



CITY OF PORT LINCOLN  
**LONG TERM  
FINANCIAL PLAN**  
2024-2033



# ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Barngarla People, the Traditional Owners of the land on which the City of Port Lincoln rests and their continuing connection to land, sea, culture and community. We pay our respects to Elders past, present and emerging, and we extend that respect to other Aboriginal and Torres Strait Islander people in our community.



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Prepared by **City of Port Lincoln**

Adopted by Council

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## INTRODUCTION

The City of Port Lincoln's Strategic Management Plans are:

- the Strategic Directions Plan, which provides the community vision and Council objectives that drive Council's decision-making and activities;
- the Long Term Financial Plan (LTFP), and
- the Strategic Asset Management Plan (SAMP).

The latter two Plans are essential to both enabling and ensuring the delivery capability and financial sustainability of the community's needs, expectations and plans over the future 10 year period.

The LTFP is a financial representation of the strategies Council has endorsed to achieve its objectives over the medium to long term. Similar to an annual budget but not as detailed, the LTFP identifies Council's projected revenue and expenses over a ten year cycle, adjusting new capital expenditures and other factors where needed to maintain a sustainable outcome. The LTFP provides a financial roadmap with the ability to adjust the scope and timing of use of limited resources and to act proactively within a sustainability framework when unexpected issues arise.

The LTFP is also a rich source of information that will improve Council's ability to model, forecast and make decisions on possible future funding for operational needs, renewal and replacement of existing assets and new and upgraded assets to meet future service demands.

The Council must review the LTFP annually, in conjunction with the adoption of the Annual Business Plan (ABP), to account for any material changes arising from the adopted ABP and budget, which is a detailed representation of Council's immediate capital and operational commitments.

## LONG TERM FINANCIAL PLAN - FINANCIAL REPORT OUTPUTS

Council's LTFP modelling has produced a set of reports in line with the Model Financial Statements as approved by the South Australian Local Government Association (LGA SA). These reports provide a 10 year projection, accounting for capital expenditure planned in the SAMP and revenue and expenditure policies identified in the ABP and SMPs. These reports are included as [Appendix A](#) and include:

### Uniform Presentation of Finances

### Statement of Comprehensive Income

A requirement under accounting standard AASB 101.81A. The Statement of Comprehensive Income is a combination of a Profit and Loss; revenues and expenses of operations whose net effect produces an Operating and Net Surplus/(Deficit), and Other Comprehensive Income; typically includes disclosures relating to changes in revaluation surplus, gains and losses on defined benefit plans, gains and losses arising from translating the financial statements of a foreign operation, gains and losses on re-measuring available-for-sale financial assets, and the gains and losses on hedging instruments in a cash flow hedge.

### Balance Sheet

Also known as a Statement of Financial Position (AASB 101.54), this report shows the accumulative value of Council Assets (current and non-current), Liabilities (current and non-current), Net Assets (total Assets less total Liabilities) and Equity. This report is presented with a comparative to the previous year.

### Statement of Changes to Equity

A requirement under accounting standard AASB 101.106, this statement provides a reconciliation of the equity components; Accumulated Surplus/(Deficit), Asset Revaluation Reserves, and Other Reserves. The reconciliation is also required to show a comparison for each item of equity between the opening and closing balances resulting from changes in the Statement of Comprehensive Income, transfers in equity distribution, and adjustments to subsidiary ownership that do not represent loss of control (AASB 101.106(d)).

### Statement of Cash Flows

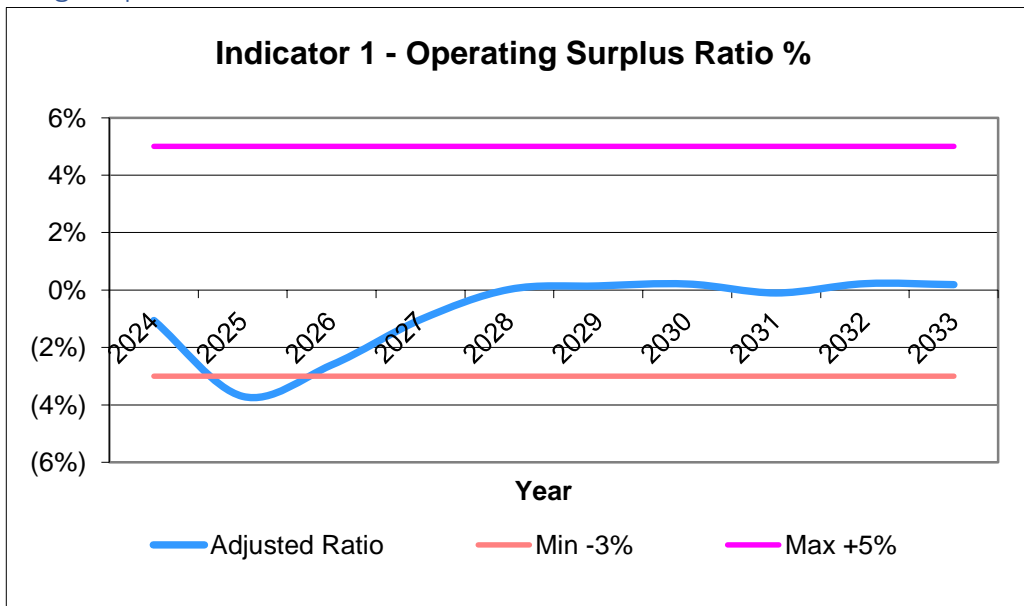
A requirement under accounting standard AASB 101.111, this report presents information on how the Council generates Cash and Cash Equivalents (AASB 107 – Statement of Cash Flows), and where this cash is utilised within the business operations; cash flows from operating activities, investing activities, and financing activities.

## FORECAST OF KEY FINANCIAL SUSTAINABILITY INDICATORS

Note 15 of the South Australian Model Financial Statements (Local Government (Financial Management) Regulation 2011, Reg. 5(1)(c)) sets out the key local government financial sustainability indicators.

The LGA SA has recommended using three of these financial indicators in the preparation of a LTFP as they provide guidance in strategic, infrastructure and financial decision-making processes.

### Operating Surplus Ratio – Indicator 1

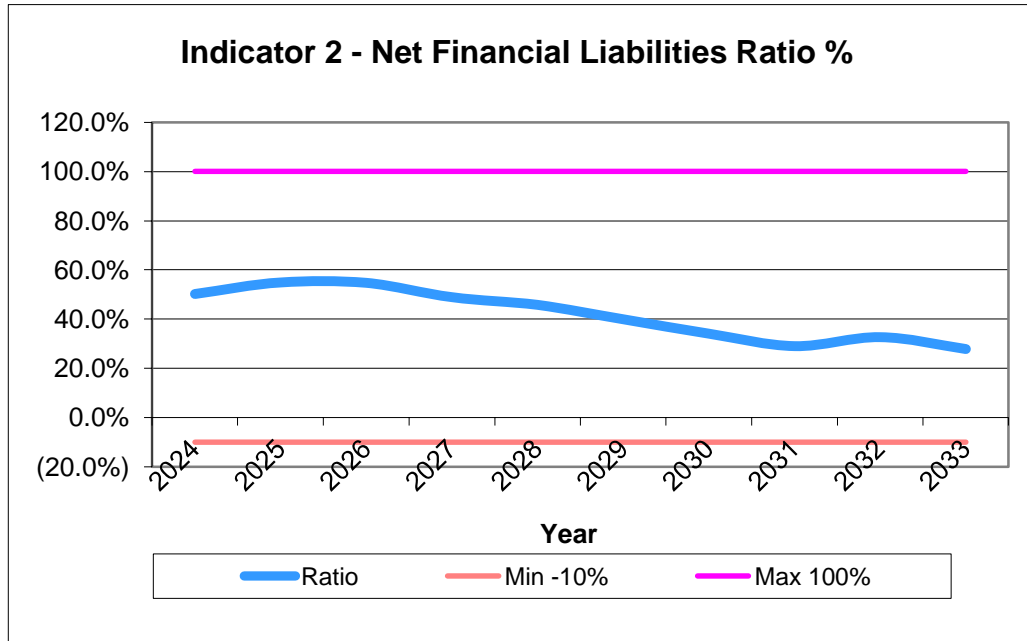


Calculated as Operating Surplus/(Deficit) divided by Operating Revenue - "Is Council covering its operating expenditure and depreciation charge from its operating revenue?"

- Positive percentage result indicates that Council is covering these costs and indicates available funding for future capital expenditure or ability to pay down debt.
- Negative percentage result indicates that Council is not covering these costs and the percentage increase required in operating revenue or the approximate decrease in operating expenses required to achieve a break-even operating position.
- The Operating Surplus Ratio forecast for the 2023/2024 financial year is a deficit of -1.1%. This result represents the operating income budgeted to be \$282,868 less than Council's operating expenses for the year.
- The LTFP reflects a significant improvement to the ratio over the 10 year period.

## Net Financial Liabilities Ratio – Indicator 2

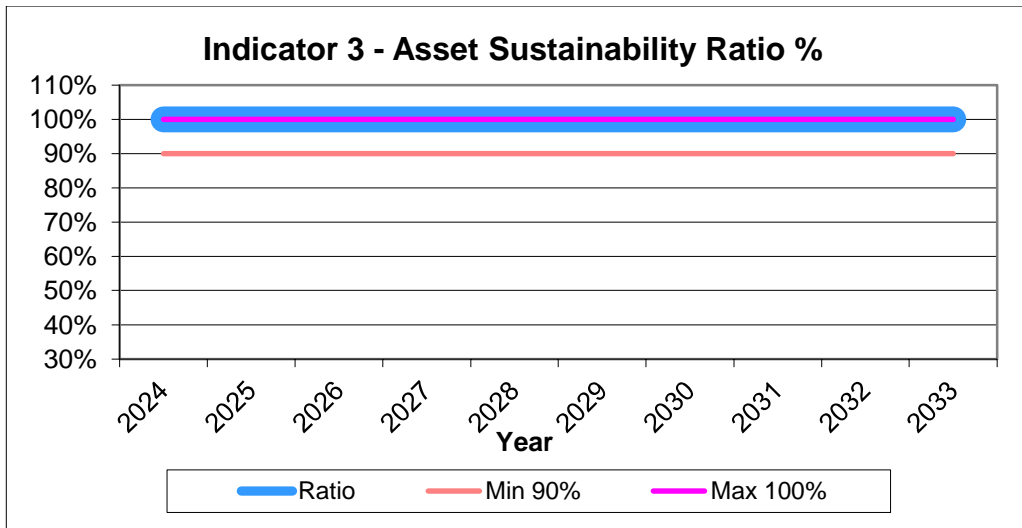
Calculated as Net Financial Liabilities divided by Total Operating Revenue – “Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves?” (Note - Net Financial Liabilities equals total liabilities less financial assets excluding equity accounted investments in Council businesses).



- Suggested target ratio: between 0% and 100% (Financial Indicators 2015 (LGA SA Information Paper 9), p. 7-8). Council Target Range is -10% to +100%.
- A result in this Target Range indicates that Council has a manageable level of debt and other liabilities.
- Negative percentage result in this ratio indicates that Council has more cash available than what is owed by Council in borrowings. Therefore, a negative result is a positive financial indicator for Council in this regards.
- The Net Financial Liabilities Ratio forecast for the 2023/2024 financial year is 50%. The above graph currently shows a significant depletion in the ratio over ten years. This is a result of increased cash being held over the period and a significant lowering of Council borrowings.

### Asset Sustainability Ratio – Indicator 3

Calculated as Expenditure on Renewal and Replacement of Assets (refer to Cash Flow Statement) relative to Council’s Asset Management Plan (IAMP) – “Is Council replacing its assets at the same rate as the assets are wearing out?”



- Suggested target ratio: between 90% and 110% (Financial Indicators 2015 (LGA SA Information Paper 9),p.9). Council Target Range is 90% to 100%.
- A result within this Target Range indicates that sufficient funds have been allocated to replace Council assets.
- The Asset Sustainability Ratio meets agreed targets.

### Overall Assessment of Council’s Financial Sustainability (based on the above Ratios)

The above ratios indicate that the 10 year LTFP is financially sustainable:

- Operating deficit is expected in 2024, and worsening in year two, before improving in year three with a return to surplus in year five and the remaining years of the plan. Year two is outside of Council’s target levels. This has occurred due to significant operating grants no longer being offered;
- Net Financial Liabilities are at acceptable levels; &
- Asset Sustainability Ratio is at acceptable levels.



## MAJOR ASSUMPTIONS AND SETTINGS UNDERPINNING THE LTFP

The City of Port Lincoln, like many councils, has used the “Coalface” software tool to develop the core data sets and modelling for its Long Term Financial Plan.

The following key assumptions have been adopted:

- **Establish a Base** - to generate future year revenues and expenses, the model incorporates last year’s financial results (2021/22 audited financial figures) and the current year’s budget estimates (2022/23 March Budget Review). Once these items have been entered and the balance sheet is in balance, future financial estimates are derived from the model drivers.
- **Customisation** - the model allows the basic appearance of the LTFP to be customised. Reporting formats are controlled from here (Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Cash Flow Statement) by linking revenue and expense lines via an established code. Depreciation rates are also set for each class of asset.
- **Drivers** - the model allows for ‘drivers’, which are displayed as percentages. The drivers used for the LTFP 2024-2033 are:
  - CPI (Consumer Price Index) – a measure of local price inflation for recurrent operational services,
  - Wages – a discrete measure of salary and wage cost (i.e., workforce expenditure) growth, influenced by Consumer Price Index (CPI), Enterprise Bargaining Agreements, staff reclassifications,
  - Materials – an additional setting to measure the costs associated with materials,
  - Custom – a unique setting for use when appropriate for individual revenue or expense lines.
- **IPPE\_Build** - capitalised assets are separately recognised incorporating planned renewals of assets as identified in IAMP and depreciation is calculated based on a pre-determined rate per asset class.
- **LoanWk** - A cash balance is calculated based on information entered into the model; this is an automated procedure and cannot be manually adjusted. Where cash reserves are fully utilised (i.e. cash balance goes into overdraft), new borrowing may be planned to address issues of timing or prioritisation with regard to capital expenses as well as reviewing rate payer contributions.

The overall output of the Coalface LTFP is both sound and robust. It produces a concise set of reports in line with the Model Financial Statements and is capable of modelling multiple scenarios where various factors will work in combination to provide different long term financial performance.

The drivers, supporting explanation and budget line settings for this 2024-2033 LTFP are included as [Appendix B](#).

## KEY ISSUES AND CONSIDERATIONS

The 2024-2033 LTFP is based on the following key assumptions:

- Year 1 of the LTFP includes the Draft Annual Budget 2023/24 figures;
- Projection of recurrent operational expenditures and revenues from the 2023/24 operational budget base, reflecting service continuity:
  - Including for non-recurrent 'operational new (project) initiatives' in 2023/24;
  - Financial Assistance Grants (FAGS) (revenue) are forecast based on known adjusted amounts, assumed to be ongoing
  - Roads to Recovery Grants and Local Roads and Community Infrastructure Program to cease after year 1 of the LTFP
  - An annual allocation of \$100,000 per year has been included for ongoing operational new initiatives
- Fully funded SAMP projected renewals and required maintenance levels:
  - IAMP renewal works to 2032/33 total \$30 million (including indexation). This includes an annual road reseal program of \$800,000
- Total rates revenues forecast in the LTFP are indexed as follows;
  - Year 1: 9%
  - Year 2: 9 %
  - Year 3: 8%
  - Year 4: 7%
  - Year 5: 6%
  - Year 6 – 10: 5%
- Limited grant revenue:
  - Operational:
    - on-going Federal Assistance Grants which is assumed to be received by Council in the correct allocated financial year, with indexation applied;
    - Roads to Recovery and Local Roads & Community Infrastructure funding will cease in 2024/25.

Council will continue to seek capital revenue opportunities to support its planned new capital expenditure, such as selling identified surplus land assets and renewed/replaced assets. New and upgraded assets included in the LTFP include the following:

- Stormwater projects allocation of \$500,000 per annum for the duration of the LTFP;
- \$350,000 allowance per year for other new projects;
- Allocation of \$1,000,000 in year two for the Marina Capital Redevelopment;
- Allocation of \$750,000 in year three for Redevelopment works at Hallett Place.

Council plans to maintain the Cash and Cash Equivalents figure each financial year at a level that will fund all foreseeable operating requirements.

## RISKS

Council acknowledges that there are potential risks to the achievement of the LTFP's objectives.

The following is a non-exhaustive list of identified potential risks:

- Assumptions, settings, drivers and considerations included in the LTFP do not occur or are significantly changed;
- Council does not receive the assumed grant funding revenues;
- The growth of the city, affecting both service and asset demands (costs) and rates revenue, is significantly either more or less than forecast;
- Rate capping is introduced by the State Government and assumed rate revenue is above the cap amount;
- Enterprise Bargaining Agreement/s and other employment negotiations increase employee salary and wages costs above the amount provided for in the LTFP;
- Large scale capital projects go over budget.

In the event that future outcomes do not align with the forecast LTFP, a review of the LTFP will be required to incorporate the future outcomes and project the flow on financial implications to determine the financial sustainability of Council and the risks involved.

## REVIEW PROCESS

The LTFP will be reviewed on an annual basis taking into consideration changes and updates to the SAMP, the most recent financial year's revised budget or audited statements and current year adopted or revised budget, including the specific commitments planned in the current ABP.

The Council's CEO is legally obligated to report on the long-term financial performance and position of the Council and its ongoing sustainability. If there is any concern about the Council's financial sustainability under existing revenue and expenditure policy settings, the CEO should report on strategies to remedy this exposure to achieve financial sustainability in the future.

Section 122 (6) of the Local Government Act provides that *"A council must adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans"*. Updates to the plans in the normal course of operations will not necessitate community consultation.

## CEO SUSTAINABILITY STATEMENT

This Long Term Financial Plan (LTFP) demonstrates that Council is in a sustainable financial position over the ten year period and has a considered and structured financial strategy that includes appropriate debt and treasury management over the 10 year term of the plan.

The fundamental purpose of the LTFP is to demonstrate that Council has considered, based on best available information, the financial resources required to deliver on Council's 2021 – 2030 Strategic Directions Plan and the broader Strategic Management Framework including the Strategic Asset Management Plans, Annual Business Plans and other supporting plans and strategies.

When we assess our financial sustainability, we look at the following key financial indicators:

- operating surplus/(deficit) ratio,
- net financial liabilities ratio,
- asset sustainability ratio.

Although the operating results forecast for years 1 to 4 reflect operating deficits, over the course of the LTFP, except for year two of the plan, all financial ratios are still in line with Council's established benchmarks to ensure the sustainability of Council's long-term financial performance and position.

Council aims to ensure that we have the financial capacity to continue to provide service levels which meet the needs of our community in a financially sustainable way by:

- Striving to continually improve our efficiency in the provision of existing and future services by proactively seeking out savings without affecting service delivery levels.
- Continuously improving our Asset Management Plans including how we maintain our assets, to ensure we are appropriately maintaining around \$291M of assets.
- Taking out new borrowings where appropriate in accordance with our Treasury Management Policy and maintaining our debt and interest costs within Council's established benchmarks and ensuring our capacity to service and repay this debt into the future.
- Operating within the key financial indicators and benchmarks over the life of the LTFP to ensure we maintain a sound financial position.

There are a number of matters which may be considered as risks that have the potential to impact on Council's long term financial position, such as:

- Council's rates assume an average rate increase of 9% for years one and two, reducing annually by 1% until year six of the plan where 5% is assumed for the remaining 5 years of the 10- year term of the LTFP. This must however be sustainable and be balanced with the real cost of service provision, asset renewal and maintenance and service demand from the community.
- The assumed rate revenue increases above were determined in conjunction with expected Consumer Price Index (CPI). While the Reserve Bank aims for achieving CPI between 2%-3%, due to significant cost increases over the last 12 months and the latest Adelaide CPI reading of 7.9% (based on March 2023 quarter), Council is

of the opinion that the return to the RBA targets will be gradual and as such the estimated rate increases are reduced in a similar manner.

- There are currently several unfunded aspirational projects and initiatives identified for further investigation in the Strategic Directions Plan, plus further strategic plans and other plans identified as needing to be developed. The development of these initiatives has the ability to impact on the long term financial sustainability of Council if expectations are not managed appropriately, noting that Council has only allocated \$150K per annum for operational new initiatives.
- Changes to Local Government funding programs and potential risk in relation to cost shifting from the Federal and State Government to Local Government.
- Changes to rating structure and transition from site value to capital value as mandated by state legislation will transform the distribution of rating burden within the community and may impede further reform including introduction of differential rating by land use.
- Council has ageing infrastructure and has largely maintained assets in the past on a 'do the best with what we have' mindset instead of a 'best practice' mindset.
- In 2022/23 Council undertook an asset management maturity assessment and a review of our asset management data, condition assessment and maintenance practices. This will likely identify the need for more funding over the course of the LTFP for 'pro-active' asset maintenance to ensure longer serviceable life for our community's assets.

Long term financial planning is an iterative process and the assumptions applied are reviewed annually during annual business plan and budget deliberations, using currently available information. This ensures the Council continually reviews its financial performance and remains firmly focussed on maintaining long term financial sustainability.

## CONCLUSION

The LGA SA provides a good analogy for the importance of adopting and working with a LTFP:

*“Operating without a LTFP is like driving a car at night in the country at the open-road speed limit without the car’s lights on ‘high-beam’. You can see the road immediately ahead but not far enough into the distance to be able to anticipate and respond quickly to needed turns in direction. A driver might get by in familiar surroundings but will be unprepared to appropriately respond to hazards that would have been recognised if the car’s lights and the driver’s eyes had been set on a longer-distance horizon.” (LGA SA website)*

The LTFP will be reviewed and updated for current financial forecasts and to include any other variations to reflect updated strategic plans, projects, opportunities and financial position.

Likewise the LTFP will be an important consideration informing both major service and/or project decision-making and future iterations of the Strategic Directions Plan, providing a concise picture of Council’s forward resourcing capacity within which sustainable decisions and possibly adjustments will occur.

Council’s LTFP will provide a sound platform for future decision-making and planning, with all Strategic Management Plans expected to evolve through future review processes that ensure they are reflective of community expectations and priorities.

## REFERENCES

The Local Government Act 1999 (“The Act”)

Rising to the Challenge: Towards Financially Sustainable Local Government in South Australia, published in August 2005, an Independent Inquiry into the Financial Sustainability of Local Government, sited at website <http://www.lga.sa.gov.au/page.aspx?c=8801>

National Financial Sustainability Study of Local Government, Commissioned by the Australian Local Government Association, November 2006, sited at website [http://alga.asn.au/site/misc/alga/downloads/pwc/PwC\\_Report.pdf](http://alga.asn.au/site/misc/alga/downloads/pwc/PwC_Report.pdf)

Model Financial Statements, Local Government (Financial Management) Regulations 2011 – regulation 5

LGA SA, Financial Sustainability; Information Paper 1 – Financial Sustainability, revised Feb 2015 sited at website <http://www.lga.sa.gov.au/webdata/resources/files/01%20-%20Financial%20Sustainability%202015.pdf>

LGA SA, Financial Sustainability; Information Paper 8 – Long-term Financial Plans, revised Feb 2015 sited at website <https://www.lga.sa.gov.au/webdata/resources/files/08%20-%20Long%20Term%20Financial%20Plans%202015.pdf>

LGA SA, Financial Sustainability; Information Paper 9 - Financial Indicators, revised May 2015 sited at website <https://www.lga.sa.gov.au/webdata/resources/files/09%20-20Financial%20Indicators%202015.pdf>

Coalface LTFP model, sited at website <http://www.coalface.com.au/index.html>

Australian Accounting Standards, sited at <http://www.aasb.gov.au/Pronouncements/Current-standards.aspx>



# APPENDIX A

# FINANCIAL STATEMENTS

**City of Port Lincoln**  
**Long Term Financial Plan 2024-2033**  
**ESTIMATED COMPREHENSIVE INCOME STATEMENT**

Year Ended 30 June:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Actual	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	\$(’000)	\$(’000)	Year 1 \$(’000)	Year 2 \$(’000)	Year 3 \$(’000)	Year 4 \$(’000)	Year 5 \$(’000)	Year 6 \$(’000)	Year 7 \$(’000)	Year 8 \$(’000)	Year 9 \$(’000)	Year 10 \$(’000)
<b>INCOME</b>												
Rates	15,696	16,388	17,755	19,252	20,683	22,016	23,263	24,397	25,588	26,836	28,145	29,519
Statutory Charges	382	362	341	361	379	394	410	426	443	461	479	498
User Charges	2,723	2,867	2,998	3,178	3,337	3,470	3,609	3,753	3,903	4,059	4,221	4,390
Grants, subsidies, contributions	3,497	1,926	3,127	2,565	2,693	2,800	2,912	3,029	3,150	3,276	3,407	3,543
Investment Income	67	195	134	84	84	84	84	84	84	84	84	84
Reimbursements	554	859	1,110	1,177	1,236	1,285	1,336	1,389	1,445	1,503	1,563	1,626
Other Income	941	1,262	1,080	1,145	1,202	1,250	1,300	1,352	1,406	1,462	1,520	1,581
Operating New Initiatives Income	0	20	65	0	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>23,860</b>	<b>23,879</b>	<b>26,610</b>	<b>27,762</b>	<b>29,614</b>	<b>31,299</b>	<b>32,914</b>	<b>34,430</b>	<b>36,019</b>	<b>37,681</b>	<b>39,419</b>	<b>41,241</b>
<b>EXPENSES</b>												
Employee costs	6,358	6,967	8,215	8,975	9,656	10,003	10,606	11,240	11,914	12,629	13,386	14,189
Materials, contracts & other expenses	11,498	12,994	13,553	14,416	15,267	16,030	16,832	17,674	18,558	19,486	20,460	21,483
Depreciation	4,427	4,252	4,290	4,612	4,654	4,677	4,702	4,728	4,754	4,783	4,812	4,843
Finance Costs	261	191	340	656	625	591	559	525	493	461	426	393
Operating New Initiatives	0	883	515	131	188	323	209	217	226	362	249	259
<b>Total Expenses</b>	<b>22,544</b>	<b>25,287</b>	<b>26,913</b>	<b>28,790</b>	<b>30,390</b>	<b>31,624</b>	<b>32,908</b>	<b>34,384</b>	<b>35,945</b>	<b>37,721</b>	<b>39,333</b>	<b>41,167</b>
<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>1,316</b>	<b>(1,408)</b>	<b>(303)</b>	<b>(1,028)</b>	<b>(776)</b>	<b>(325)</b>	<b>6</b>	<b>46</b>	<b>74</b>	<b>(40)</b>	<b>86</b>	<b>74</b>
Net gain/(loss) on disposal or revaluations	(194)	0	0	0	0	0	0	0	0	0	0	0
Amounts specifically for new assets	202	3,311	1,416	0	0	0	0	0	0	0	0	0
<b>NET SURPLUS/(DEFICIT)</b>	<b>1,324</b>	<b>1,903</b>	<b>1,113</b>	<b>(1,028)</b>	<b>(776)</b>	<b>(325)</b>	<b>6</b>	<b>46</b>	<b>74</b>	<b>(40)</b>	<b>86</b>	<b>74</b>
<b>Other Comprehensive Income</b>												
Changes in revaluation surplus - IPP&E	3,056	0	0	0	0	0	0	0	0	0	0	0
<b>Total Other Comprehensive Income</b>	<b>3,056</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4,380</b>	<b>1,903</b>	<b>1,113</b>	<b>(1,028)</b>	<b>(776)</b>	<b>(325)</b>	<b>6</b>	<b>46</b>	<b>74</b>	<b>(40)</b>	<b>86</b>	<b>74</b>

**City of Port Lincoln**  
**Long Term Financial Plan 2024-2033**  
**ESTIMATED BALANCE SHEET**

Year Ended 30 June:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Actual	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	\$('000)	\$('000)	Year 1 \$('000)	Year 2 \$('000)	Year 3 \$('000)	Year 4 \$('000)	Year 5 \$('000)	Year 6 \$('000)	Year 7 \$('000)	Year 8 \$('000)	Year 9 \$('000)	Year 10 \$('000)
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Equivalent Assets	10,507	5,160	3,793	1,670	438	980	861	1,813	2,930	3,907	1,576	2,582
Trade & Other Receivables	2,054	2,001	2,004	2,007	2,011	2,015	1,946	1,934	1,928	1,911	1,911	1,911
<b>Total Current Assets</b>	<b>12,561</b>	<b>7,161</b>	<b>5,797</b>	<b>3,677</b>	<b>2,449</b>	<b>2,995</b>	<b>2,807</b>	<b>3,747</b>	<b>4,858</b>	<b>5,818</b>	<b>3,487</b>	<b>4,493</b>
<b>Non-Current Assets</b>												
Receivables	558	568	477	381	282	179	144	122	105	106	106	107
Infrastructure, Property, Plant & Equipment	223,789	230,655	239,483	240,330	240,508	239,271	239,052	237,794	236,391	235,007	237,050	235,735
<b>Total Non-Current Assets</b>	<b>224,347</b>	<b>231,223</b>	<b>239,960</b>	<b>240,711</b>	<b>240,790</b>	<b>239,450</b>	<b>239,196</b>	<b>237,916</b>	<b>236,496</b>	<b>235,113</b>	<b>237,156</b>	<b>235,842</b>
<b>Total Assets</b>	<b>236,908</b>	<b>238,384</b>	<b>245,757</b>	<b>244,388</b>	<b>243,239</b>	<b>242,445</b>	<b>242,003</b>	<b>241,663</b>	<b>241,354</b>	<b>240,931</b>	<b>240,643</b>	<b>240,335</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Trade & Other Payables	3,975	3,970	3,964	4,032	4,095	4,155	4,205	4,262	4,315	4,372	4,428	4,486
Borrowings	522	526	619	640	661	684	634	643	659	663	687	715
Provisions	882	882	1,010	1,076	1,136	1,170	1,215	1,271	1,326	1,385	1,448	1,513
<b>Total Current Liabilities</b>	<b>5,379</b>	<b>5,378</b>	<b>5,593</b>	<b>5,748</b>	<b>5,892</b>	<b>6,009</b>	<b>6,054</b>	<b>6,176</b>	<b>6,300</b>	<b>6,420</b>	<b>6,563</b>	<b>6,714</b>
<b>Non-Current Liabilities</b>												
Borrowings	6,353	5,927	12,100	11,460	10,799	10,115	9,481	8,838	8,179	7,516	6,829	6,114
Provisions	1,479	1,479	1,351	1,495	1,639	1,737	1,878	2,013	2,165	2,325	2,495	2,677
Other Non-Current Liabilities	658	658	658	658	658	658	658	658	658	658	658	658
<b>Total Non-Current Liabilities</b>	<b>8,490</b>	<b>8,064</b>	<b>14,109</b>	<b>13,613</b>	<b>13,096</b>	<b>12,510</b>	<b>12,017</b>	<b>11,509</b>	<b>11,002</b>	<b>10,499</b>	<b>9,982</b>	<b>9,449</b>
<b>Total Liabilities</b>	<b>13,869</b>	<b>13,442</b>	<b>19,702</b>	<b>19,361</b>	<b>18,988</b>	<b>18,519</b>	<b>18,071</b>	<b>17,685</b>	<b>17,302</b>	<b>16,919</b>	<b>16,545</b>	<b>16,163</b>
<b>NET ASSETS</b>	<b>223,039</b>	<b>224,942</b>	<b>226,055</b>	<b>225,027</b>	<b>224,251</b>	<b>223,926</b>	<b>223,932</b>	<b>223,978</b>	<b>224,052</b>	<b>224,012</b>	<b>224,098</b>	<b>224,172</b>
<b>EQUITY</b>												
Accumulated Surplus	43,071	44,974	46,087	45,059	44,283	43,958	43,964	44,010	44,084	44,044	44,130	44,204
Asset Revaluation Reserve	178,619	178,619	178,619	178,619	178,619	178,619	178,619	178,619	178,619	178,619	178,619	178,619
Other Reserves	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349
<b>TOTAL EQUITY</b>	<b>223,039</b>	<b>224,942</b>	<b>226,055</b>	<b>225,027</b>	<b>224,251</b>	<b>223,926</b>	<b>223,932</b>	<b>223,978</b>	<b>224,052</b>	<b>224,012</b>	<b>224,098</b>	<b>224,172</b>

**City of Port Lincoln**  
**Long Term Financial Plan 2024-2033**  
**ESTIMATED CASH FLOW STATEMENT**

Year Ended 30 June:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Actual	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	\$('000)	\$('000)	Year 1 \$('000)	Year 2 \$('000)	Year 3 \$('000)	Year 4 \$('000)	Year 5 \$('000)	Year 6 \$('000)	Year 7 \$('000)	Year 8 \$('000)	Year 9 \$('000)	Year 10 \$('000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
<u>Receipts</u>												
Rates		16,388	17,755	19,252	20,683	22,016	23,263	24,397	25,588	26,836	28,145	29,519
Statutory Charges		362	341	361	379	394	410	426	443	461	479	498
User Charges		2,867	2,998	3,178	3,337	3,470	3,609	3,753	3,903	4,059	4,221	4,390
Grants, subsidies, contributions		1,926	3,169	2,559	2,718	2,809	2,926	3,041	3,163	3,289	3,420	3,556
Investment Income		195	134	84	84	84	84	84	84	84	84	84
Reimbursements		859	1,110	1,177	1,236	1,285	1,336	1,389	1,445	1,503	1,563	1,626
Other Income		1,262	1,080	1,145	1,202	1,250	1,300	1,352	1,406	1,462	1,520	1,581
Operating New Initiatives Income		20	65	0	0	0	0	0	0	0	0	0
<u>Payments</u>												
Employee costs		(6,967)	(7,968)	(8,889)	(9,534)	(9,956)	(10,508)	(11,145)	(11,809)	(12,519)	(13,269)	(14,066)
Materials, contracts & other expenses		(12,999)	(13,854)	(14,217)	(15,151)	(15,895)	(16,710)	(17,535)	(18,417)	(19,335)	(20,302)	(21,316)
Finance Costs		(191)	(336)	(657)	(622)	(591)	(557)	(524)	(492)	(460)	(425)	(392)
Operating New Initiatives		(883)	(515)	(131)	(188)	(323)	(209)	(217)	(226)	(362)	(249)	(259)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>2,839</b>	<b>3,979</b>	<b>3,862</b>	<b>4,144</b>	<b>4,543</b>	<b>4,944</b>	<b>5,021</b>	<b>5,088</b>	<b>5,018</b>	<b>5,187</b>	<b>5,221</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<u>Receipts</u>												
Amounts Specifically for New/Upgraded Assets		3,311	1,416	0	0	0	0	0	0	0	0	0
Sale of Renewed/Replaced Assets		216	60	107	161	80	120	30	47	163	80	228
Repayments of Loans by Community Groups		143	90	93	96	100	104	35	23	17	0	0
<u>Payments</u>												
Expenditure on Renewal/Replacement of Assets		(3,281)	(2,908)	(3,677)	(3,302)	(2,447)	(3,482)	(2,328)	(2,175)	(2,283)	(5,598)	(2,359)
Expenditure on New/Upgraded Assets		(8,053)	(10,270)	(1,889)	(1,691)	(1,073)	(1,121)	(1,172)	(1,223)	(1,279)	(1,337)	(1,397)
Loans Made to Community Groups		(100)	0	0	0	0	0	0	0	0	0	0
<b>Net Cash Provided by (or used in) Investing Activities</b>		<b>(7,764)</b>	<b>(11,612)</b>	<b>(5,366)</b>	<b>(4,736)</b>	<b>(3,340)</b>	<b>(4,379)</b>	<b>(3,435)</b>	<b>(3,328)</b>	<b>(3,382)</b>	<b>(6,855)</b>	<b>(3,528)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<u>Receipts</u>												
Proceeds from Borrowings		100	6,792	0	0	0	0	0	0	0	0	0
<u>Payments</u>												
Repayments of Borrowings		(522)	(526)	(619)	(640)	(661)	(684)	(634)	(643)	(659)	(663)	(687)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(422)</b>	<b>6,266</b>	<b>(619)</b>	<b>(640)</b>	<b>(661)</b>	<b>(684)</b>	<b>(634)</b>	<b>(643)</b>	<b>(659)</b>	<b>(663)</b>	<b>(687)</b>
<b>Net Increase/(Decrease) in cash held</b>		<b>(5,347)</b>	<b>(1,367)</b>	<b>(2,123)</b>	<b>(1,232)</b>	<b>542</b>	<b>(119)</b>	<b>952</b>	<b>1,117</b>	<b>977</b>	<b>(2,331)</b>	<b>1,006</b>
<b>Opening cash, cash equivalents or (bank overdraft)</b>		<b>10,507</b>	<b>5,160</b>	<b>3,793</b>	<b>1,670</b>	<b>438</b>	<b>980</b>	<b>861</b>	<b>1,813</b>	<b>2,930</b>	<b>3,907</b>	<b>1,576</b>
<b>Closing cash, cash equivalents or (bank overdraft)</b>		<b>10,507</b>	<b>5,160</b>	<b>3,793</b>	<b>1,670</b>	<b>438</b>	<b>980</b>	<b>861</b>	<b>1,813</b>	<b>2,930</b>	<b>3,907</b>	<b>2,582</b>

City of Port Lincoln  
 Long Term Financial Plan 2024-2033  
 UNIFORM PRESENTATION OF FINANCES

Year Ended 30 June:	2022 Actual \$('000)	2023 Estimate \$('000)	2024 Plan Year 1 \$('000)	2025 Plan Year 2 \$('000)	2026 Plan Year 3 \$('000)	2027 Plan Year 4 \$('000)	2028 Plan Year 5 \$('000)	2029 Plan Year 6 \$('000)	2030 Plan Year 7 \$('000)	2031 Plan Year 8 \$('000)	2032 Plan Year 9 \$('000)	2033 Plan Year 10 \$('000)
Income	23,860	23,879	26,610	27,762	29,614	31,299	32,914	34,430	36,019	37,681	39,419	41,241
Expenses	(22,544)	(25,287)	(26,913)	(28,790)	(30,390)	(31,624)	(32,908)	(34,384)	(35,945)	(37,721)	(39,333)	(41,167)
<b>Operating Surplus / (Deficit)</b>	<b>1,316</b>	<b>(1,408)</b>	<b>(303)</b>	<b>(1,028)</b>	<b>(776)</b>	<b>(325)</b>	<b>6</b>	<b>46</b>	<b>74</b>	<b>(40)</b>	<b>86</b>	<b>74</b>
<b>NET OUTLAYS ON EXISTING ASSETS</b>												
Capital Expenditure on Renewal and Replacement of Existing Assets	(2,636)	(3,281)	(2,908)	(3,677)	(3,302)	(2,447)	(3,482)	(2,328)	(2,175)	(2,283)	(5,598)	(2,359)
Add back Depreciation, Amortisation & Impairment	4,427	4,252	4,290	4,612	4,654	4,677	4,702	4,728	4,754	4,783	4,812	4,843
Proceeds from Sale of Replaced Assets	16	216	60	107	161	80	120	30	47	163	80	228
	<b>1,807</b>	<b>1,187</b>	<b>1,442</b>	<b>1,042</b>	<b>1,513</b>	<b>2,310</b>	<b>1,340</b>	<b>2,430</b>	<b>2,626</b>	<b>2,663</b>	<b>(706)</b>	<b>2,712</b>
<b>NET OUTLAYS ON NEW AND UPGRADED ASSETS</b>												
Capital Expenditure on New and Upgraded Assets	(1,255)	(8,053)	(10,270)	(1,889)	(1,691)	(1,073)	(1,121)	(1,172)	(1,223)	(1,279)	(1,337)	(1,397)
Amounts received specifically for New and Upgraded Assets	202	3,311	1,416	0	0	0	0	0	0	0	0	0
	<b>(1,053)</b>	<b>(4,742)</b>	<b>(8,854)</b>	<b>(1,889)</b>	<b>(1,691)</b>	<b>(1,073)</b>	<b>(1,121)</b>	<b>(1,172)</b>	<b>(1,223)</b>	<b>(1,279)</b>	<b>(1,337)</b>	<b>(1,397)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>2,070</b>	<b>(4,963)</b>	<b>(7,715)</b>	<b>(1,875)</b>	<b>(954)</b>	<b>912</b>	<b>225</b>	<b>1,304</b>	<b>1,477</b>	<b>1,344</b>	<b>(1,957)</b>	<b>1,389</b>

# APPENDIX B

# DRIVERS AND ASSUMPTIONS

## GENERAL ASSUMPTION DRIVERS

2022	Audited	Actual	<i>Growth</i>	<i>CPI</i>	<i>Wages Addition</i>	<i>Materials</i>	<i>Custom</i>
2023	This Year	Estimate					
2024	Long Term Financial Plan	Year 1					
2025		Year 2	0.5%	6.0%		0.5%	2.5%
2026		Year 3	0.5%	5.0%	2.0%	0.5%	2.5%
2027		Year 4	0.5%	4.0%	2.0%	0.5%	2.5%
2028		Year 5	0.5%	4.0%	2.0%	0.5%	1.5%
2029		Year 6	0.5%	4.0%	2.0%	0.5%	0.5%
2030		Year 7	0.5%	4.0%	2.0%	0.5%	0.5%
2031		Year 8	0.5%	4.0%	2.0%	0.5%	0.5%
2032		Year 9	0.5%	4.0%	2.0%	0.5%	0.5%
2033		Year 10	0.5%	4.0%	2.0%	0.5%	0.5%

### Consumer Price Index (CPI)

- The CPI represents estimated local price inflation for recurrent operational services.
- The Reserve Bank, in setting a target for economic growth, takes the position of achieving between 2-3% as part of its Monetary Policy strategy. However, following record lows in recent years, the latest CPI of 7% nationally appears to have peaked but Council believe the return to target will be gradual.

### General Expenses and Capital Indexation

- The measure used to estimate cost increases of activities requiring materials is based on the CPI driver plus Materials driver.
- These drivers are applied to the LTFP Chart of Accounts headings where capital works are involved.
- These drivers plus Growth are applied to the LTFP Chart of Accounts for recurrent operational services.

### Wages

- Council's Current Enterprise Bargaining Agreement is scheduled to conclude on 30 June 2025 which had an agreed increase of the greater of CPI or 2.5%. The CPI value has been included for the duration of the LTFP with an additional 2% per year as an allocation for the expansion of Council staff resources.
- The LTFP has included allowances for the stepped increasing of the Compulsory Superannuation Guarantee to 12% over the first 3 years of the LTFP.

Version Control	Date	Reference	Council Resolution & Meeting Date	Author	Comments
1	26/06/2023			MFB	Presented to Council for Adoption
2	26/06/2023	FINAL2317	26/06/2023 SPCO 23/020	MFB	Adopted by Council



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