

2027-36 LONG TERM FINANCIAL PLAN

ADOPTED:

8 July 2026

PROPOSED BY:

District Council of Kimba

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Foreword

Council has delivered a significant pipeline of projects in recent years—driven by careful planning and strong external funding. That momentum matters, and this Long Term Financial Plan is designed to ensure it is not lost. Our focus is clear, to grow our economy, diversify our opportunities, and build a district that is not just liveable, but one people actively choose and are proud to call home.

But it is important to acknowledge that maintaining this momentum is becoming harder.

Every long-term financial decision requires a balance between progress, sustainability and affordability, and the pressure facing rural councils continues to intensify. We know rates matter. We know households and businesses are facing significant financial pressure of their own. But Council is facing the same reality of rising costs, constrained revenue growth, shrinking flexibility, and increasing expectations.

For small councils like ours, the numbers are unforgiving. Our rate base is limited. Our ability to absorb cost increases beyond CPI is virtually non-existent. Yet time and again, new responsibilities are pushed down from State and Federal governments without the funding to match.

The latest example is impossible to ignore. Fuel price shocks have driven up not only our direct costs, but the cost of essential materials and contracts. Road and street works in some cases have increased by up to 40%. That is not a marginal shift, that is a structural change. And unlike metropolitan councils, we don't have parking revenue, fines, or large alternative income streams to fall back on. When costs rise, the impact is felt immediately across our operations and long-term financial planning.

The Long Term Financial Plan has been developed to carefully manage those challenges. It looks ten years ahead to ensure we can maintain and renew assets, deliver major strategic projects, build organisational capacity and support the long-term sustainability of our district. But no plan can fully absorb the impact of drought, floods, global instability, or economic shocks. So we do what rural communities have always done. We adapt, we prioritise, and we get on with the job.

Here's a simple reality. A 1% increase in rates generates approximately \$22,000. That doesn't go far when costs are rising well beyond inflation and in local government, they often are. Despite this, we have a strong track record of delivering results while maintaining discipline. But there are limits. There are no perfect answers, and standing still is not one of them.

At the same time, the role of local government is changing whether we like it or not. As other levels of government step back, councils are stepping in. Childcare, healthcare access, housing and libraries. These are no longer "someone else's problem." If we don't advocate and act, our communities go without.



We can talk about sticking to roads, rates, and rubbish but that mindset belongs to a different time. If we simply repeat what we did last year, we fall behind. Growth is not optional. Improvement is not optional. Investment is not optional and yes, that comes with difficult decisions.

We remain committed to keeping rate increases as low as possible, fully aware of the strain on our community and particularly our farming sector, who are carrying their own significant pressures. But those same pressures are hitting Council. The difference is, we cannot walk away from the services and infrastructure our community depends on.

Accordingly, the Plan reflect Council's commitment to manage tightly, operate efficiently, and make considered decisions based on long-term sustainability. It also reflects a commitment to continue to push forward because the cost of inaction is decline.

Regional communities like ours are critical to this nation's future. But the gap between metropolitan and rural areas is widening, and it cannot be ignored. Sustained investment in regional communities is essential if we are to remain vibrant, resilient and competitive.

We are proud of what we have achieved but we are not complacent. This Long Term Financial Plan reflects our determination to keep building, improving, and advocating for our community while maintaining a strong focus on financial sustainability.

And we need you with us.

Engage with us. Challenge us. Tell us what matters. Because the path forward is not easy but it is one we must shape together if we want a future, we can be proud of.



Dean Johnson
Mayor
District Council of Kimba

1. Introduction

The Long Term Financial Plan (LTFP) has been prepared in accordance with the requirements of the Local Government Act 1999 and associated regulations. The plan has been developed having regard to Council's Strategic Management Plan, Infrastructure and Asset Management Plans, projected service delivery requirements, and known financial obligations at the time of preparation.

The purpose of the LTFP is to express, in financial terms, the activities that the District Council of Kimba (Council) proposes to undertake over the medium to longer term to achieve its stated objectives as outlined in its Strategic Plan.

It is a guide for future action based on the longer-term impact of revenue and expenditure proposals. The aggregation of future intended outlays and anticipated revenues enables the accumulating of overall financial implications to be readily identified and if warranted, for proposed future activities to be revised.

Long-term financial plans are particularly important for local governments as they are responsible for managing a high level of long-lived assets relative to their income base. A Council may have long-periods with modest levels of asset renewal requirements and then other periods when very significant outlays are necessary. All Councils need to generate revenue in an equitable manner over time and ensure they have capacity to finance peaks in asset management and other outlays when, and including by way of borrowings, where necessary.

The preparation of a LTFP generates improved information to guide decisions about the mix and timing of outlays on operating activities and additional assets and the funding implications of these. Without a soundly based LTFP & Infrastructure & Asset Management Plan (IAMP) an organisation with significant asset management responsibilities is unlikely to have sufficient data to determine sustainable service levels and affordable asset stockholding strategies, appropriate revenue targets or optimal treasury management.

The LTFP and Asset Renewal Plans have been impacted significantly by inflation. In particular, the updated renewal and maintenance programs included in the IAMP and funded by this LTFP have increased significantly.

Overall, the LTFP seeks to provide a financially sustainable pathway that balances infrastructure renewal requirements, service delivery expectations, and the capacity of the community to absorb future rate increases. The plan has been developed using prudent assumptions and will continue to be reviewed annually in response to changing economic and operational conditions.

2. Key Assumptions

The Long Term Financial Plan has been prepared on the basis of the following key assumptions and parameters, which are intended to provide a consistent and prudent framework for forecasting Council's long-term financial position:

- **The content of the LTFP is based on real (2026-27) dollar values for all future years to facilitate meaningful comparisons between years. The plan is expressed in real dollars as recommended in IPWEA Practise Note 6 – Long Term Financial Planning Section 9.5 Price movements and the use of real or nominal values. Principal Author John Comrie, JAC Comrie Pty Ltd.**
- Forecast debt and cash reserves in future years have been discounted by 4.20% for 2026-27, then 2.90% for 2027-28, and then 2.50% for 2028-29 and each year after that in recognition of the fact that inflation reduces the real value of financial assets and liabilities.
- Investment revenue has been calculated on the assumed rate of 1% above the forecast inflation referred to in the preceding assumption
- Capital renewal expenditure for Road Infrastructure, Community Wastewater Management Systems (CWMS) and Buildings has been funded at the levels identified in Councils IAMP to support the long-term sustainability of essential community assets.
- The LTFP has been developed to balance Council's ongoing financial sustainability with the need to maintain affordability for ratepayers. Rate revenue projections have been prepared on conservative assumptions, with increases primarily driven by forecast movements in inflation and the underlying cost of delivering and maintaining existing service levels and infrastructure assets. As such, future rate adjustments are intended to broadly reflect cost escalation pressures rather than expansion in service scope, ensuring a prudent and sustainable approach to Council's long-term financial management.
- Plant and Equipment replacement is based on the Councils' 10 year Plant and Equipment Replacement Program.
- Employee costs and wages have been assumed to increase generally in line with forecast CPI movements over the life of the plan. Maintenance expenditure has been maintained at current service delivery levels.
- The plan assumes continuation of current service levels and standards. Maintaining these services within a constrained revenue environment will require ongoing prioritisation of expenditure, disciplined asset management practices, and careful monitoring of operational efficiency. The financial plan assumes a pooled funds approach to financing operations and capital expenditure. Under this approach, any surplus cash balances are offset against outstanding debt holdings in determining Council's net financial position. Commonwealth Financial Assistance Grant revenue has been normalised to reflect four equal quarterly payments in each financial year, thereby removing the timing impacts associated with advance payment arrangements. Following an expansion of the Commonwealth Roads to Recovery program, funding is maintained at normal baseline levels from the year ending 30 June 2030 onwards.
- Depreciation has been calculated using the straight-line method across all applicable asset classes, consistent with Council's accounting policies and asset management practices.
- Population growth assumptions adopted within the plan reflect zero growth projections recognising the constrained capacity for significant increases in the ratepayer base. While every effort has been made to ensure the assumptions are reasonable and supportable, long-term financial forecasting is inherently subject to uncertainty. Actual outcomes may vary due to factors outside Council's control, including changes in government funding, inflationary pressures, legislative reform, market conditions, and emergency events.

- The Powerline Undergrounding Project impacts year 2 of this plan. Council will not own the underground electrical infrastructure upon completion. Consequently, Council's contribution cannot be recognised as a capital asset and must be treated as operating expenditure.
 - ❖ PLEC funding is anticipated to contribute approximately \$2,720,000.
 - ❖ Council's one-third contribution is estimated at approximately \$1,236,000 excluding contingencies.
 - ❖ Including an allowance of a 20% contingency, Council's estimated contribution included in this plan is \$1,483,200.
 - ❖ The payment has been included entirely in the 2027-28 financial year.
 - ❖ No allowance has been made for potential savings arising from Council self-delivery of works.
 - ❖ No allowance has been made for future cost escalations beyond the adopted contingency.
 - ❖ External funding approval is assumed.

3. Financial Strategy

Council adopts a prudent and conservative financial management approach, recognising the challenges faced by small regional councils with limited revenue bases and significant reliance on external grant funding. The LTFP projects that Council's financial position and performance over time will remain steady. This is based on the continued achievement of the financial strategy described below.

- General Rate revenue will increase by CPI of plus 2% for the 2027-28 financial year and then plus 2% each year until the 2029-30 financial year.
- Community Wastewater Management Scheme (CWMS) and Waste Management service charges have been increased in line with CPI across the life of the plan.
- Significant quantities of debt will not be incurred until a strategy has been identified that will highlight how Council will repay the additional debt. This will be reflected in an updated LTFP to be prepared at that time.
- Grant revenue will be targeted in a strategic manner. This means that grant revenue to build new assets would only be pursued and accepted if the new assets were deemed to be warranted, particularly if additional funding was to be contributed by Council. Where a grant is sought and additional Council funds are required to be contributed, then careful consideration will be given to long-term benefits and costs. This will ensure activities that may better fit Council's strategic objectives are not being delayed in lieu of the activity being funded by the grant.
- Revaluation of assets will be undertaken in a timely and appropriate manner to allow for increased accuracy with the IAMP and Asset Register and subsequently, to ensure accurate depreciation figures can be determined.
- The long term financial plan will be updated on an annual basis.

4. Funding Plan

Council's approach to funding services and infrastructure of the Council

The Uniform Presentation of Finances (UPF) in section 7 of this plan identifies future cash surpluses or shortages. This allows a mechanism for Council to make investing and funding decisions independently of one another.

Investing decisions are decisions that determine what services Council will spend its money on whereas funding decisions are decisions made on how best to invest any cash surplus to needs or fund cash shortages as identified in the UPF.

In most instances, it will always be more cost effective to fund a cash shortfall from cash reserves (if available) rather than from debt due to the gap between the investing and lending rates offered by banks. Any cash surpluses that are identified should be applied against debt for the same reason. Councils' Treasury Management Policy allows flexibility in borrowings to enable this offset to occur.

Council's projected total revenue for the period to which the long-term financial plan relates

Total operating revenue forecast over the ten-year plan period is \$59M.

Intended sources of \$58M operating revenue

Rates - General & Other rates account for 46.5% of Councils ten-year revenue forecast.

General Rates – Section 146 of the Local Government Act 1999 provides for a Council to raise revenue for the broad purposes of the Council through a general rate. This applies to all rateable properties, using differential rating principles that vary according to the locality of the land and its use, rates are calculated with reference to property capital values. Rate calculations are subject to a minimum rate.

Other Rates - In addition, Section 146 of the Local Government Act 1999 also allows Council to raise separate rates, service rates and service charges.

Council charges a service rate for Community Wastewater Management Systems and Kerbside bin collection services. The rate is set at a level that will recover the whole of life costs of these services.

Statutory Charges account for 0.4% of Councils ten year revenue forecast.

These are charges prescribed in various Acts of parliament.

User charges - account for 2.8% of Councils ten year revenue forecast.

The Local Government Act 1999 allows Council to levy charges for the reasons outlined in Section 188 (1). The charges do not need to be based on cost recovery unless the charge is a Statutory Charge. This means Council can subsidise a service or make a profit on the service dependent upon Council policy.

Grants, subsidies and contributions account for 42.7% of Councils' ten year revenue forecast.

This income represents amounts received from Government and other entities to assist with a range of Councils operating and capital services.

There are four categories that this revenue is separated into. Recurring operating grants, non-recurring operating grants, non-recurring capital grants and amounts specifically for new or upgraded assets.

Financial Assistance Grants, Supplementary Local Roads Funding and Roads to Recovery Funding account for 34.7% of the ten year revenue forecast of \$59M.

Investment income account for 1.5% of Councils ten year revenue forecast.

Council is only permitted to invest in term deposits. This revenue is dictated by market forces that set the interest income earning rates.

Reimbursements account for 4.4% of Councils ten year revenue forecast.

This revenue is related to activities that Council undertake on behalf of other organisations. It is essentially money in, money out.

Other income accounts for 1.6% of Councils ten year revenue forecast.

This income relates to any revenue stream that is not specifically covered by any of the categories explained above.

5. Key Financial Indicators

The financial sustainability evaluation of a Council is undertaken with reference to a properly developed and complete LTFP. The financial plan includes the forecast achievement of projected performance against agreed financial sustainability targets. By achieving these targets, Council can claim to be operating in a financially sustainable manner.

To demonstrate that the financial strategies above are being achieved, Council needs to monitor the operating surplus ratio.

Further to this, two additional ratios will be reported on to demonstrate that assets are being replaced in line with the requirements of the IAMP whilst maintaining sensible debt levels.

These ratios are:

- Net financial liabilities ratio
- Asset renewal funding ratio

The following table is used to populate the graphs in sections 5.1 to 5.3:

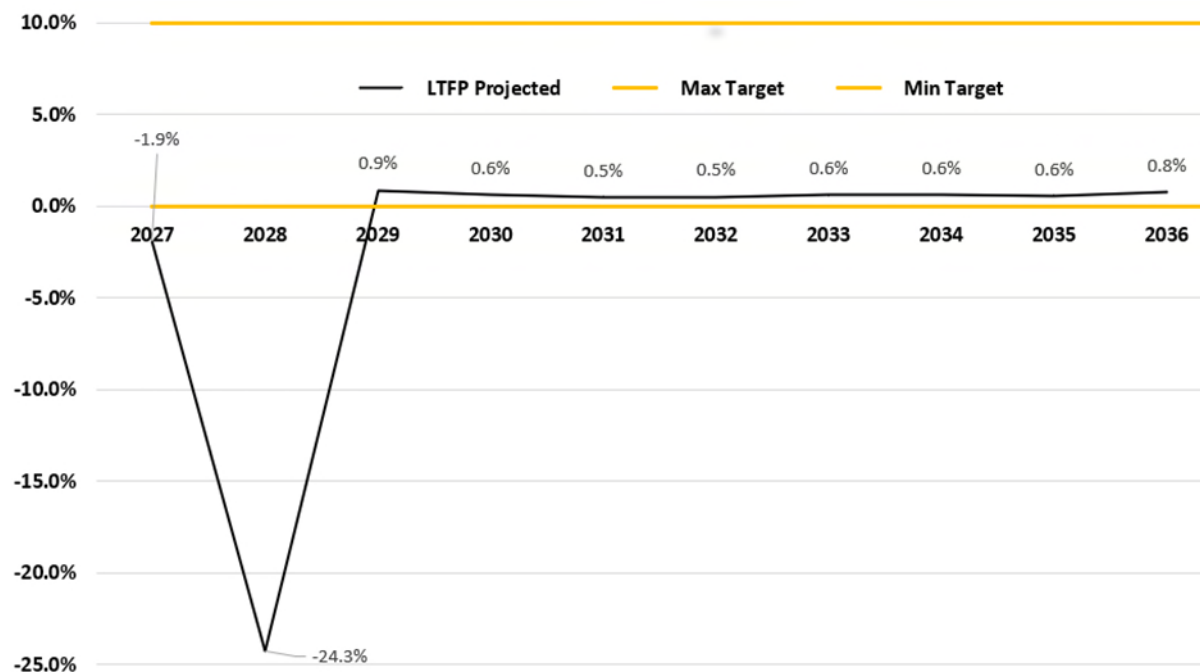
Year Ending 30 June:	2027 Year 1 \$,000	2028 Year 2 \$,000	2029 Year 3 \$,000	2030 Year 4 \$,000	2031 Year 5 \$,000	2032 Year 6 \$,000	2033 Year 7 \$,000	2034 Year 8 \$,000	2035 Year 9 \$,000	2036 Year 10 \$,000
Operating Surplus Ratio										
<u>Operating Surplus</u>	(107)	(1,419)	52	35	29	31	38	37	32	44
Total Operating Revenue	5,779	5,850	5,839	5,822	5,815	5,817	5,824	5,824	5,819	5,830
	-1.9%	-24.3%	0.9%	0.6%	0.5%	0.5%	0.6%	0.6%	0.6%	0.8%
Net Financial Liabilities Ratio										
<u>Net Financial Liabilities</u>	(2,591)	(1,233)	(1,531)	(1,345)	(1,398)	(1,594)	(1,587)	(1,443)	(1,787)	(2,176)
Total Operating revenue	5,779	5,850	5,839	5,822	5,815	5,817	5,824	5,824	5,819	5,830
	-45%	-21%	-26%	-23%	-24%	-27%	-27%	-25%	-31%	-37%
Asset Renewal Funding Ratio										
<u>Gross Asset Renewal Expenditure per LTFP</u>	1,427	1,530	1,349	1,870	1,585	1,368	1,708	1,880	1,209	1,252
Gross Asset Renewal Expenditure per AMP	1,427	1,530	1,349	1,870	1,585	1,368	1,708	1,880	1,209	1,252
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Council will seek funding from the Power Line Environment Committee (PLEC) to underground powerlines within the Kimba township. The project is planned for the 2027–28 financial year. Extensive community consultation has occurred over several years, including through the 2027–36 LTFP and IAMP consultation process, with feedback being highly supportive. Accordingly, the project's financial impact is reflected in this plan. As Council will not own the resulting asset, the project has not been included in the IAMP.

5.1 Operating Surplus Ratio (OSR)

The operating surplus ratio expresses the operating surplus (deficit) as a percentage of total operating revenue.

Calculated as: Operating revenue minus operating expense divided by operating revenue.



The OSR is used to confirm that Council can cover its operating expenditure and depreciation charge from its operating revenue. A negative result indicates that Council is not doing so.

As noted earlier, Council will not own the underground powerlines to be constructed by PLEC in the 2027–28 financial year. As a result, Council’s \$1.483 million contribution must be treated as operating expenditure rather than capital expenditure. This one-off expense accounts for the significant deficit forecast in Year 2 in the graph above.

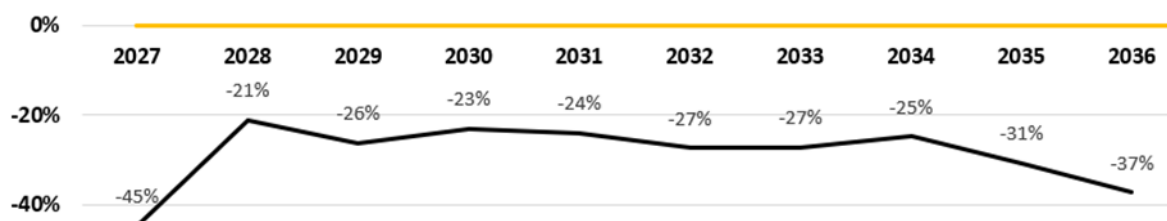
Excluding the one-off impact of the PLEC project, the year 2 adjusted operating surplus ratio is 1.1%. The graph shows Council returning to an operating surplus from Year 3 onwards. The small deficit forecast in Year 1 reflects the ratio included in the 2026–27 Annual Budget. Management will continue to identify additional revenue opportunities and operating expenditure savings during 2026–27, with the aim of achieving an operating surplus if possible.

The target range for this ratio has been set at 0% to 10% for the life of the plan. This is in line target range for this ratio as required by the assessment framework that the Essential Services Commission of South Australia (ESCOSA) are using for the assessment of this ratio.

5.2 Net Financial Liabilities Ratio (NFLR)

Net financial liabilities are a comprehensive measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments. Specifically, Net Financial Liabilities equals total liabilities minus financial assets, where financial assets for this purpose includes cash, cash equivalents, trade and other receivables, and other financial assets, but excludes equity held in Council businesses, inventories and land held for resale.

The NFLR answers the question - Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves? The following graph and table show that Council can answer "Yes" to this question.



The Council is currently in a net financial assets position. Accordingly, the net financial liabilities ratio is showing a negative amount.

ESCOSA have set a target range for this ratio of between 0% to 100%.

Previously the sector had some level of discretion in relation to the key financial indicators to set a target range that is more suitable to the culture and risk aversion profile of the Council, unfortunately, this is no longer the case.

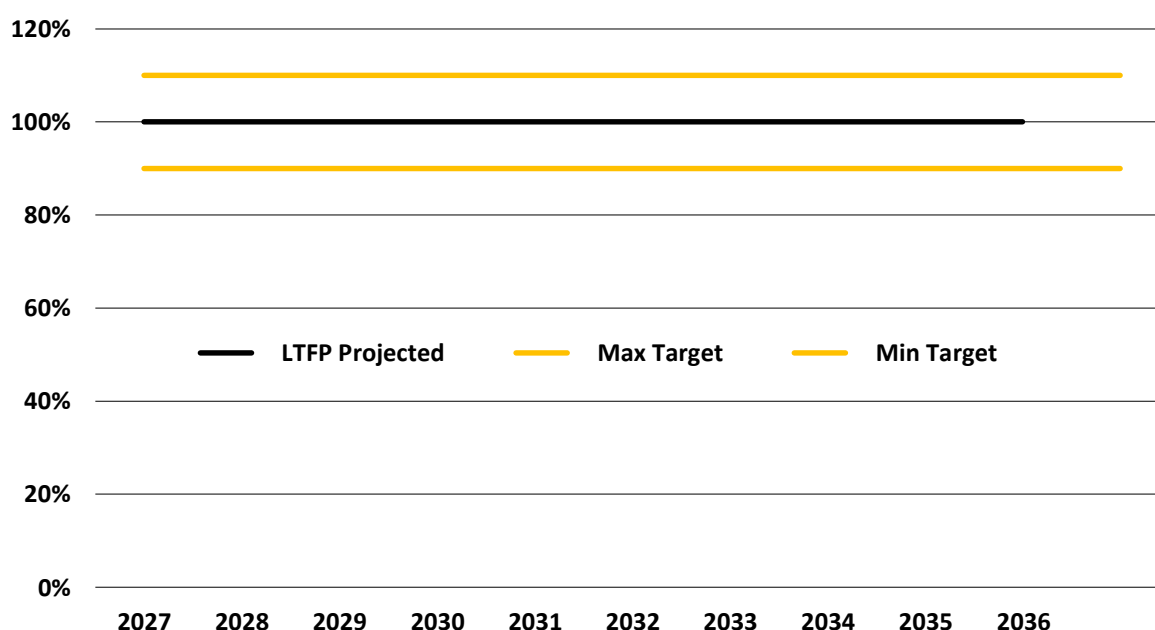
It is not reasonable to assume that all Councils, irrespective of size, should maintain a position where liabilities exceed assets. For smaller regional Councils, particularly those heavily reliant on external grant funding and government allocations over which they have limited influence, maintaining a negative Net Financial Liabilities Ratio can in fact reflect prudent financial management and a conservative approach to debt. Accordingly, Council does not consider performance outside the prescribed target range in this area to represent a material concern or financial sustainability risk. In relation to the assessment of Councils financial sustainability, a result of less than 0% indicates Council is in a net financial assets position. Accordingly, the Council should not be assessed as having a financial sustainability risk due to unmanageable levels of liabilities.

An additional use of this ratio has been identified by ESCOSA where they use it to understand what is driving a Council's net financial liabilities ratio and the extent to which this indicates potential concerns regarding financial and service sustainability risk. The results of the ratio indicate there are no concerns.

5.3 Asset Renewal Funding Ratio (ARFR)

This ratio indicates the extent to which existing non-financial assets are being renewed and replaced, compared with what is needed to cost-effectively maintain service levels. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure proposed in a Council's asset management plan.

If capital expenditure on renewing or replacing existing assets is at least equal to the level proposed in the asset management plan, then a Council is ensuring optimal timing of replacement of physical assets to maintain service levels. Any material underspending on renewal and replacement over the medium term is likely to adversely impact on the achievement of preferred, affordable service levels and could potentially progressively undermine a Council's financial sustainability.



The above information indicates that the ARFR is targeted to be 100% for the life of the plan, indicating that asset renewal directly reflects the requirements of Councils 10-year asset renewal plans as outlined in section 8 later in this plan.

An additional use for the ARFR has been identified by ESCOSA where they use it to understand what is driving a Council's ARFR. This relates to assessing the consistency of the LTFP and IAMP, and the extent to which these appropriately reflect actual asset condition. This has implications for financial and service sustainability, as well as affordability and cost control risk. This is very similar to how Council have strategically assessed the results of this indicator in the past and believe there are no implications for financial and service sustainability, nor affordability and cost control risks.

6 Chief Executive Officer Report on the Sustainability of the Council's Long Term Financial Performance and Position

The analysis of the key financial indicators and associated graphs contained within the 2027–2036 LTFP demonstrates that Council is forecasting to operate in a financially sustainable manner over the life of the plan.

The adjusted OSR is forecast to range between (1.9%) and 0.8% over the ten-year period. Excluding Year 1, this represents modest annual operating surpluses ranging from approximately \$29,000 to \$44,000 per annum. Given Council's current strong cash reserve position, these forecast outcomes are considered appropriate and sustainable.

As with all organisations operating within the Australian economy, Council's forecast expenditure remains exposed to inflationary pressures. The LTFP has been prepared on the basis that the CPI represents the most appropriate benchmark for forecasting future cost increases. However, there is a recognised risk that CPI may not fully reflect the actual escalation in local government operating costs, particularly in areas such as construction, fuel, utilities, insurance, and contractor services. Should actual cost increases exceed CPI assumptions over an extended period, Council's financial performance may deteriorate and place pressure on future operating results. In such circumstances, Council would review and adjust its financial strategies, including expenditure prioritisation, service levels, and revenue measures, to maintain long-term financial sustainability.

Council has also identified a level of financial risk associated with its reliance on recurring external grant funding, particularly Financial Assistance Grants, Supplementary Local Road Funding, and Roads to Recovery funding. In the 2026–27 financial year, these three funding streams are projected to account for approximately 42.4% of Council's operating income, excluding capital grants. As these funding programs are largely determined by external government policy and allocation decisions, they remain outside Council's direct control.

Despite these identified risks, Council's forecast cash and cash equivalents are projected to remain between \$1.9 million and \$2.9 million throughout the life of the LTFP. This strong liquidity position is a fundamental component of Council's financial sustainability, particularly for a small regional council with a limited revenue base and significant exposure to external funding variability. It also provides the necessary financial flexibility to respond to unforeseen changes in operating expenditure or revenue, such as emergency works or infrastructure failures and to implement corrective financial strategies should they become necessary. Importantly, maintaining appropriate cash reserves enables Council to continue delivering essential services while also providing the capacity to co-fund capital projects, manage cash flow timing differences, and respond strategically to emerging financial pressures. In this context, liquidity is not only a measure of financial stability but also a critical enabler of operational resilience and long-term service continuity.

The Main Street Powerline Undergrounding Project represents one of the most significant infrastructure investment opportunities considered by Council in recent years. While the project has strong community support, significant strategic merit and the potential to attract substantial external funding, it also presents a high level of financial exposure relative to Council's size and revenue base.

For Long Term Financial Plan purposes, it is considered prudent to model the project using a Council contribution of \$1,483,200, incorporating a 20% contingency allowance rather than the current estimate of \$1,359,600 based on a 10% contingency. This approach provides a more realistic assessment of potential financial impacts given current construction market conditions, escalating costs and the preliminary nature of the available estimates.

Council remains committed to the ongoing review and refinement of the IAMP, ten-year Asset Renewal Program and the LTFP to ensure they continue to reflect Council's strategic priorities, asset management requirements, and financial capacity. These documents will be reviewed annually, or more frequently where required, to ensure appropriate strategies remain in place and current, and financial strategies continue to support long-term financial sustainability. Future updates to the renewal programs will place a strong emphasis on asset condition assessments, with external technical expertise engaged where necessary to ensure that projected capital renewal requirements accurately reflect Council's long-term infrastructure needs.

The 2026–27 Annual Business Plan and Budget, together with the 2027–2036 IAMP and 2027-36 LTFP, are aligned with and support the strategic priorities, objectives and actions identified within Council's Strategic Management Plan.

Year One of the 2027–2036 IAMP and LTFP is consistent with the 2026–27 Annual Business Plan and Budget adopted at the June 2026 Ordinary Meeting of Council. The LTFP also provides for the funding of the capital and maintenance expenditure identified within the IAMP.

Council acknowledges the important role ESCOSA plays through the Local Government Advice Scheme in promoting stronger governance, improved long-term financial performance and position, and greater transparency across the local government sector. The work undertaken by ESCOSA has assisted councils in strengthening the integration between strategic planning, long-term financial planning and asset management practices, while also encouraging greater focus on evidence-based decision-making and continuous improvement. The District Council of Kimba has actively considered the recommendations and observations arising from the first cycle of the scheme and has incorporated a number of improvements into its planning and governance processes. This includes continued refinement of long-term financial planning assumptions, strengthening links between strategic priorities and financial planning, reviewing asset management practices, and enhancing internal reporting and governance frameworks. Council remains committed to ongoing improvement and values the opportunity to engage constructively with ESCOSA to ensure that future assessments appropriately recognise local context, operational realities and the practical challenges faced by small regional councils.

7 Public Consultation

As per Council's Public Consultation Policy, public consultation was undertaken for a minimum period of 21 days commencing on Thursday 11th June 2026 and concluding on Tuesday 7th July 2026 at 5pm. Copies were made available via Council's website, emailed upon request and could also be collected from the Administration Office.

Written submissions could be made via email to deb.larwood@kimba.sa.gov.au or in writing addressed to:

The Chief Executive Officer
District Council of Kimba
PO Box 189
KIMBA SA 5641

There have been no material changes made to the Draft Long Term Financial Plan 2027-36 Public Consultation version compared to this document as presented and adopted by Council at the [redacted] Council Meeting.

8 Relevant Legislation

Local Government Act 1999

S122—Strategic management plans

- (1b) The financial projections in a long-term financial plan adopted by a council must be consistent with those in the infrastructure and asset management plan adopted by the council.
- (4) A council may review its strategic management plans under this section at any time but must—
 - (a) undertake a review of—
 - (i) its long-term financial plan on an annual basis
- (4a) A council must, for the purposes of a review under subsection (4), take into account—
 - (a) in relation to a review under subsection (4)(a)(i)—a report from the chief executive officer on the sustainability of the council's long-term financial performance and position taking into account the provisions of the council's annual business plan and strategic management plans

Local Government (Financial Management) Regulations 2011

Reg 5—Long-term financial plans

- (1) A long-term financial plan developed and adopted for the purposes of section 122(1a)(a) of the Act must include—
 - (b) 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
 - (c) 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.
- (2) A long-term financial plan must be accompanied by a statement which sets out—
 - (a) the purpose of the long-term financial plan; and
 - (b) the basis, including key assumptions, on which it has been prepared; and
 - (c) the key conclusions which may be drawn from the estimates, proposals and other information in the plan.
- (3) A statement under sub-regulation (2) must be expressed in plain English and must avoid unnecessary technicality and excessive detail.

Readers should note that Council have provided additional information that is not required by the above legislation by way of a full set of principal statements prepared in real dollars. Refer to pages 17 to 20. It is envisaged that in time the state government will update the regulations to be consistent with the requirements of ESCOSA & The Local Government Finance Authority. There is some concern that the provision of this information is inconsistent with Reg 5 (3), however given the expectations of ESCOSA & the LGFA the principal statements have been included.

9 Operating & Capital Expenditure Funded in this Plan

Year Ending 30 June:	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	2035 Year 10 \$'000
Road Resheeting	767	416	416	448	448	432	352	352	384	324
Road Resealing	0	394	183	367	392	293	341	383	295	343
Plant & Machinery	325	570	350	705	370	168	615	695	180	235
Buildings	265	50	300	250	275	375	300	350	250	250
Office Equipment & Furniture	20	20	20	20	20	20	20	20	20	20
Other, CWMS & Stormwater	50	80	80	80	80	80	80	80	80	80
Total	1,427	1,530	1,349	1,870	1,585	1,368	1,708	1,880	1,209	1,252

The capital expenditure itemised above is consistent with the asset data used to determine the ten-year renewal programs included in Councils updated IAMP.

The following new assets have been funded in this LTFP:

Capital Expenditure on New/Upgraded Assets	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
Land	403	0	0	0	0	0	0	0	0	0
Stormwater Reuse	143	0	0	0	0	0	0	0	0	0
Footpath, Kerb & Guttering	0	30	41	41	30	57	44	49	51	46
Wombat Crossing	82	0	0	0	0	0	0	0	0	0

Refer to the Annual Business Plan for complete list of new assets included for the 2026-27 financial year.

New/upgraded capital expenditure including (but not limited to) the following potential projects will be considered where they are identified in or support objectives of the Strategic Plan and included - following community consultation - in future years' Annual Business Plans and Budgets subject to confirmation of their impact on long-term financial sustainability. These projects will also be reflected in future years' updates of the IAMP and LTFP.

- ❖ Town Centre Upgrade - \$ 2.5 - \$3 million
- ❖ Nature's Play Precinct - \$1.8 million

Operating Expenditure – Indicative p.a.

The following operating asset maintenance expenditure listed on page 10 of the IAMP is funded for the life of this LTFP:

	\$,000	
Community Wastewater Management	60	refer to note below
Water Supply	29	
Institute and Gardens	36	
Health Services	52	
Independent and Aged Accommodation	82	
Public Conveniences	83	
Waste Disposal Facilities	220	
Stormwater Management	20	
Street Cleaning/Maintenance	76	
Parks and Gardens	105	
Recreation Facilities – Outdoor	145	
Swimming Centre	10	
Aerodrome	40	
Roads – Sealed	135	
Roads – Unsealed	475	
Footpaths, Kerbs and Guttering	44	

In 2026-27 and 2027-28 CWMS costs will be inflated in the short term to reflect a high pressure clean and whole of system inspection. This will involve an additional \$80,000 per year for those two years.

10 Uniform Presentation of Finances (UPF) & Principal Financial Statements

The Summary of Financial Performance & Position statement together with the results of the Key Financial Indicators provides a summarised report that focuses on Council's finances at a strategic level.

Readers are strongly encouraged to take the time to comprehend how this report is structured and what the implications of the various lines of this report are for the Key Financial Indicator calculations.

The Summary of Financial Performance & Position report highlights the operating surplus / (deficit) measure which is considered the most critical indicator of a Council's financial performance.

The last line or rather the result of this report is the movement in Net Financial Liabilities (Net Lending / Borrowing) for the year based on Council's planned capital and operating budgets for that year.

Achieving a zero result on the net lending / (borrowing) measure in any one year essentially means that the Council has met all its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new / upgraded assets).

Explanation / Examples of Components of Summary of Financial Position

Operating Revenue and Expenditure: Represent the totals from the relevant lines of the Statement of Comprehensive Income (operating statement) for the year being reported on.

Capital Expenditure on renewal and replacement of Existing Assets: e.g. Roads reseals, replacement tractor, building renovations, replacement computer hardware.

Proceeds from sale of replaced assets: e.g. trade in value of a tractor or motor vehicle being replaced.

Capital Expenditure on New & Upgraded Assets: e.g. constructing a new building, constructing a new catchment pond, purchasing a piece of machinery that was not previously on hand.

Amounts specifically for new or upgraded Assets: e.g. Capital grants to partly fund a new CWMS, funds received to build new footpaths that did not previously exist.

Proceeds from Sale of Surplus Assets: Proceeds from the sale of a Council building that was no longer required, sale of surplus land.

Local Government (Financial Management) Regulations 2011

Reg 5—Long-term financial plans

- (1) A long-term financial plan developed and adopted for the purposes of section 122(1a)(a) of the Act must include—*
 - (b) 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*

The Model Financial Statements reflect the following format in relation to the Uniform Presentation of Finances.

Uniform Presentation of Finances	2026 Year 0 \$'000	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 Revenues	5,464	5,779	5,850	5,839	5,822	5,815	5,817	5,824	5,824	5,819	5,830
less Operating Expenses	5,629	5,886	7,269	5,786	5,786	5,786	5,786	5,786	5,786	5,786	5,786
Operating Surplus/(Deficit) before Capital Amounts	(164)	(107)	(1,419)	52	35	29	31	38	37	32	44
LESS: Net Outlays on Existing Assets											
Capital Expenditure on Renewal or Replacement of Existing Assets	1,067	1,427	1,530	1,349	1,870	1,585	1,368	1,708	1,880	1,209	1,252
less Depreciation, Amortisation & Impairment	(1,585)	(1,605)	(1,605)	(1,605)	(1,605)	(1,605)	(1,605)	(1,605)	(1,605)	(1,605)	(1,605)
less Proceeds from Sale of Replaced Assets	(82)	(75)	(110)	(80)	(140)	(85)	(38)	(160)	(200)	(20)	(100)
Net Outlays on Existing Assets	(600)	(253)	(185)	(336)	125	(105)	(275)	(57)	75	(416)	(453)
LESS: Net Outlays on New or Upgraded Assets											
Capital Expenditure on New/Upgraded Assets	497	628	30	41	41	30	57	44	49	51	46
less Amounts Specifically for New/Upgraded Assets	(116)	(312)	0	0	0	0	0	0	0	0	0
Net Outlays on New or Upgraded Assets	380	316	30	41	41	30	57	44	49	51	46
EQUALS: Net Lending / (Borrowing) for Financial Year	55	(170)	(1,265)	347	(131)	104	249	50	(87)	397	451

Statement of Comprehensive Income	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Income											
Rates	2,438	2,599	2,644	2,690	2,737	2,737	2,737	2,737	2,737	2,737	2,737
Statutory charges	22	25	25	25	25	25	25	25	25	25	25
User charges	252	163	163	163	163	163	163	163	163	163	163
Grants, subsidies and contributions	2,358	2,512	2,543	2,543	2,469	2,469	2,469	2,469	2,469	2,469	2,469
Investment income	140	130	125	68	78	71	73	80	80	75	86
Reimbursements	121	256	256	256	256	256	256	256	256	256	256
Other income	133	94	94	94	94	94	94	94	94	94	94
Total Operating Revenue	5,464	5,779	5,850	5,839	5,822	5,815	5,817	5,824	5,824	5,819	5,830
Expenses											
Employee Costs	1,859	2,052	1,952	1,952	1,952	1,952	1,952	1,952	1,952	1,952	1,952
Material, Contractors & Other	2,185	2,230	3,713	2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230
Depreciation, Amortisation & Impairment	1,585	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605
Total Operating Expenses	5,629	5,886	7,269	5,786	5,786	5,786	5,786	5,786	5,786	5,786	5,786
Operating Surplus / (Deficit)	(164)	(107)	(1,419)	52	35	29	31	38	37	32	44
Amounts Specifically for New or Upgraded Assets	116	312	0	0	0	0	0	0	0	0	0
Net Surplus / (Deficit)	(48)	205	(1,419)	52	35	29	31	38	37	32	44
Total Comprehensive Income	(48)	205	(1,419)	52	35	29	31	38	37	32	44

Statement of Financial Position	2026 Year 0 \$,000	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	3,508	3,338	1,979	2,278	2,091	2,144	2,340	2,333	2,189	2,533	2,922
Trade & Other Receivables	245	245	245	245	245	245	245	245	245	245	245
Inventories	31	31	31	31	31	31	31	31	31	31	31
Total Current Assets	3,784	3,614	2,255	2,554	2,367	2,420	2,616	2,609	2,465	2,809	3,198
Non Current Assets											
Infrastructure, Property, Plant & Equipment	49,843	50,218	50,064	49,769	49,936	49,861	49,643	49,631	49,755	49,391	48,984
Other Non-current Assets	35	35	35	35	35	35	35	35	35	35	35
Total Non-current Assets	49,878	50,253	50,098	49,804	49,970	49,896	49,678	49,665	49,790	49,425	49,019
Total Assets	53,661	53,867	52,353	52,357	52,337	52,315	52,294	52,275	52,255	52,234	52,217
Liabilities											
Current Liabilities											
Trade & Other Payables	429	429	429	429	429	429	429	429	429	429	429
Provisions	538	538	538	538	538	538	538	538	538	538	538
Total Current Liabilities	967	967	967	967	967	967	967	967	967	967	967
Non-current Liabilities											
Provisions	24	24	24	24	24	24	24	24	24	24	24
Total Non-Current Liabilities	24	24	24	24	24	24	24	24	24	24	24
Total Liabilities	991	991	991	991	991	991	991	991	991	991	991
Net Assets	52,670	52,876	51,362	51,366	51,346	51,324	51,303	51,283	51,264	51,243	51,225
Equity											
Accumulated Surplus	18,339	18,544	17,125	17,177	17,213	17,242	17,273	17,310	17,348	17,380	17,425
Asset Revaluation Reserves	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733
Other Reserves	598	598	598	598	598	598	598	598	598	598	598
Adjustment to Cash & Borrowings for effects of inflation			(94)	(142)	(198)	(249)	(301)	(358)	(415)	(469)	(530)
Total Equity	52,670	52,876	51,362	51,366	51,346	51,324	51,303	51,283	51,264	51,243	51,225

Statement of Changes in Equity	2026 Year 0 \$,000	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											
Balance at end of previous reporting period	18,387	18,339	18,544	17,125	17,177	17,213	17,242	17,273	17,310	17,348	17,380
Net Result for Year	(48)	205	(1,419)	52	35	29	31	38	37	32	44
Balance at end of period	18,339	18,544	17,125	17,177	17,213	17,242	17,273	17,310	17,348	17,380	17,425
Asset Revaluation Reserve											
Balance at end of previous reporting period	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733
Balance at end of period	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733	33,733
Other Reserves											
Balance at end of previous reporting period	598	598	598	598	598	598	598	598	598	598	598
Balance at end of period	598	598	598	598	598	598	598	598	598	598	598
Adjustment to Cash & Borrowings for effects of	0	0	(94)	(142)	(198)	(249)	(301)	(358)	(415)	(469)	(530)
Total Equity at End of Reporting Period	52,670	52,876	51,362	51,366	51,346	51,324	51,303	51,283	51,264	51,243	51,225

Statement of Cash Flows	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Cash Flow from Operating Activities											
Receipts											
Operating Receipts	5,908	5,649	5,725	5,771	5,744	5,744	5,744	5,744	5,744	5,744	5,744
Investment Receipts	140	130	125	68	78	71	73	80	80	75	86
Payments											
Operating Payments to Suppliers & Employees	3,833	4,282	5,759	4,230	4,237	4,233	4,234	4,239	4,239	4,235	4,243
Net Cash provided by (or used in) Operating Activities	2,215	1,498	91	1,609	1,585	1,583	1,583	1,585	1,585	1,584	1,587
Cash Flow from Investing Activities											
Receipts											
Grants specifically for new or upgraded assets	116	312	0	0	0	0	0	0	0	0	0
Sale of replaced Assets	82	75	110	80	140	85	38	160	200	20	100
Payments											
Expenditure on renewal/replaced assets	1,067	1,427	1,530	1,349	1,870	1,585	1,368	1,708	1,880	1,209	1,252
Expenditure on new/upgraded assets	497	628	30	41	41	30	57	44	49	51	46
Net cash provided by (used in) Investing Activities	(1,365)	(1,668)	(1,450)	(1,310)	(1,771)	(1,530)	(1,387)	(1,592)	(1,729)	(1,240)	(1,198)
Net Increase / (Decrease) in Cash	850	(170)	(1,359)	299	(186)	53	196	(7)	(144)	344	389
Cash and Cash Equivalents at start of reporting period	2,658	3,508	3,338	1,979	2,278	2,091	2,144	2,340	2,333	2,189	2,533
Cash & Cash Equivalents at the end of the reporting period	3,508	3,338	1,979	2,278	2,091	2,144	2,340	2,333	2,189	2,533	2,922