850,697	1,794,568	1,669,609

District Council of Tumby Bay			
Future Projects Reserve 2020 - 2030			
<u>Year</u>	<u>Deposits</u>	<u>Withdrawn</u>	<u>Balance</u>
2022 / 2023	\$427,400		\$1,308,200
2023 / 2024		\$681,890	\$626,310
2024 / 2025		\$893,840	-\$267,530
2025 / 2026	\$872,695		\$605,165
2026 / 2027	\$917,840		\$1,523,005
2027 / 2028	\$1,027,401		\$2,550,406
2028 / 2029	\$1,375,410		\$3,925,816
2029 / 2030	\$976,918		\$4,902,734



## District Council of Tumby Bay

### Items Added to Review 3 - Draft

<u>Project</u>	<u>Year</u>	<u>Estimates</u>
Audit & Risk Committee Fees	2023/24	\$12,000
ESCOSA Levy	2023/24	\$12,500
Office Phone Upgrade	2023/24	\$14,000
Downstairs Photocopier Replacement	2024/25	\$11,000
LG Software Licence Fee Increase	2023/24	\$21,000
Project Officer (3 Year Contact)	2023/24	\$38,300
Conquest - Asset Management Plans	2023/24	\$25,000
Strategic Plan Review	2023/24	\$10,000
Community Events	2023/24	\$12,500
Road Permit Approvals	2023/24	\$40,000
Back-up Power Supply for Council Office	2023/24	\$26,000

# District Council of Tumby Bay

## Items not Included in Review 3 - Draft

<u>Project</u>	<u>Estimates</u>
Tumby Bay Jetty Proposals	Not Costed
Dredging Tumby Bay Marina	Not Costed
Dredging Port Neill Boat Ramp	Not Costed
Reconstruction of Pumpa Street	Not Costed
Rotunda - Restoration/Architect Designs	Not Costed
Carpark Entrance Statement - Port Neill	Not Costed
Stormwater Remedial Works - Port Neill Caravan Park	Not Costed
Planning for potential new Commercial/Industrial Subdivision	Not Costed
Salt Creek Crossing Upgrade	Not Costed
Proceeds from sale of old Depot Land - 1 Block Remaining	
RCLIP Phase 4 - Income and Expenditure	TBC

## District Council of Tumby Bay

### Service Increases over the past 6 Years

The following is a list of items that have generally resulted in an increase in the level of service provided to ratepayers over the past six years. As Council is currently looking at a Long Term Financial Plan with excessive operating deficits the list has been compiled to assist Elected Members in their understanding of Council's longer term commitments. The majority of the items on this list have resulted in additional depreciation, operating costs and future replacement costs.

#### **Assets**

Sealed walking trail - Tumby Bay foreshore  
Port Neill foreshore upgrade  
Extensive stormwater management system for Tumby Bay township  
CWMS treatment plant upgrade  
3 new or upgraded walking trails - Tumby Bay  
Several upgraded footpaths - Tumby Bay  
New channel markers - Tumby Bay marina entrance  
Graham Smelt Causeway upgrade  
Bratten Bridge upgrade  
Unsealed roads - Upgraded to higher classifications  
Public Wi-Fi - Tumby Bay town centre  
4 new solar systems  
Several additional shade shelters  
Sandbag seawall adjacent Ritz carpark  
Mangrove boardwalk replacement  
Causeway Upgrade - Ungarra/Cockaleeche Road  
Increased seal width - Port Neill access road  
Pioneer Tower  
Township street lights purchased  
Access Ramp for Tumby Bay Soldiers Memorial Hall  
Pump track & skate park (Gifted)  
Power Boat clubhouse (Gifted)  
CCTV - Tumby Bay town centre (Gifted)  
Hall sound system (Gifted)

#### **Support**

Community development - greater role of Council  
Community events - greater role of Council  
Economic development - Port proposals