



District Council of
**ORROROO
CARRIETON**

LONG TERM FINANCIAL PLAN

2026/2027 – 2035/2036

ADOPTED



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EXECUTIVE SUMMARY

The District Council of Orroroo Carrieton's Long Term Financial Plan (LTFP) 2026/27–2035/36 outlines Council's strategic financial direction to support the continued delivery of essential services, infrastructure renewal, and community outcomes over the next ten years. The Plan has been prepared in accordance with the requirements of the Local Government Act 1999 and aligns with Council's Strategic and Community Plan 2023–2033: Prosperity and Resilience.

Council continues to operate in a challenging rural environment characterised by a small rating base, increasing asset renewal demands, rising operational costs, climate uncertainty, and ongoing drought conditions impacting the district's economy and community wellbeing. Despite these pressures, Council remains committed to maintaining core services, supporting community resilience, and ensuring long-term financial sustainability.

The LTFP is underpinned by Council's Asset Management Plans and includes a planned capital works program of approximately \$14.6 million over the life of the Plan, including \$13.2 million dedicated to the renewal and replacement of existing assets. These investments will support the ongoing maintenance of roads, buildings, CWMS infrastructure, plant and equipment, and other community assets valued at more than \$72 million.

Council's financial strategy focuses on balancing sustainable service delivery with responsible financial management. The Plan forecasts that Council will maintain a strong cash position and continue operating without the need for new borrowings across the ten-year period. Financial sustainability indicators demonstrate that Council is expected to achieve a sound Net Financial Liabilities Ratio and fully fund its asset renewal requirements throughout the life of the Plan.

This LTFP provides a responsible and realistic framework for Council's future decision-making. It ensures that infrastructure and services can continue to meet community expectations while balancing affordability, financial resilience, and sustainable growth for current and future generations.

The LTFP 2027-2036 was adopted by Council at a Special Meeting held on Tuesday 7th July 2026.

CEO STATEMENT ON SUSTAINABILITY

Financial Sustainability is fundamental to ensure that as a small Council essential services, and renewal of assets are maintained to meet the community needs. To achieve this simple aspiration, it is imperative for Council to maintain vigilance in its financial, operation and project management, which requires continuous monitoring and review, sound reporting and analysis that is supported by robust financial processes and systems.

For Council to achieve new projects that essentially requires additional assets for future management requires the utmost scrutiny and prudential consideration as a best practice that enables comprehensive reporting, enabling considered and sound decision making. This is supported by utilising the tools and management plans to assess the future financial and operational impact.

In addressing the long term forecast financial sustainability challenges, Council has adopted various strategies that commit to continuous review of financial data, in particular expenditure with a focus on asset depreciation, projecting asset planning out to 20 years, and review of operations.

Council has commenced the implementation of these strategies resulting in a realignment of the Asset Management Plan and the Long Term Financial Plan which focuses on renewal of assets. It is these strategies that have enabled Council to deliver a financial strategy that reports and initial small accumulative operating deficit of (0.1%) over the 10 year plan as illustrated in the Operating Surplus Ratio graphic. This is achieved without the need for a "knee jerk" reaction to substantially reduce service levels, however, with the commitment to constant review, there is a level of confidence for this reported Ratio to achieve small accumulative surpluses.

An initial primary focus was attributed to asset data, in particular the road network, where it has been identified that the most recent revaluation performed valued what was reported in the data, which was at odds with the adopted road classifications and ongoing operations. It has been identified that various unsealed road widths included in the data do not align with the road classification determined by Council resulting in an inflated value and therefore, increased annual depreciation expenditure. An initial correction of the depreciation expenditure reduction has been included in the Long Term Financial Plan, with a further comprehensive review to be undertaken in the 2026/27 year. This focus is clearly illustrated in Council's reported Asset Renewal Funding Ratio at 100% being maintained in the adopted target ranges.

It is this correction that has enabled Council to plan with a degree of confidence a fully funded Asset Management Plan that as mentioned focusses on asset renewal, while maintaining modest rate increases above inflation. It is prudent to mention that all this can be achieved without the need for Council to access loan funding, which is reflected in the sustained Net Financial Liabilities Ratio of (30.3%) that is well within its target ranges.

The continuous commitment of Council to ensuring and maintaining long term financial sustainability places it and the community in a position of strength that enables flexible decision making in addressing the identified significant influences and challenges that impact the district.

In looking forward to the future, the next review of Council's Community (Strategic) Plan will be a pivotal process to imbed the sound principles and strategies of Council that commits to long term Financial Sustainability. This commitment will ensure assets and services are maintained at levels that meets the community's needs, while providing scope to enable the achievement of carefully considered community aspirations focused on expansion and growth.

ESCOSA SUSTAINABILITY REPORT

The Long Term Financial Plan 2027 -2036 (LTFP) has commenced Council's approach to address the concerns and observations raised by the Essential Services Commission of South Australia (ESCOSA) in its sustainability report dated February 2026.

The report highlighted that in the past and at the present, Council's performance was mostly sustainable, however when assessing the Forecast Period, performance was assessed as unsustainable.

To address the recommendations of the ESCOSA review, the following strategies have been endorsed by Council and form a fundamental foundation to the review of the LTFP.

Report Recommendation 1 – Asset Values

1. Update Assets via Revaluations every 5 Years as per Regulations
2. Annual review to include CPI indexation as a basis and/or direct costs for asset values

Report Recommendation 2 – Depreciation

1. Asset data, classifications and depreciation to be reviewed annually
2. Continuous monitoring and reporting of potential impacts of Projects on Depreciation
3. Asset Management Plan to be updated annually

Report Recommendation 3 – Significant Asset Replacement

1. Annual projection of LTFP and AMP out to 20 years to identify potential impacts and significant asset replacement beyond the statutory 20 year period.
2. Clearly disclose identified significant asset replacement in 10 year LTFP and AMP.

Report Recommendation 4 – Monitoring

1. Continue annual review of expenditure items.
2. Report to Council on areas whereby increases are predicted or identified to be above predicted CPI, and disclose in ABP and Budget.

Report Recommendation 5 – Alternative Strategies

1. Continue the review of expenditure and service reviews to identify ongoing savings and/or to maintain expenditure consistent with inflation.
2. Continue to assess and identify other forms of income and advocate for increased financial assistance grants with the wider Local Government sector.

To conclude, from the recommendation of Councils Audit and Risk Committee, the ESCOSA recommendations are forming the basis of considerations for the review of the current LTFP and AMP that will inform the Annual Business Plan and Budget for 2026/27 year. The commencement work currently undertaken with the asset reviews and associated depreciation, aligned with Council policy and service levels, will provide positive results and ensure Council corrects its forecast position to achieve ongoing sustainability.

The review work performed to date has achieved better alignment of the LTFP and AMP that was identified with ESCOSA during the assessment process. With the continued implementation of the above strategies, the forecast financial position of the Council will continue to improve to achieve long term Financial Sustainability.

ABOUT THE LONG TERM FINANCIAL PLAN

This Long Term Financial Plan has been prepared in accordance with the requirements of Section 122 of the Local Government Act 1999 (SA) and Regulation 5 of the Local Government (Financial Management) Regulations 2011 (SA).

Section 122 of the Act requires councils to develop and adopt a long-term financial plan as part of their strategic management planning framework. In accordance with the Regulations, the Plan covers a minimum period of ten (10) years and is reviewed and updated annually to ensure it remains aligned with Council's strategic objectives, financial sustainability principles, and statutory obligations.

The Long Term Financial Plan (LTFP) is one of a number of strategic management plans which guide the activities of the District Council of Orroroo Carrieton (Council). The plan package includes:

- Strategic and Community Plan
- Asset Management Plan
- Annual Business Plan and Budget.

Long term financial planning is an important tool for the Council to manage the significant amount of community assets, as many have a long life, relative to their income base. The preparation of a LTFP provides information to guide decisions about the mix and timing of outlays for operating activities and capital works, so that the funding implications of these can be managed to achieve a long term sustainable financial performance without the need for unexpected variances in rate income to be raised.

The purpose of the LTFP is to express, in financial terms, the resourcing needed over the medium and longer term to enable Council to achieve the objectives in its Strategic and Community Plan. It is a guide for the future based on forecast income and projected expenditure levels to enable the overall financial impact of planned activities to be identified, in an effort to ensure that there are adequate resources available at all times and when specifically needed.

There may be some periods with modest levels of asset renewal requirements, and then other periods when very significant outlays are necessary to maintain or restore asset service levels. Council needs to generate sufficient income in an equitable manner over an extended time to ensure they have the capacity to fund peaks in asset capital works and to access borrowings where necessary.

A soundly based LTFP assists the Council to determine sustainable service levels and affordable asset management strategies, realistic income targets and optimal treasury management.

STRATEGIC AND COMMUNITY PLAN ALIGNMENT

The LTFP has been developed to underpin the delivery of Council’s activities and services in alignment with the vision and strategies of the Strategic and Community Plan 2023-2033: Prosperity and Resilience.

Considerable effort has been made to include all information in the LTFP that is considered relevant and known at this time. The LTFP will be updated to incorporate changes made following the future review and ongoing monitoring of the progress against the Strategic and Community Plan. The LTFP will also be reviewed and updated on an annual basis, to assess the impact of all planned activities in the Annual Business Plan on the long term financial performance of the council.

ASSET MANAGEMENT

Council is responsible for over \$72 million of assets. These include roads and all transport related infrastructure including footpaths and kerbing, buildings, site improvements and structures including parks, recreation reserves and sporting facilities, swimming pools, community wastewater, non-potable water supply, plant and equipment and furniture and fittings.

The Asset Management Plan (AMP) is periodically reviewed and updated with the support of an independent advisor to provide an assessment of all assets and the whole of life costs, including operational management, renewal replacement and ongoing maintenance requirements.

All major assets are periodically revalued. An annual indexation of asset values is factored into the LTFP. The annual cost of capital works is added into the Asset Register at the end of each financial year. This includes the annual amount of depreciation allocation which will increase each year (unless there has been substantial changes in the asset base). With a planned focus on asset renewal, the annual depreciation allocation will show minor increases as a result of the planned capital works program.

The planned Capital Works Program for 2027-2036 is based on Councils Asset Management Plans. This updated AMP follows a detailed review of all asset classes to ensure that assets are replaced or renewed at a suitable condition to meet their purpose for usage.

The amounts in the Capital Works Program have been adjusted to include the estimated average forecast CPI of 2.6% for future years.

Planned Capital Works Program for 2027-2036:

Renewal and Replacement of Assets	\$13.2 million
New and Upgrade of Assets	\$1.4 million
TOTAL	\$14.6 million

FINANCIAL SUSTAINABILITY

The financial performance of the council is monitored by three indicators which are used across Local Government in SA. Target ranges for each of these indicators are set by Council in this LTFP.

The financial impact of all planned activities is assessed against the targets as part of the preparation of the Annual Business Plan and Budget and at each subsequent review of the Budget. The results should be consistent with the average long term target for each indicator.

The table shows the projected financial sustainability indicators average for the term of the LTFP compared to the target ranges for each indicator.

Key Financial Indicator	LTFP Target Range	Forecast Average Performance 2027-2036
Adjusted Operating Surplus Ratio	0% - 15%	(0.1%)
Net Financial Liabilities Ratio	(50%) - 50%	(30.3%)
Asset Renewal Funding Ratio	91% - 110%	100.0%

Operating Surplus Ratio (OSR)

The OSR shows whether there is sufficient operating income to cover the operating expenses (including depreciation charges). It expresses the operating surplus or (deficit) as a percentage of operating income. A negative result is a deficit and indicates that Council is not operating in a sustainable manner.

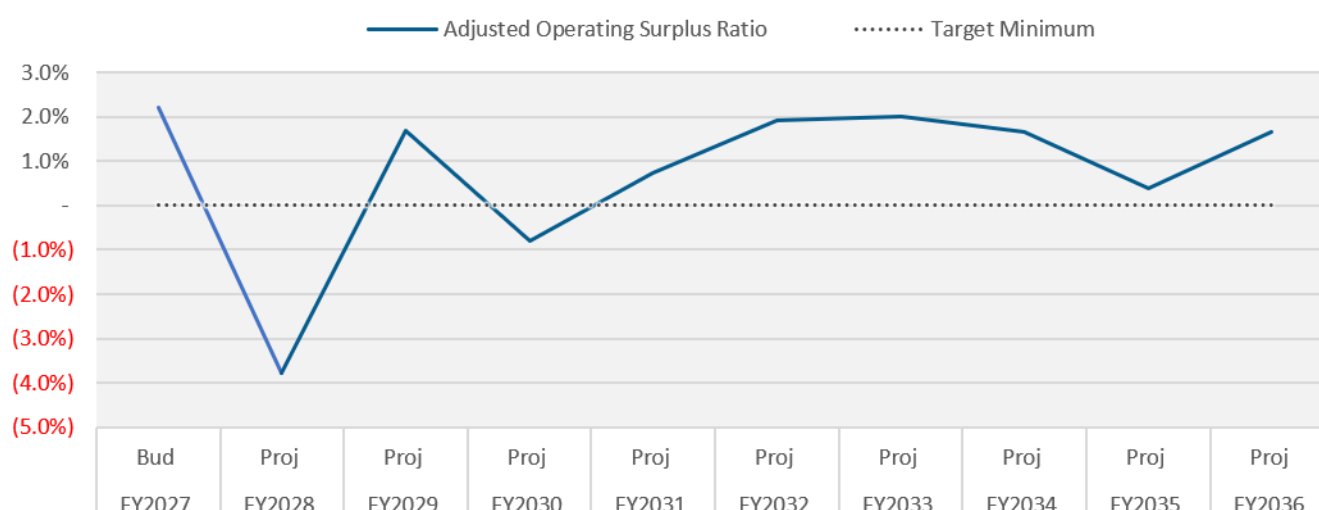
Council has set a target range of 0% to 15% to be operating in a financially sustainable position.

An adjusted OSR has been reported to show the adjusted operating position excluding the depreciation for non-replaced and non-Council owned assets.

The OSR is counteracted by a strong cash position across the term of the LTFP, essentially this indicates that despite showing an operational deficit, the Council has the ability to fund the current services from its own cash reserves over the long term.

The following graph shows the forecast long term position for the period 2027-2036.

Adjusted Operating Surplus Ratio



Net Financial Liabilities Ratio (NFLR)

The NFLR indicates whether Council has a manageable level of debt when considering its available income resources.

Council has decided to take a conservative approach in relation to setting the ceiling level of 50% with a minimum of -50%, as it is conscious of the fact that it has a very small rate base with limited other sources of income to meet loan repayments.

New loan borrowings and debt will be avoided unless grant funding is available and it is needed for a council contribution, for major projects, activities or services that will make a positive contribution to the achievement of the Strategic Plan and therefore provide generational benefit to the wider community.

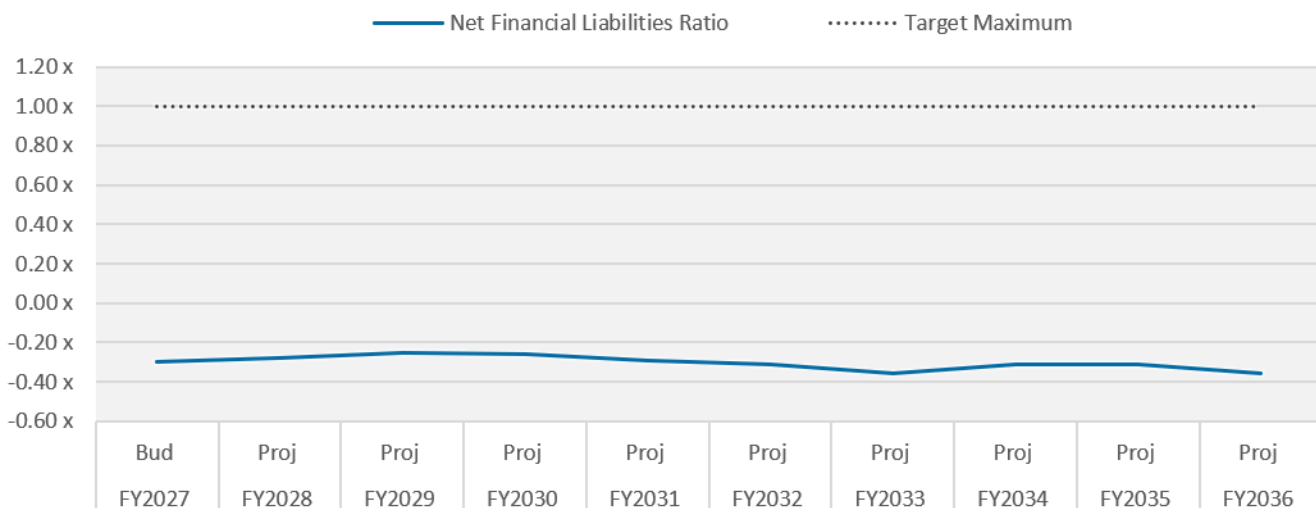
A NFLR result of greater than 100% for this ratio indicates a high level of debt and would be unsustainable unless there was an identified income stream (resulting in overall annual operating surpluses) to reduce the debt in a timely manner.

A NFLR that is low or less than 0% indicates minimal or no debt.

The strong starting position of financial assets means that the forecast NFLR will be a negative measure across the life of the LTFP. It ranges from the highpoint of (35%) in 2032/33 and 2035/36 to its lowest at (25%) in 2028/29. The forecast net financial liabilities ratio indicates no borrowings will be required for the LTFP.

The following graph illustrates the movement of the NFLR during the period 2027-2036.

Net Financial Liabilities Ratio



Asset Renewal Funding Ratio (ASFR)

The ASFR indicates the extent to which existing physical (non-financial) assets are being renewed and replaced, compared with what is needed to cost-effectively maintain preferred and affordable service levels. It is calculated by comparing the net capital expenditure on renewal or replacement of assets to the planned level of such expenditure as set out in the AMP.

If capital expenditure on renewing or replacing existing assets is at least equal to the level required, then 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, progressively undermine service delivery levels and Council’s financial sustainability performance would deteriorate and an impost on future generations is created to fund service backlogs.

The Capital Renewal planned works are fully funded in this LTFP which is reflected in a forecast ratio of 100% for this ratio throughout the life of the plan.

Asset Renewal Ratio



FINANCIAL STRATEGY

Council's aim is to achieve and maintain a strong and sustainable long term financial performance.

The following strategies outline the approach:

- The LTFP is based on Council's current operating services and their associated service delivery levels, and the planned forecast capital works expenditure outlined in the Asset Management Plan.
- Council will continue to deliver the current range of services to the community at the current level of service.
- The efficiency of delivery of services to the community will continue to be reviewed in an effort to identify further opportunities to reduce these costs. This is an ongoing objective for management to ensure the maximum benefit to the community.
- The desire to maintain an operating surplus, and financial sustainability, which will mean that the community is paying for the cost of the services being delivered or consumed within that period.
- Council plans to increase general property rates by a percentage higher than CPI throughout the life of the plan to reduce the gap between operating expenditure and operating income, to enable the Council to achieve and maintain an operating surplus, and to provide an allowance for future financial difficulties which are unknown at this time.
- Capital expenditure on road renewal, plant & equipment, buildings & other structures and CWMS is consistent with the Asset Management Plan.
- Allocation of resources to ensure the replacement or renewal of existing assets as set out in the Asset Management Plan are fully funded, so that the service levels of existing assets are maintained.
- The construction of upgraded or new assets is planned only where there is additional income to fund such upgrades either whole or in part. Should an upgrade project be approved by Council, then the LTFP will be revised to ensure a positive financially sustainable position after the completion of these works.
- Grant income will be targeted in a strategic manner to identify grant programs that can support planned activities and encourage involvement and participation by members of the community. Where a Council contribution is required, then careful consideration will be given to the longer term benefits and costs and the potential impact of the timing which may mean delaying other planned capital renewal.
- Grant income to build new or upgrade assets will be pursued and accepted only if the assets are deemed to have strategic significance. If there is additional funding to be contributed by Council, consideration will be given to the long term whole of life costs and the future impact on the operational service delivery as part of the final decision by Council, as well as any risks associated.
- CWMS forecast revenue and expenditure has been included in the Long Term Financial Plan based on the Local Government of South Australia accounting principles (updated). The CWMS Service Charge will be set at a level to ensure full life cost recovery of the system.
- New loan borrowings will only be sought for capital works to fund new or upgraded assets where required. The use of loan funds is to spread the cost across a longer term so that over time all the consumers of the service will make a contribution to its whole of life cost. No borrowings are factored into this plan.

SIGNIFICANT INFLUENCES

In the development of the Annual Business Plan we look at the external commercial, economic, political, ecological, social and technological influences that have an impact on our District.

External Commercial / Economic / Political

Council has taken a proactive approach to advocacy at both state and federal levels to leverage support for the delivery of essential infrastructure projects in the District.

International conflict and other disruptions have contributed to global resource demands, which have exacerbated existing materials and labour shortages. This impacts on delivery of infrastructure projects and the ability to buy plant and equipment.

Pricing increases that include climbing oil prices, electricity, local suppliers with stock shortages, and labour shortages are just a few key issues that have been felt by Council and our community.

Council purchases a range of goods and services as part of its annual capital program. Over the last 12 months the persistent disruption to supply chains and distribution network and their ongoing effects on prices has provided uncertainty. This has impacted on project delivery, tendering, pricing being received, and the availability of contractors.

The local impact on businesses and the community resulting on loss of local fuel outlet has further influenced decision making and the approach in developing the long-term financial strategy.

Extreme Weather

Effects of our changing climate are already being felt by our community. With an increasing frequency of extreme weather events there has been a need to adjust programs that react to the increased frequency of flooding, severe/extreme fire danger and a longer fire season, and longer sustained periods of drought conditions. Previous years events have determined it necessary to provide sustainable strategies and an annual budget allowance for such events.

Tourism Industry Growth

With increased tourism growth comes increased servicing and maintenance of existing assets including our public facilities.

People safety and risk management

The Council aims to provide and promote a healthy and safe working environment to minimise the risk of injury or illness for all staff while at work. Council has a broad risk profile associated with its work in the community and within the organisation and is committed to providing a workplace that:

- Is safe and healthy for all employees, volunteers, contractors and visitors.
- Minimises, manages and controls risks within the work environment.
- Minimises the risk of injury and ill health at work.
- Complies with the Work Health & Safety Act 2012 and the Performance Standards for Self-insured Employers.

ASSUMPTIONS

The forecast projections of income and expenditure are based on the following assumptions:

	26/27	27/28	28/29	29/30 - 35/36	
CPI	3.80%	2.90%	2.60%	2.60%	Estimate for 26/27. 27/28 is as per RBA Forecast CPI
Operating Income					
General Rates	5.80%	3.40%	3.10%	3.10%	26/27 as per prior LTFF of CPI 2.8% + 3.0%. 27/28 onwards is forecast CPI + 0.5%. No assessment growth included.
Service Charges	3.80%	2.90%	2.60%	2.60%	Forecast CPI
Investment Interest Rate	5.10%	4.20%	4.20%	4.20%	RBA Monetary Policy Cash Rate
Roads to Recovery				2.60%	R2R funding to 28/29 as per approved allocation. 29/30 onwards is indexed by forecast CPI.
Financial Assistance Grants	2.80%	1.90%	1.60%	1.60%	Forecast CPI less 1%
Operating Expenditure					
Employee Costs	3.00%	2.90%	2.60%	2.60%	EBA Forecast increase 26/27. 27/28 onwards based on forecast CPI
Materials Contracts and other Expenses	3.80%	2.90%	2.60%	2.60%	Forecast CPI
Finance Costs	5.80%	4.90%	4.60%	4.60%	Forecast CPI plus 2%
Depreciation	3.80%	2.90%	2.60%	2.60%	Forecast CPI
Capital Expenditure					
Renewal and Upgrade	3.80%	2.90%	2.60%	2.60%	AMP data, with future years indexed by forecast CPI

Adjustments have been included in the plan where required to budget for once-off items:

	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36
Adjustments - '\$000										
Election Costs (expense)	20				23				26	
ESCOSA Fee (expense)				42				45		
Asset Revaluations (expense)				60	15				65	20
CWMS Business Stimulus (expense)	17									
Software replacement (expense)		250								

Exclusions from the Long Term Financial Plan include:

- Paratoo South Subdivision due to the financial impact requiring further assessment through Prudential reporting
- Carrieton Water Supply that requires a further strategic assessment and commitment

FUNDING THE PLAN

Council has a number of key revenue sources that support the 2026-27 budget delivery including the following:

Rates and Service Charges

- Total Rate Income includes General Property Rates, Service Charges for CWMS, Waste Collection, Landscape Levy, Rate Fines, Rate Rebates and Write-offs from Objection to valuations.
- Community Wastewater Management Scheme (CWMS) service charges are required to be set at a level to ensure the whole of life costs are recovered by the users of the service and without impact on other ratepayers. Council utilizes the LGA CWMS Accounting Principles – The Costing and Pricing of CWMS, to monitor costs associated with CWMS and setting an appropriate service charge on an annual basis.
- Waste management user charges are set at an appropriate level to ensure the full cost of providing these services is recovered from those who benefit from or use the service.

Statutory Charges

Legislated charges to support environmental and public health and safety including:

- animal/wildlife management (including dog registration)
- building and development fees
- public health and support services and
- emergency management

User Charges

User charges are those costs associated with the provision of specific services to a distinct group of the community including:

- cemetery fees
- swimming pool
- lease or rental fees
- water supply
- waste facility

Grants, Subsidies and Contributions

External funds obtained from Commonwealth, State or other bodies contribute to the cost of Council's operations or capital projects including the following:

- Roads to Recovery
- Financial Assistance Grants

Investment Income

This income is derived from interest received on surplus cash balances throughout the year, held with the Local Government Finance Authority.

Other Income

Other income includes various reimbursements or sundry income.

STRATEGIC PROJECTS

Project	Description	Budget
CAPITAL		
Main Street Upgrade	Replacement and upgrade of footpaths, kerbing, stormwater infrastructure, with the inclusion of traffic calming protuberances and safe pedestrian crossings to improve accessibility	\$1.3m \$400k Council contribution \$900k Grant Funded 2026/27
Sealed Streets Upgrade and Renewal	North Terrace upgrade to include stormwater drainage management from Fifth Street to Railway Terrace	\$260K 2026/27 year
CWMS Infrastructure	New gravity drains and flow meters, and ongoing pump renewal	\$210k 2026/2027 Year \$75k over 10 years
District Unsealed Roads Re-sheeting and Reform works	Various District Roads identified in Councils annual road program	\$3.27M over 10 years
District Sealed Road reseal and shoulder works	Orroroo Laura Road (Price Maurice Road) and Booleroo Road	\$3.4M over 10 years
Township Sealed Roads	Resealing program across township sealed streets	\$700k over 10 years
Township Footpaths	New, Upgrade and Renewal of identified footpaths	\$320k over 10 years
Stormwater Kerb & Gutter	Renewal of identified damaged kerbing	\$330k over 10 years
Plant & Machinery	New and Replacement of Plant and Machinery in accordance with adopted program	\$3M over 10 years
Buildings, Other Structures and Assets	Identified new and renewal works as programmed	\$652k over 10 years
OPERATIONS		
Carrieton Water Supply Investigations	Review of system infrastructure and planned renew/upgrade	TBD
Building Asset Review	Develop renewal and maintenance program based on condition assessment	TBD
Computer System Upgrade	Review system options for upgrade	\$250k 2027/28 year
Public Lighting/Solar Light Review	Comparison between upgrade of solar lights v LED SAPN lighting	\$10k 2026/27

BUDGETED FINANCIAL STATEMENTS

The forecast financial statements provide an estimate of the financial performance for each year.

Statement of Comprehensive Income

The Statement of Comprehensive Income shows the total amount of income and expenditure by each type to give the net Operating result. It also separately identifies amounts specifically for new or upgraded assets.

Council plans to increase general property rates by a percentage higher than forecast CPI in all years of the plan, to enable the Council to achieve an operating surplus fund all services and maintain financial sustainability.

Statement of Financial Position

The Statement of Financial Position shows the forecast balance sheet position as at 30 June each year. It shows an overall improved position from 2026/27 and this extends across the LTFP.

This is mainly due to the increase in the current asset, cash and cash equivalents, which is an accumulation of funds required for future capital works renewal for current assets.

Cashflow Statement

The Cashflow Statement shows the detail of cash movements by source to give the final amount of cash as contained in the Statement of Financial Position. It shows a level of cash from operating activities that is able to support the capital works program.

Statement of Uniform Presentation of Finances

The Statement of Uniform Presentation of Finances (UPF) together with the results of the Key Financial Indicators provides an overall summary report of the movements for each financial year. The UPF shows the operating surplus / (deficit) performance and then the net investment in assets. The result reflects the annual net impact of financing activities for each year.

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

Outlays on New / Upgrade vs Renewal / Replacement of Assets

A clear understanding of the difference between expenditure incurred to renew or replace existing assets and expenditure incurred to create new or upgraded assets is essential in order to understand the strategic relevance of the Statement of Uniform Presentation of Finances.

A new asset is additional to Council's current asset base. For example, roads constructed as part of a subdivision are new assets. Similarly laying footpaths in areas where they did not previously exist are also new assets.

An upgraded asset replaces a previously existing asset with enhanced capability or functionality.

Renewal or replacement of an asset occurs where a previously existing asset is replaced without enhancement of the service capability except where this is incidental and unavoidable.

It is possible for capital expenditure to be a combination of renewal as well as upgrade. This is particularly prevalent in this Council region due to the increased volume of B-double traffic experienced in recent times. This has required some major roads to be rebuilt to higher standards. For example, the replacement of a road that was initially a 6 metre wide sheeted surface with an 8 metre width sheeted surface can be considered part replacement and part upgrade.

If Council does not have the resources to replace its existing assets in a timely manner, then new assets should not be considered unless they are deemed to be essential. By building new assets Council is effectively building new liabilities as the assets usually don't generate income (e.g. roads) cannot be sold and will incur ongoing costs as they need to be maintained and eventually replaced.

The planned capital works for renewal / replacement of assets shows the new strategy for the management of future capital works, in an effort to improve the efficiency of delivering the contracted services works. This sees peaks and troughs in the amount of planned capital works for each year and means that the overall net borrowing / lending result also varies.

Statement of Comprehensive Income

District Council of Orroroo Carrieton

\$'000	Jun-26 Act	Jun-27 Bud	Jun-28 Proj	Jun-29 Proj	Jun-30 Proj	Jun-31 Proj	Jun-32 Proj	Jun-33 Proj	Jun-34 Proj	Jun-35 Proj	Jun-36 Proj
Income											
Rates	1,709	1,777	1,837	1,894	1,953	2,014	2,076	2,140	2,207	2,275	2,346
Statutory Charges	36	37	38	39	40	41	42	43	44	46	47
User Charges	100	116	119	122	126	129	132	136	139	143	147
Grants, Subsidies and Contributions - Capital	322	494	619	619	635	652	669	686	704	722	741
Grants, Subsidies and Contributions - Operating	1,676	1,820	1,855	1,884	1,914	1,945	1,976	2,008	2,040	2,073	2,106
Investment Income	51	49	50	52	54	56	58	60	62	64	66
Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Other Income	146	84	86	89	91	93	96	98	101	103	106
Total Income	4,040	4,377	4,605	4,700	4,813	4,929	5,049	5,171	5,297	5,426	5,558
Expenses											
Employee Costs	1,404	1,367	1,407	1,443	1,481	1,519	1,559	1,599	1,641	1,684	1,727
Materials, Contracts & Other Expenses	1,719	1,641	1,901	1,693	1,839	1,821	1,829	1,877	1,970	2,066	2,047
Depreciation, Amortisation & Impairment	1,402	1,302	1,504	1,517	1,565	1,588	1,600	1,628	1,634	1,694	1,731
Finance Costs	2	1	-	-	-	-	-	-	-	-	-
Total Expenses	4,527	4,311	4,812	4,654	4,885	4,928	4,987	5,104	5,246	5,443	5,505
Operating Surplus / (Deficit)	(487)	66	(207)	46	(72)	1	61	67	51	(18)	53
Asset Disposal & Fair Value Adjustments	6	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	288	630	-	-	-	-	-	-	-	-	-
Physical Resources Received Free of Charge	-	-	-	-	-	-	-	-	-	-	-
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	(193)	696	(207)	46	(72)	1	61	67	51	(18)	53
Other Comprehensive Income											
Changes in Revaluation Surplus - I,PP&E	-	-	-	-	-	-	-	-	-	-	-
Movements in Other Reserves	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	(193)	696	(207)	46	(72)	1	61	67	51	(18)	53
Depreciation - Non Replaced Assets	30	31	32	33	33	34	35	36	37	38	39
ADJUSTED OPERATING SURPLUS / DEFICIT	(457)	97	(175)	78	(39)	36	97	103	88	20	92

Statement of Financial Position

District Council of Orroroo Carrieton

\$'000	Jun-26 Act	Jun-27 Bud	Jun-28 Proj	Jun-29 Proj	Jun-30 Proj	Jun-31 Proj	Jun-32 Proj	Jun-33 Proj	Jun-34 Proj	Jun-35 Proj	Jun-36 Proj
Current Assets											
Cash and Cash Equivalents	2,003	1,752	1,670	1,574	1,632	1,842	1,967	2,236	2,116	2,148	2,409
Trade and Other Receivables	217	166	171	176	182	187	193	199	205	211	217
Inventories	304	313	322	330	339	347	356	366	375	385	395
Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	2,524	2,230	2,162	2,080	2,152	2,377	2,516	2,800	2,696	2,744	3,021
Non-Current Assets											
Infrastructure, Property, Plant & Equipment	46,977	48,156	47,954	48,108	47,969	47,752	47,704	47,494	47,707	47,647	47,427
Financial Assets	73	50	46	42	38	33	29	24	19	13	8
Other Non-Current Assets	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	47,050	48,206	48,000	48,150	48,007	47,786	47,733	47,518	47,726	47,661	47,434
Total Assets	49,574	50,435	50,162	50,230	50,158	50,163	50,249	50,318	50,422	50,404	50,456
Current Liabilities											
Trade & Other Payables	148	339	263	277	268	262	278	271	314	304	292
Borrowings	34	-	-	-	-	-	-	-	-	-	-
Provisions	287	295	304	311	320	328	336	345	354	363	373
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	469	634	567	588	588	590	614	616	668	667	665
Non-Current Liabilities											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Provisions	22	23	23	24	24	25	26	26	27	28	29
Total Non-Current Liabilities	22	23	23	24	24	25	26	26	27	28	29
Total Liabilities	491	656	590	612	612	615	640	642	695	695	694
Net Assets	49,083	49,779	49,572	49,618	49,546	49,547	49,609	49,676	49,727	49,709	49,762
Equity											
Accumulated Surplus	10,090	10,786	10,579	10,625	10,553	10,554	10,616	10,683	10,734	10,716	10,769
Asset Revaluation Reserves	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924
Other Reserves	69	69	69	69	69	69	69	69	69	69	69
Total Equity	49,083	49,779	49,572	49,618	49,546	49,547	49,609	49,676	49,727	49,709	49,762

Statement of Cash Flows

District Council of Orroroo Carrieton

\$'000	Jun-26 Act	Jun-27 Bud	Jun-28 Proj	Jun-29 Proj	Jun-30 Proj	Jun-31 Proj	Jun-32 Proj	Jun-33 Proj	Jun-34 Proj	Jun-35 Proj	Jun-36 Proj
Cash Flow from Operating Activities											
Receipts											
Rates	1,709	1,828	1,832	1,889	1,948	2,008	2,070	2,135	2,201	2,269	2,339
Statutory Charges	36	37	38	39	40	41	42	43	44	46	47
User Charges	100	116	119	122	126	129	132	136	139	143	147
Grants, Subsidies and Contributions - Operating	1,676	1,820	1,855	1,884	1,914	1,945	1,976	2,008	2,040	2,073	2,106
Investment Income	50	49	50	52	54	56	58	60	62	64	66
Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Other Income	146	84	86	89	91	93	96	98	101	103	106
Payments											
Payments to Employees	(1,404)	(1,358)	(1,397)	(1,435)	(1,472)	(1,510)	(1,550)	(1,590)	(1,631)	(1,674)	(1,717)
Payments for Materials, Contracts & Other Expenses	(1,719)	(1,459)	(1,985)	(1,689)	(1,856)	(1,835)	(1,823)	(1,893)	(1,937)	(2,086)	(2,068)
Finance Payments	(2)	(1)	-	-	-	-	-	-	-	-	-
Net Cash Provided By (or Used In) Operating Activities	592	1,116	598	952	844	926	1,002	997	1,019	938	1,025
Cash Flow from Investing Activities											
Receipts											
Amounts Received Specifically for New / Upgraded Assets	288	630	-	-	-	-	-	-	-	-	-
Grants, Subsidies and Contributions - Capital	322	494	619	619	635	652	669	686	704	722	741
Repayments of Loans by Community Groups	-	23	4	4	4	4	5	5	5	5	6
Sale of Replaced Assets	-	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	6	-	-	-	-	-	-	-	-	-	-
Payments											
Expenditure on Renewal / Replacement of Assets	(499)	(1,138)	(1,303)	(1,671)	(1,383)	(1,372)	(1,506)	(1,419)	(1,800)	(1,634)	(1,511)
Expenditure on New / Upgraded Assets	(443)	(1,343)	-	-	(43)	-	(45)	-	(47)	-	-
Loans Made to Community Groups	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided By (or Used In) Investing Activities	(326)	(1,334)	(680)	(1,048)	(786)	(716)	(878)	(728)	(1,138)	(906)	(764)
Cash Flow from Financing Activities											
Receipts											
Proceeds from Borrowings	-	-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of Borrowings	-	(34)	-	-	-	-	-	-	-	-	-
Net Cash Provided By (or Used In) Financing Activities	-	(34)	-	-	-	-	-	-	-	-	-
Net Increase (Decrease) in Cash Held	266	(251)	(82)	(96)	58	211	125	269	(119)	32	261
Cash & Cash Equivalents at the Beginning of Period	1,737	2,003	1,752	1,670	1,574	1,632	1,842	1,967	2,236	2,116	2,148
Cash & Cash Equivalents at the End of Period	2,003	1,752	1,670	1,574	1,632	1,842	1,967	2,236	2,116	2,148	2,409

Statement of Changes in Equity

District Council of Orroroo Carrieton

\$'000	Jun-26 Act	Jun-27 Bud	Jun-28 Proj	Jun-29 Proj	Jun-30 Proj	Jun-31 Proj	Jun-32 Proj	Jun-33 Proj	Jun-34 Proj	Jun-35 Proj	Jun-36 Proj
Accumulated Surplus											
Balance at the end of previous reporting period	10,283	10,090	10,786	10,579	10,625	10,553	10,554	10,616	10,683	10,734	10,716
Net result for the year	(193)	696	(207)	46	(72)	1	61	67	51	(18)	53
Transfers from other reserves	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	10,090	10,786	10,579	10,625	10,553	10,554	10,616	10,683	10,734	10,716	10,769
Asset Revaluation Reserve											
Balance at the end of previous reporting period	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924
Gain (Loss) on Revaluation of I, PP&E	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of period	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924	38,924
Other Reserves											
Balance at the end of previous reporting period	69	69	69	69	69	69	69	69	69	69	69
Transfers from Accumulated Surplus	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of period	69	69	69	69	69	69	69	69	69	69	69
Total Equity at end of reporting period	49,083	49,779	49,572	49,618	49,546	49,547	49,609	49,676	49,727	49,709	49,762

Uniform Presentation of Finances

District Council of Orroroo Carrieton

\$'000	Jun-26 Act	Jun-27 Bud	Jun-28 Proj	Jun-29 Proj	Jun-30 Proj	Jun-31 Proj	Jun-32 Proj	Jun-33 Proj	Jun-34 Proj	Jun-35 Proj	Jun-36 Proj
Income											
Rates	1,709	1,777	1,837	1,894	1,953	2,014	2,076	2,140	2,207	2,275	2,346
Statutory Charges	36	37	38	39	40	41	42	43	44	46	47
User Charges	100	116	119	122	126	129	132	136	139	143	147
Grants, Subsidies and Contributions - Capital	322	494	619	619	635	652	669	686	704	722	741
Grants, Subsidies and Contributions - Operating	1,676	1,820	1,855	1,884	1,914	1,945	1,976	2,008	2,040	2,073	2,106
Investment Income	51	49	50	52	54	56	58	60	62	64	66
Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Other Income	146	84	86	89	91	93	96	98	101	103	106
Total Income	4,040	4,377	4,605	4,700	4,813	4,929	5,049	5,171	5,297	5,426	5,558
Expenses											
Employee Costs	1,404	1,367	1,407	1,443	1,481	1,519	1,559	1,599	1,641	1,684	1,727
Materials, Contracts & Other Expenses	1,719	1,641	1,901	1,693	1,839	1,821	1,829	1,877	1,970	2,066	2,047
Depreciation, Amortisation & Impairment	1,402	1,302	1,504	1,517	1,565	1,588	1,600	1,628	1,634	1,694	1,731
Finance Costs	2	1	-	-	-	-	-	-	-	-	-
Total Expenses	4,527	4,311	4,812	4,654	4,885	4,928	4,987	5,104	5,246	5,443	5,505
Operating Surplus / (Deficit)	(487)	66	(207)	46	(72)	1	61	67	51	(18)	53
Net Timing Adjustments for General Purpose Funding	-	-	-	-	-	-	-	-	-	-	-
Less: Grants, Subsidies and Contributions - Capital	(322)	(494)	(619)	(619)	(635)	(652)	(669)	(686)	(704)	(722)	(741)
Adjusted Operating Surplus / (Deficit)	(809)	(428)	(826)	(573)	(707)	(650)	(607)	(619)	(653)	(740)	(688)
Net Outlays on Existing Assets											
Capital Expenditure on renewal and replacement of Existing Assets	(499)	(1,138)	(1,303)	(1,671)	(1,383)	(1,372)	(1,506)	(1,419)	(1,800)	(1,634)	(1,511)
add back Depreciation, Amortisation and Impairment	1,402	1,302	1,504	1,517	1,565	1,588	1,600	1,628	1,634	1,694	1,731
Grants, Subsidies and Contributions - Capital Renewal	315	494	619	619	635	652	669	686	704	722	741
add back Proceeds from Sale of Replaced Assets	15	-	-	-	-	-	-	-	-	-	-
	1,233	658	821	465	818	868	762	895	538	782	962
Net Outlays on New and Upgraded Assets											
Capital Expenditure on New and Upgraded Assets	(443)	(1,343)	-	-	(43)	-	(45)	-	(47)	-	-
Grants, Subsidies and Contributions - Capital New / Upgraded	7	-	-	-	-	-	-	-	-	-	-
add back Amounts Received Specifically for New and Upgraded Assets	288	630	-	-	-	-	-	-	-	-	-
Add back proceeds from sale of surplus assets	6	-	-	-	-	-	-	-	-	-	-
	(142)	(713)	-	-	(43)	-	(45)	-	(47)	-	-
Net Lending / (Borrowing) for Financial Year	282	(483)	(5)	(108)	67	218	110	277	(162)	42	273