New header page

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The Barossa Council acknowledges the Ngadjuri, Peramangk and Kaurna people and their ancestral connection to land and pays respects to Elders past, present and emerging.

FROM THE MAYOR

This annual business plan and budget is the last of this Council's term, and we have seen many exciting projects completed, underway or planned for. It is a time for consolidation for Council as we reach a point with The Big Project of recasting and assessing the future with the new Council. This budget provisions for primarily core investment and completion of the last of the larger projects for a little while, the Barossa Creative Industries Centre. We will continue to plan for the future and we are excited to see Concordia likely to kick off in 2026-27 along with our normal growth, whilst we focus on maintaining our services and infrastructure over the long-term.

Our 2026-27 budget proposes a net increase of 3.60% in general rates and a further $17.55 per annum for services charges to existing ratepayers, who receive all services. This equates to $1.80 per week for the average residential ratepayer and $2.06 per week on average for all ratepayers. We know costs continue to rise, however we have targeted a 1% saving and efficiency target in this year's budget to cover transformative internal projects to deliver long-term efficiencies such as AI and a new enterprise system. Again we will continue to ensure core funding allocations to our services and key infrastructure exceeding our infrastructure and asset management plan settings to slowly improve the condition of our assets. New spending this year is focussed on a long-term "New Footpath Program" aimed at adding and completing footpath networks as towns expand over a 10 to 15-year investment timeframe. The priorities for this program will be main streets, schools, medical facilities and general connectivity in each township. The existing footpath network, general buildings maintenance and road infrastructure also have funding increases. There is also growth in new properties revenue of 1.78%. Rural rate payers' rates will receive an increase that is 50% lower, with the prior two years receiving a zero general rate increase, due to another tough drought year on the land and this can be afforded without shifting the rate burden significantly due to the amount of new growth and the savings and efficiency target incorporated into the budget to contain spending growth.

Highlights within our 2026-27 budget include:

- Transport, stormwater, bridges, footpath infrastructure and equipment core investment of $9.537m consisting of:
  - $2.255m for maintenance of road, bridge, footpath, kerbing assets and road vegetation and tree management.
  - $1m to commence a two-year redevelopment of stormwater, footpath and Yettie Road **subject to a successful road grant application**.
  - $2.976m for renewal and upgrading of roads being road resheeting, resealing and replacement of existing footpaths assets.
  - $1.407m for the replacement and upgrading of the Moss Road Bridge and approaches and a further $125,000 for Pimpala Road culvert replacement.
  - $1.644m for plant and equipment with a new grader (the first of three for this and the next two years) and street sweeper being to two largest purchases.
  - $255k in the first year of the new footpath program growing to a base by year 10 of $700k per annum; with allocations in the financial plan during this period totalling $3.728m.

- $11.849m in project funding under The Big Project for the Barossa Creative Industries Centre, with $6.9m funded by the Commonwealth and a further $500,000 from the State, the majority of this being funding carried forward from 2025-26.
- Funding of $80k to commence designing a new depot and location assessment in readiness for Concordia and general expansion and utilisation of land to assist housing supply
- Funding of $130k for two significant wastewater management systems at Nuriootpa and Lyndoch for delivery in the next 5 years to address growth.
- Other building and general projects are $200k for Murray Recreation Park facilities and pavilion upgrade; $325k provision for Mount Pleasant Talunga Park oval and equestrian upgrades pending the outcome of the relevant business which was on consultation closing on 8 May 2026; and funding to plan upgrades to Sandy Creek Recreation Park targeted for implementation in 2027-28 and 2028-29; $120k for cabin upgrades at the Nuriootpa Centennial Park Caravan Park.
- Other key direct investments in maintenance and service provision of note are:
  - Management of halls, gallery and community facilities $744,000
  - Sport and recreation parks and facilities and pools $2.657m
  - Parks, gardens, playgrounds and open space $1.471m
  - Community Wastewater Management Systems $1.743m
  - Library services and facilities $1.611m
  - Caravan parks $1.189m
  - Waste management $3.310m
  - Economic development, events, tourism, and assisting to local business $950,000
  - Community transport, home assistance, Barossa Gallery and general community programs $2.162m.

- Subject to funding support through grants and third parties Redevelopment of the Nuriootpa Centennial Park netball and tennis courts $920,000 for design in 2026-27 and delivery in 2027-28.

The Annual Business Plan and Budget incorporating the annual review of the Long-Term Financial Plan is available on our website and at the Customer Support desk at our principal office located at 43-51 Tanunda Road, Nuriootpa.

Bim Lange OAM

Mayor, The Barossa Council

HAVE YOUR SAY

Consultation commences	9am 20 May 2026
Public Session for 1 Hour	5pm 10 June 2026
Consultation closes	5pm 11 June 2026

TO MAKE SUBMISSIONS

To make a submission to the development of the Annual Business Plan please write to:

Email: barossa@barossa.sa.gov.au

Principal Office: 43-51 Tanunda Road, Nuriootpa (Monday – Friday, 9am – 5pm)

Phone: 8563 8444

Please visit www.barossa.sa.gov.au if you wish to review materials online or access our online submission portal.

Version	Status	Date
Version 1	Draft adopted for Public Consultation	13 May 2026

OUR VISION

To create a vibrant and growing community where people support one another and come together to have fun and foster a sense of belonging, community spirit and connection to the Barossa.

OUR MISSION

OUR MISSION AS SHARED CUSTODIANS OF THE BAROSSA IS TO CULTIVATE AN IDENTITY THAT CELEBRATES DIVERSITY, EMBRACES INCLUSIVITY AND PROMOTES A PROSPEROUS FUTURE. WE STRIVE TO BE PREPARED AND TAKE A PLANNED AND THOUGHTFUL APPROACH TO BUILDING OUR FUTURE, ONE THAT IS WELCOMING TO ALL.

OUR VALUES

Pride:

We take pride in building strong communities in alignment with our environmental, social and governance framework.

Courageous Leadership:

We value courageous leadership by being visionary, bold and innovative and taking proactive and positive action.

Community Spirit:

We value our people and their cultural heritage, our landscapes and vistas, our food and wine, and our unique character.

Inclusiveness:

We value diversity of people, inclusion, accessibility, and tolerance.

OUR BAROSSA

The Barossa is a rich and diverse region and home to the internationally renowned Barossa wine region.

Prior to European settlement, the Barossa region was inhabited by the Peramangk, Ngadjuri and Kaurna people. Colonel William Light first visited the area in 1837, naming the Barossa Range from which the region derives its name. The settlement of the Barossa region began in 1840, with settlers originating from the British Isles, Prussia and Silesia. Lyndoch was the first township to be settled in 1837.

Early farmers of the Barossa established vineyards in the 1840s and 1850s to supplement their primary activities of wool and livestock production and crop farming. In the late 1880s and 1890s there were substantial increases in the production of wine in the region which resulted in the establishment and subsequent expansion of a number of cellars. The wine industry has continued to grow from these early beginning and is the major source of income for the region, with the cultural landscape of present-day Barossa being reflective of the influence of the early British and German settler's influence.

The tourism industry has become a major focus for the continued development of the region with the Barossa acknowledged as one of the five most recognised wine regions in the world.

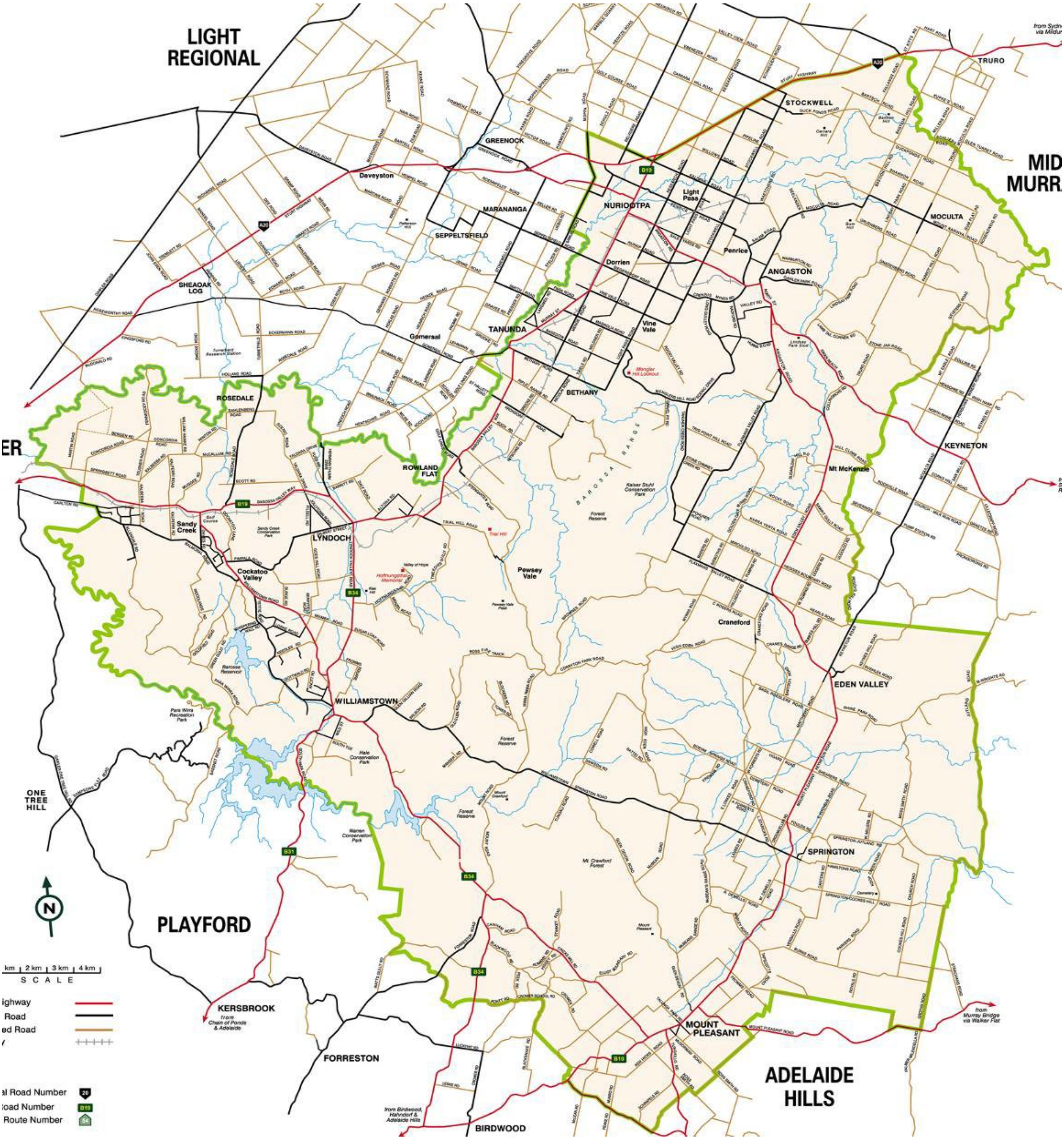
The Barossa Council was originally formed in 1996 after the amalgamation of the District Councils of Barossa, Tanunda and Angaston. The majority of the District Council of Mount Pleasant was later amalgamated in 1997. The Council covers an area of approximately 893 square kilometres, is located approximately 70 kilometres north-east of Adelaide, adjacent to the town of Gawler, and is home to a population of 26,817 people at 30 June 2025.

Distance of Principal Office from Adelaide CBD	70 km
Area of Council	893 km^2
Number of Rateable Assessments	13,798
Number of Non-Rateable Assessments	591

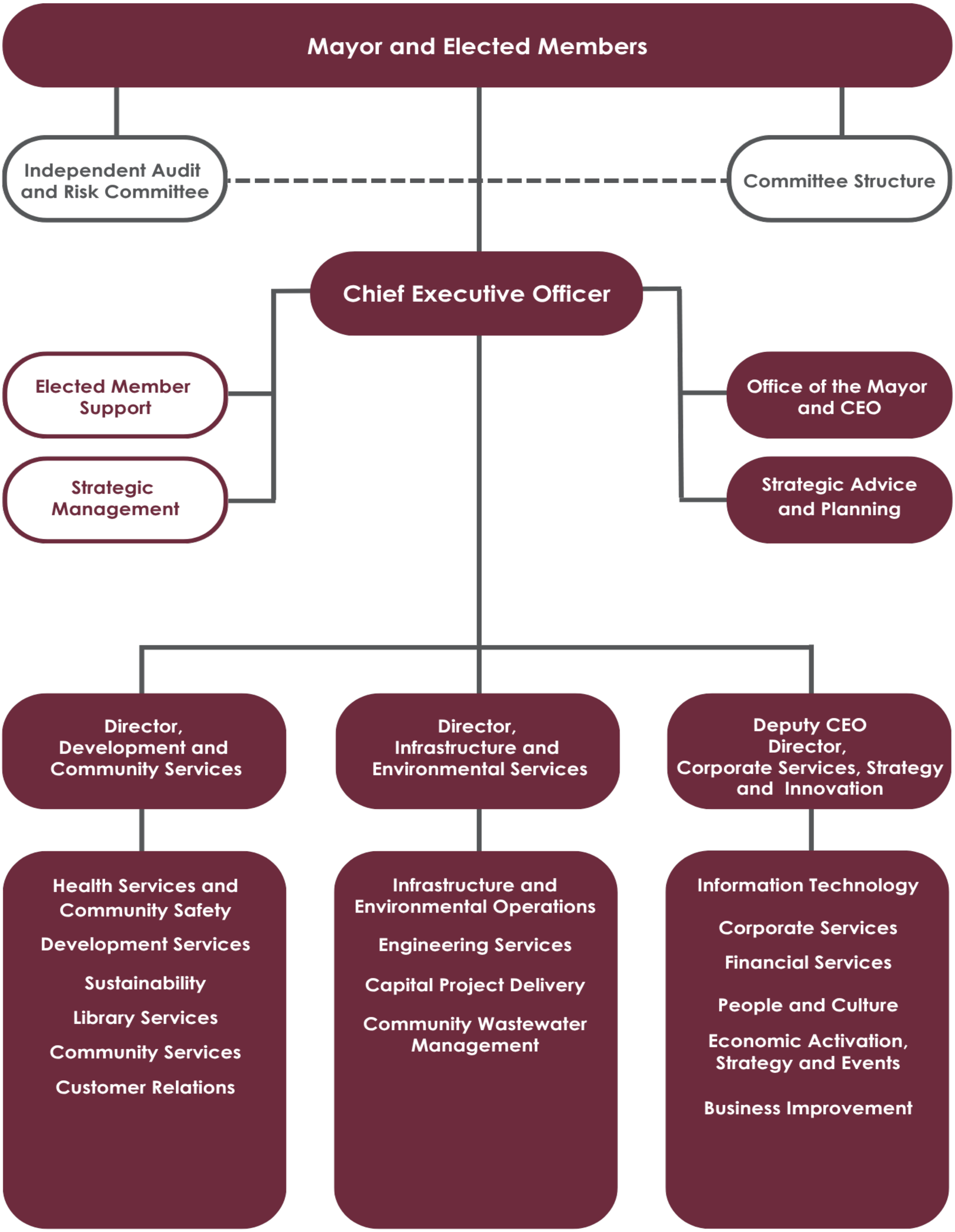
OUR TOWNSHIPS

Altona, Angaston, Barossa Goldfields, Bethany, Cockatoo Valley, Concordia, Craneford, Cromer, Dorrien, Eden Valley, Flaxman Valley, Kalbeeba, Krondorf, Light Pass, Lyndoch, Moculta, Mount Crawford, Mount McKenzie, Mount Pleasant, Nuriootpa, Penrice, Pewsey Vale, Rosedale, Rowland Flat, Sandy Creek, Springton, Stockwell, Tanunda, Taunton, Vine Vale, Williamstown and Wilton.

COUNCIL AREA MAP



ORGANISATIONAL STRUCTURE



OVERVIEW

Net Rate and Service Revenue	$44.278m
Other Operating Revenue	$13.161m
Operating Expenditure	$58.087m
Net Operating Position Surplus / (Deficit)	($0.648m)
Capital Income	$5.992m
Capital Expenditure (assumes 100% delivery achieved not including carried forward projects)	$28.213m
Capital Expenditure (projects underway and carried forward funds from 2025-26)	$2.778m
New borrowings required	$9.650m

The **Annual Business Plan and Budget** is The Barossa Council's statement of intended programs and outcomes for the coming financial year. This Plan has been developed through a rigorous process of consultation and review with Council Officers and Elected Members and follows the **Business Planning Framework** outlined in the Strategic Directions area of this document. It includes both continuing services, programs, and follows the strategic directions outlined in Council's Community Plan 2024 - 2044, the Long-Term Financial Plan (LTFP) – (the annual review is included in this document) and the Long-Term Infrastructure and Asset Management Plan.

The Barossa Council acts as custodian of approximately $500m of infrastructure and other assets. This presents Council with a number of complexities, including how to allocate resources in order to satisfy community demands for new and expanded services, whilst ensuring appropriate resources are provided for maintenance and future replacement of existing community assets.

Council is committed to ensuring that the wide variety of services and activities it provides to the community reflect financial sustainability. The key measure of financial sustainability is ensuring operating expenditure (inclusive of depreciation) is fully funded from recurrent operating revenue streams. This means that Council should generally have sufficient recurrent revenue funds generated over the long-term financial plan to finance the programmed replacement of existing community assets at the end of their useful lives where services remain required. Refer to the section Financial Sustainability for details for this plan's forecast results.

2026-27 AVERAGE GENERAL RATE AND SERVICE CHARGES SUMMARY

General Rate (Excl. Growth)	Net Revenue Increase	3.65%
Refuse, Recycling and Green Organics	Service Charge Increase	$3.70
CWMS - Residential	Service Charge Increase	$15.35
CWMS – Vacant Land	Service Charge Increase	$6.00
CWMS – Commercial	Service Rate Increase	$24.48
Landscape Levy (collected on behalf of the State Government)	Service Rate Increase	$1.14

UNDERLYING ASSUMPTIONS

- General Rate and Service Charge revenue increase on existing ratepayers to ensure Council is sustainable; indexation above includes revenue from growth but not increases in service numbers for Waste and CWMS.
- All other income and expenditure has been increased in line with the current cost for providing those services and consideration of Council's LTFP.
- Staffing costs increase in line with existing contracts, Enterprise Bargaining Agreements, Superannuation and current Legislation.
- The Consumer Price Index for Adelaide all groups is 4.9% as at the March 2026 quarter.
- Operating costs have been estimated from current known escalation costs, trends in costs associated with service delivery and contractual commitments.
- Increase in enterprise agreement costs average 4.5%.
- Servicing of borrowings will increase over the next 3 years to support infrastructure build.

KEY FEATURES

A comprehensive capital works program of $28.213m which includes $2.778 in carried over projects from the 2025-26 financial year.

Highlights within our 2026-27 budget include:

- Transport, stormwater, bridges, footpath infrastructure and equipment core investment of $9.537m ;
- $11.849m in project funding under The Big Project for the Barossa Creative Industries Centre, with $6.9m funded by the Commonwealth and a further $500,000 from the State
- Funding of $80k to commence designing a new depot and location assessment in readiness for Concordia and general expansion and utilisation of land to assist housing supply
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- Other building and general projects are $200k for Murray Recreation Park facilities and pavilion upgrade
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- Funding to plan upgrades to Sandy Creek Recreation Park targeted for implementation in 2027-28 and 2028-29;
- $120k for cabin upgrades at the Nuriootpa Centennial Park Caravan Park.

Other key operational services provision are:

- Management of halls, gallery and community facilities $744,000
- Sport and recreation parks and facilities and pools $2.657m
- Parks, gardens, playgrounds and open space $1.471m
- Community Wastewater Management Systems $1.743m
- Library services and facilities $1.611m
- Caravan parks $1.189m
- Waste management $3.310m
- Economic development, events, tourism, and assisting to local business $950,000
- Community transport, home assistance, Barossa Gallery and general community programs $2.162m.

STRATEGIC DIRECTIONS

The Barossa Council's Community Plan 2024-2044 was adopted by Council on 20 August 2024. The Community Plan is an aspirational document and cornerstone for future investment. It will guide future decision making over the next 20 years through the delivery of highlighted strategies and targets. The Community Plan shows commitment to the values of:

- Pride
- Courageous Leadership
- Community Spirit
- Inclusiveness

The Community Plan is based on the Environment Social and Governance framework and focusses strategic decision making and operational delivery on 5 key pillars:

1. Our Community
2. Our Economy
3. Our Environment
4. Our Places
5. Our Council

The Corporate Plan of Council gives effect to the Community Plan aspirations through strategic actions and business as usual activities and is reviewed annually.

The Annual Business Plan and Budget outlines the annual program that delivers upon the Community and Corporate Plan and their strategies as outlined in the following tables.

Our Community

Creating a safe and connected community where people have access to sustainable services and service levels and infrastructure they need and feel a sense of belonging.

Strategic Outcome	Role
Our community is welcoming, vibrant and safe.	Leader Provider/Regulator Advocate Facilitator/Partner
Our services and facilities are accessible.	Leader Provider/Regulator
We have a healthy respect for our diversity, character and history and are welcoming and supportive of all people.	Leader Provider/Regulator Advocate Facilitator/Partner
We support and advocate for sound planning and community outcomes in the implementation of the Concordia development in alignment with Councils vision, mission and principles for this development.	Leader Provider/Regulator Advocate Facilitator/Partner

OUR ECONOMY

Our Economy

Implementing economic development strategies to support future growth opportunities and a diversified and resilient economy showcasing the Barossa rural and regional character.

Strategic Outcome	Role
We strive to support income and job stability and growth for the future in support of quality-of-life outcomes.	Leader Provider/Regulator Advocate Facilitator/Partner
We partner with and support local business.	Leader Provider/Regulator
We are a destination of choice.	Leader Provider/Regulator Advocate Facilitator/Partner
We look to maximize community economic return	Leader Provider/Regulator Advocate Facilitator/Partner

OUR ENVIRONMENT

Our Environment

Supporting a sustainable Barossa.

Strategic Outcome	Role
We support actions that manage our environment for future generations.	Leader Provider/Regulator Advocate Facilitator/Partner
We sustainably manage our resources and encourage sustainable practices.	Leader Provider/Regulator Advocate Facilitator/Partner

OUR PLACES

Our Places

Our places and spaces enhance the liveability, retain rural and regional character and diversity of our communities.

Strategic Outcome	Role
Our places are planned, managed, and sustainable.	Leader Provider/Regulator Advocate Facilitator/Partner
We have connected transport infrastructure and networks.	Leader Provider/Regulator Advocate Facilitator/Partner
We plan for and deliver infrastructure to enhance our places.	Leader Provider/Regulator Advocate Facilitator/Partner

OUR COUNCIL

Our Council

We strive to be a leader in regional Local Government and are committed to delivering effective, efficient, and valued services to the community.

Strategic Outcome	Role
We deliver a quality customer experience based on a willingness to innovate and drive change.	Leader Provider/Regulator
We are financially sustainable and take a planned and long-term approach to investment.	Leader Provider/Regulator
We have sound asset management services.	Leader Provider/Regulator
We have strong relationships, and where appropriate, partner with our community, industries, stakeholders, the Local Government sector and Governments.	Leader Provider/Regulator
We have a safe, healthy, and resilient workforce.	Leader Provider/Regulator

BUSINESS PLANNING FRAMEWORK

Council's Business Planning Framework describes how the Community Plan and its Key Result Areas, their associated Objectives and the Strategies reach these Objectives and provide guidance to the preparation of other Council long term and operational plans. Council's long term and operational plans are listed below.

Corporate Plan

Outlines key corporate actions to support the Community Plan and performance targets over four years.

Long-Term Financial Plan

Provides financial directions for the next 10 years.

Long-Term Infrastructure and Asset Management Plan

Provides the strategic upgrade, replacement and renewal programs for Council assets and infrastructure.

Annual Business Plan and Budget

Provides the annual financial and operational plans, objectives and performance targets for Council.

Regional Public Health Plan

Provides a coordinated strategy across Council to the health and wellbeing of communities and helps inform decisions in both soft and hard infrastructure.

Local Economic Development Plan

Provides policy direction for the continued development of the Council area.

Quarterly Business Plan and Budget Reviews

Outlines financial performance against the Annual Business Plan and Budget.

Monthly Financial Reports

Regularly tracks the finances of Council.

Annual Report

Describes the performance of Council on objectives set in the Annual Business Plan and Budget, as well as disclosing statutory information regarding the status of Council and Council services.

JOINT VENTURES AND ASSOCIATED ENTITIES

NURIOOTPA CENTENNIAL PARK AUTHORITY (NCPA)

Established as a subsidiary of Council pursuant to Section 42 of the *Local Government Act 1999*, the NCPA manages and maintains the Barossa Tourist Park and adjacent sporting and leisure facilities on behalf of Council.

The projected 2026-27 financial results for the NCPA are included within Council's financial statements contained within this document.

NORTHERN AND YORKE LOCAL GOVERNMENT ASSOCIATION (NYLGA)

Established in 1998, this organisation is formed under Section 43 of the *Local Government Act 1999* and operates as a regional subsidiary of Councils included in the membership. An amount of $13,400 is included in the budget for membership of the NYLGA.

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY (GRFMA)

Established in 2002, this organisation is responsible for the construction, operation, and maintenance of flood mitigation infrastructure in the Gawler River catchment. An amount of $47,783 is included for the operational and maintenance subscription for the 2026-27 financial year. Council had a share in the net assets of the GRFMA of $4.585m as at 30 June 2025.

SERVICE PROVISION

OFFICE OF THE MAYOR AND CEO

Australia Day Awards, Strategic Planning and Management, Organisational Reform and Leadership, Citizenship Ceremonies, Executive Support and Management, Advocacy, and shared Economic Development and Governance.

CORPORATE SERVICES STRATEGY AND INNOVATION

Information Systems and Technology, Records Management, Information Management, Advocacy, Organisational Development, Internal Audit, Human Resource Management, External and Internal Communications, Community Engagement and Consultation, Event Management, Risk Management, Business Transformation, Work Health and Safety, Grant Writing, Insurance Management, Organisational Performance Reporting, Procurement & Contract Management and Advice, Property Management, Operational Financial Management, Rating Services, Taxation Management, Payroll, Creditor and Debtor Management, Tourism Services, and shared Economic Development and Governance.

DEVELOPMENT AND COMMUNITY SERVICES

Planning and Building Assessment, Liquor Licensing, Dog and Cat Control, Compliance, Monitoring and Enforcement Matters, Public Health, Fire Prevention, Safe Food Practices, Heritage Advice, Immunisation, Parking and Traffic Controls, Strategic Land Use Planning, Sustainability, Waste and Resource Recovery, Advocacy, Library Services, Community Grants, Art and Culture, Volunteering, Services, Community Development, Community Transport and Home Assistance, Customer Support.

INFRASTRUCTURE AND ENVIRONMENTAL SERVICES

Building Asset Construction and Maintenance, Bridge Construction and Maintenance, Cemetery Management, Unmade Public Road Management, Road Closure Management and Approvals, Community Wastewater Management System Construction Operations and Maintenance, Treated Water Reuse Distribution System Construction, General Operations and Maintenance, Open Space Construction and Maintenance, Footpath and Bike Path Construction and Maintenance, Infrastructure Planning and Development, Asset Management, Advocacy, Recreational Oval Management, Public Lighting, Public Conveniences, Road Design Construction and Maintenance, Traffic Planning and Management, Road Safety Control, Event Support, Roadside Vegetation Management and Control, Tree Management, Stormwater Drainage and Construction and Maintenance, Engineering Development Assessment, Facilities (Buildings) Management, Quarry Operations and Resource Management, Waste (Transfer Station) Operations, Operational Environmental and Natural Resource Management.

The Big Project Strategic Planning and Management of Community Buildings and Recreational Facilities, Project Management, Grant Management, Community Engagement, Contractor Management.

2026-27 KEY ACTIVITIES

The following key activities represent strategic actions in Council's Corporate Plan that are set as specific works during the 2026-27 financial year or are ongoing and are above normal business as usual operations and delivery of associated service levels. Council's Community Plan provides a plan of core works, strategic actions and informs this Annual Business Plan and Budget.

Council's Corporate Plan provides extensive detail on the services provided and the levels of service provided, and can be located at www.barossa.sa.gov.au

Key Strategic Action	Corporate Plan Service Area
Undertake review of Animal Management Plan.	CS1 - Animals
Commence Infrastructure and Asset Management Plan review for completion in 2027-28 financial year.	CS3 - Assets
Complete CWMS and any final asset classes integration into asset system and long-term data management into business-as-usual IT architecture.	CS3 - Assets
Undertake a review of Caravan Park service levels, policy settings and service delivery model – carried over from 2025-2026 financial year.	CS4 – Caravan Parks
Implement approved Transition Plan for NCPA into Council operations deferred until 2026-27 financial year.	CS4 – Caravan Parks
Progress six priority recommendations endorsed from the Affordable Housing Recommendations Report, positioning Council as an advocate and partner in delivering long-term improvements to regional housing supply and diversity.	CS10 - Economic Development
Commence complete review of community land management plans and systems and processes including identifying land and properly surplus to future needs.	CS12 – Facility and Community Land
Development of Disaster Management Plan for Library and Gallery collections.	CS14 – Heritage
Complete Character Area review and present agreed findings and policy and code suggestions to the Minister for Planning.	CS15 – Land Use and Development
Complete identified employment lands investigations and policy and zoning changes to support future needs of the Barossa.	CS15 – Land Use and Development
Continue to develop ongoing relationships with Ngadjuri, Peramangk and Kaurna Nations and potential pathways for reconciliation and recognition and work towards RAP.	CS19 – Social Inclusion
Investigate and engage with industry in collaboration with Barossa Australia to determine long term strategic approach, streamline of service provision and set pathway to broad based tourism in the Barossa.	CS21 - Tourism
Facilitate Phase 1-3 of a four-phase corporate brand refresh with a focus on evolving existing brand elements to achieve contemporary standards whilst retaining the essence of the existing logo.	BS3 – Communications and Marketing
Conduct November 2026 Local Government Elections and undertake induction and preliminary strategic planning with the new council.	BS4 – Council and Committees
Commence legislative reviews of Community Plan and supporting Corporate Plan.	BS13 – Strategic / Legislative Planning and Reporting
Undertake review of The Big Project, its governance and positioning and future target work with new Council.	BS13 – Strategic / Legislative Planning and Reporting
Undertaken next phase of workforce planning and development new Executive Leadership Team 3 year roadmap.	BS13 – Strategic / Legislative Planning and Reporting

2026-27 CAPITAL EXPENDITURE AND OPERATING BUDGET

In support of service provision for 2026-27

The following graph shows operating expenditure for the 2026-27 financial year by the following functions in support of the provision of the services outlined. Full cost attribution (FCA) has been applied to the budget, which is an allocation of internal services to external services and does not affect the overall net result.

FUNCTIONS

Administration (includes interest payable on loans), Community Amenities, Community Support, Cultural Services, Economic Development, Environment, Governance, Health Services, Library Services, Public Order and Safety, Recreation, Regulatory Services, Transport, Waste Management, Wastewater, Property and Caravan Parks

2026-27 CAPITAL INVESTMENT

In support of service provision for 2026-27

Capital Program 2026-27	
Description	**2026-27 Budget**
(Items noted as 'Carried Forward' are items transferred from the 2025-26 Budget)	
Development and Community Services	**$58,007**
Library books	$58,007
Infrastructure and Environmental Services	**$27,938,973**
Buildings	**$1,098,442**
Office/Depot works	$30,000
Tanunda Depot demountable	$100,000
New Depot planning	$50,000
Kegel Club - clubrooms rebuild (includes carried forward funds from 2025-26)	$277,000
Tanunda Recreation Park – new public toilet (carried forward from 2025-26)	$63,000
Murray Recreation Park, Eden Valley – tea room and kitchen	$26,493
Murray Recreation Park, Eden Valley – shower and amenity block upgrade	$200,000
Murray Recreation Park, Eden Valley – hot water replacement and asbestos removal	$9,000
Angaston Memorial Reserve – toilet block	$18,226
Angaston Memorial Reserve – toilet block (CWA)	$77,461
Bethany Reserve – kitchen/picnic shelter	$12,262
Tanunda Recreation Park – RSL clubrooms	$10,000
Public toilet renewal program	$150,000
Buildings - unallocated	$75,000
Footpaths	**$733,463**
Melrose Street, Mount Pleasant	$25,000
Mount Crawford Road, Williamstown	$30,000
Moculta Road, Moculta	$75,000
Vine Street, Nuriootpa	$57,000
Golden Way, Nuriootpa	$15,000
Minge Way, Nuriootpa	$15,000
Hearl Street, Eden Valley	$25,000
Barton Street, Nuriootpa	$25,000
Park Street, Tanunda	$15,000
North Street, Angaston	$65,000
Noske Street, Lyndoch	$15,000

Heinemann Park, Tanunda	$23,000
Kegel Club pathway	$15,000
Gilbert Street, Lyndoch	$25,000
George Street, Tanunda	$18,000
Carlisle Street, Williamstown	$35,000
Valley Road, Angaston	$141,900
Gramp Avenue, Angaston	$41,250
Radford Road, Angaston	$72,313
The Big Project, Recreation, Sport and Open Spaces	**$16,883,839**
Barossa Creative Industries Centre (includes carried forward funds from 2025-26	$16,483,839
Talunga Park – Oval and Equestrian provision pending business case outcome	$325,000
Recreation assets - unallocated	$75,000
Motor Vehicles, Plant and Equipment	**$1,644,350**
CWMS Technical Support Vehicle - South	$65,000
CWMS Technical Support Vehicle - North	$65,000
General Inspector, Office and Other Vehicles	$404,350
Community Transport - Bus Replacement - Small Bus	$90,000
New Streetsweeper	$520,000
New grader	$500,000
Playgrounds and Other Recreation	**$743,010**
Playgrounds – renewal/replacement	$30,000
Playgrounds - new	$62,415
The REX - Water Heaters and Other Efficiency Projects - Year 2 of 2 (includes carried forward funds from 2025-26)	$597,095
Williamstown Pool	$53,500
Road Resheeting	**$1,450,500**
Heggies Range, Flaxman Valley	$110,000
Pontt Road, Mount Pleasant	$83,500
Blockers Road, Mount Crawford	$288,000
Craneford Road, Eden Valley	$189,000
Cookes Hill Road, Springton	$410,000
Goldfields Road, Cockatoo Valley	$230,000
Blackwood Road, Cromer	$140,000
Road Resealing	**$1,264,373**

Magnolia Street, Tanunda	$117,800
Ellen Place, Tanunda	$24,532
Petras Street, Tanunda	$73,590
MacDonnell Street, Tanunda	$18,750
Krondorf Road, Tanunda	$18,750
Langmeil Road, Tanunda	$18,750
Greenock Road Service Road	$69,156
Old Kapunda Road, Nuriootpa	$298,152
Nicolai Road, Bethany	$172,551
Cundy Court, Williamstown	$41,482
Gaston Court, Williamstown	$48,569
Springton Road, Williamstown	$100,000
Road resealing - unallocated	$262,291
Road Construction / Reconstruction / Other	**$1,000,000**
Yettie Road Reconstruction - subject to grant funding	$1,000,000
Stormwater	**$352,767**
Pimpala Road, Cockatoo Valley	$125,000
Calton Road Stormwater (carried forward from 2025-26)	$227,767
Bridges	**$1,407,000**
Moss Road Bridge	$1,407,000
Community Wastewater Management System (CWMS)	**$502,000**
Gravity Mains Asset Management	$60,000
Williamstown Rising Mains and Infrastructure	$250,000
Operation Emergency IP and Manhole Repairs/Replacement	$30,000
Operation Emergency Drain Repairs	$20,000
Stockwell and Lyndoch Design	$130,000
Operation Construction of New IP	$12,000
Other	**$140,000**
Lyndoch Library carpark reseal	$40,000
Birdwood to Mount Pleasant bike path link additional allocation	$100,000
Project Management Costs for Capital Projects	**$719,269**
Project Management Resourcing for Capital Delivery - Miscellaneous	$671,866
Project Management Resourcing for Capital Delivery - CWMS	$47,403

Corporate Services, Strategy and Innovation	$25,647
Mobile Phone Fleet Replacement	$25,647
Removal of ERP capitalisation established now as operating budget $811,346	
Nuriootpa Centennial Park Authority*	**$190,000**
Cabin Renewal – 5 cabins	$100,000
Pool sail	$50,000
Telecommunications/WIFI Upgrade to Caravan Park	$40,000
Total	**$28,212,667**

*** Please note a provision has been made for $920,000 in the Nuriootpa tennis and netball club resurfacing and lighting upgrade and seeking grants, however due to timing is anticipated to be delivered in the 2027-28 year.**

Disclaimer: Capital items are a target program and subject to variation, alterations and additions to this list may occur throughout the year. Items noted as 'Carried Forward' are items transferred from the 2025-26 financial year budget.

2026-27 GRANTS, CONTRIBUTIONS AND ASSET SALES

Grants, Contributions and Asset Sales 2026-27	
Description	**2026-27 Budget**
Barossa Creative Industries Centre – Growing Regions Fund Program and State Open Spaces Fund	$4,518,853
Yettie Road Construction (subject to a successful road grant application outcome)	$660,000
Kegel Club – clubrooms rebuild (subject to successful grant application outcome)	$150,000
The REX Water Heaters and Other Efficiency Projects	$98,800
Soccer capital contributions	$20,000
Angaston and Nurioopta Lighting Upgrades – Grants, Contributions from Clubs and NCPA	$9,392
Streetsweeper - sale or trade in	$90,000
Grader – sale or trade in	$130,000
General vehicles – sale or trade in	$202,175
CWMS vehicles – sale or trade in	$42,900
Total	**$5,922,120**

Council is budgeting total expenditure of $73.403m in 2026-27 on the delivery of services and programs; maintenance of assets (excluding depreciation), renewed or new/upgraded assets and loan servicing. Estimated full cost attribution has been estimated in this plan. Council is budgeting to receive $5.922m in additional grants and contributions for capital programs and sale of assets and therefore the net investment for Council is $67.481m.

OPERATING REVENUE

The 2026-27 Budget provides for total operating revenue of $57.439m. Recurrent revenue streams of Council are:

$m	%	Type	Description
$44.278	77.09%	General Rates and Service Charges	General rates on properties as well as service rates (i.e. sewerage and refuse/recycling rates).
$4.481	7.80%	User Charges set by Council	Charges for the Council's fee-based facilities and services such as caravan parks, swimming pools, community halls and facilities, cemeteries and refuse dump fees.
$6.815	11.86%	Grants and Subsidies	Council seeks to attract as much grant funding as possible from other tiers of government and non-government organisations, thereby reducing the reliance on other revenue streams. This amount includes $1.744m in capital grants for renewal/replacement of assets.
$0.893	1.55%	Investment, Reimbursements and Other Income	Interest received on Council's deposits, reimbursements and other sundry income.
$0.972	1.69%	Statutory Charges	Fees and charges set by State Government regulation and received by the Council for regulatory functions undertaken such as assessment of development and building applications, and dog control management.
$57.439	**100%**	**Total**	

OPERATING EXPENDITURE

The 2026-27 Budget provides for total operating expenditure of $58.087m. Estimated full cost attribution has been applied - this is an allocation of internal services to external services and does not affect the overall net result. Recurrent expenditures incurred by Council are:

$m	%	Type	Description
$21.643	37.77%	Employee Benefits	All labour related expenses such as wages and salaries, and on-costs such as allowances, leave entitlements and employer superannuation.
$21.521	36.06%	Contractual Services, Materials and Other Expenses	Payments for external provision of services. Payments for physical goods such as water, fuel, energy, road materials, office consumables and administrative costs. Includes expenses not separately classified above such as insurances, postage, telephone, government levies and contributions.
$12.812	22.48%	Depreciation and Amortisation Charges	Annual consumption of Council's fixed assets (e.g. infrastructure, equipment, buildings, etc) over their useful lives and other assets such as computer systems.
$2.111	3.69%	Finance Costs	Costs of financing Council's activities through borrowings.
$58.087	**100%**	**Total**	

Council plans to raise a net sum of $35.977m from general rates in 2026-27 (which includes revenue from growth in new properties of 1.78%). This amount excludes service charges (ie. charges relating to sewerage and refuse/recycling) and the State Government Landscape Board levy.

Council recognises that ratepayers would like increases to their rates to be as low as possible, however it is necessary to ensure that current services are properly funded and can continue to be delivered without significantly impacting standards or passing on a financial burden to future ratepayers, or cutting services utilised by the community. Current assets and infrastructure owned by Council deteriorate over time through wear and tear and must be replaced or renewed at appropriate intervals in order to prolong their lives and continue to deliver services to the community.

The increase in rate revenue will provide the necessary funding to meet the programmed upgrade, renewal and replacement plans and growth investments, as outlined in the Long-Term Infrastructure and Asset Management Plan, ensuring that existing services to the community will be maintained.

The indexation applied to general rate revenue is 3.60% plus 1.78% in additional revenue from new properties, this is above the target rate of revenue growth of 1.00%. Our number of property assessments has grown by 1.18%.

Council is aware of the impact of rates on ratepayers and is committed to providing and developing options to ease the rate burden through increasing its own efficiency and by providing those under financial hardship with appropriate alternatives to suit their circumstances.

RATING POLICY

Section 147 of the *Local Government Act 1999* provides Council with the power to rate all land within The Barossa Council, except for land specifically exempted, such as Crown land and land occupied by Council.

Council is mindful of its responsibility to continually review its rating policy to ensure it is fair and equitable on its residents. The current Rating Policy is available for inspection at all Council branches and can be downloaded from Council's website at barossa.sa.gov.au.

LAND VALUATION METHOD

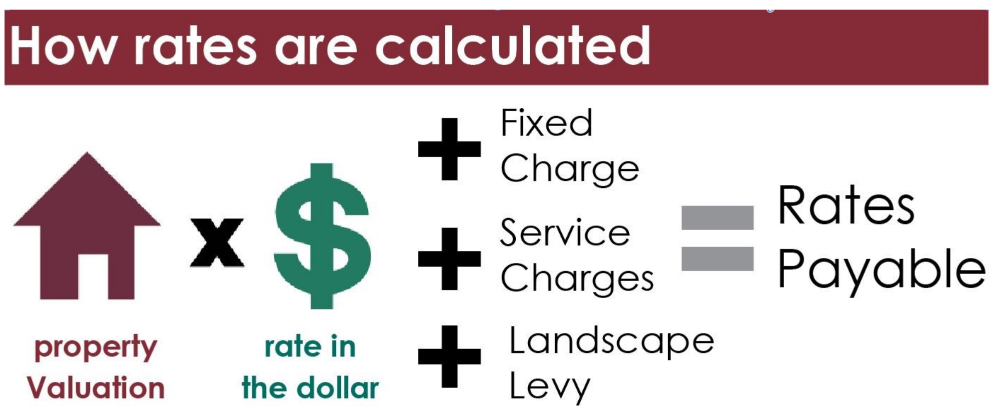
Council uses the capital value determined by the Office of the Valuer General as the basis for valuing land and calculating rates. Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers.

The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more taxes than ratepayers of lesser wealth.

Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates.

The total rateable property valuations provided by the Office of the Valuer General as at 25 April 2026 was $10,220,881,804, an increase of $986.5m (10.7%) compared to the prior year. The table below includes valuation movements within all of the Local Government Categories:

Local Government Category	Total Valuation Movement
Residential	14.16%
Commercial	1.08%
Industry – Light	-5.26%
Industry – Other	-2.47%
Primary Production	4.92%
Vacant Land	16.65%
Other	2.04%



Council applies differential general rates based on the land use of the property, as outlined in the Local Government Category and Land Use tables which are on page 30.

FIXED CHARGE

As part of the general rates, Council applies a fixed charge component so that all rateable properties make a fixed contribution towards the cost of administering Council's activities. The fixed charge has increased from $458 to $477.70 per assessment.

STATE GOVERNMENT LEVIES

Council collects a regional landscape levy on behalf of the Northern and Yorke Landscape Board (the Board) on all rateable properties. In this capacity, Council is operating as a revenue collector for the State Government and does not retain the revenue or determine how it is spent. Further information is available from the Board. The Board has increased the amount payable by 2.4%, however through distribution of the levy, Council's contribution has increased by 2.9%, increasing the average levy by $1.14 or 1.87% per rateable property.

MANDATORY REBATES

Council is required under the *Local Government Act 1999* to rebate rates payable on some land. Specific provisions are made for land used for specific purposes, e.g. health services, public cemeteries and educational institutions and is estimated at $626,786 for the financial year.

SERVICE RATES & CHARGES

Council provides various prescribed services pursuant to Section 155 of the *Local Government Act 1999*, which includes community wastewater management systems, refuse collection and kerbside recycling service.

The cost of these services, including a component for future capital works where appropriate, is recovered from those ratepayers utilising the service. Council is budgeting to recover:

1. $3.729m for the service rates and charge for providing community wastewater management systems.
2. $3.499m for the service charges for providing refuse, recycling and green waste services.

DISCRETIONARY REBATES

Discretionary rebates may be applied by Council on land used for community purposes under Section 166 of the *Local Government Act 1999* and is estimated at $183,539 for the financial year.

GENERAL RATE CAPPING

Council offers a rebate of general rates (excluding the fixed charge) on the principal place of residence of a principal ratepayer where the increase in general rates levied upon a property exceeds the 2025-26 general rates levied by more than:

- 7.5% - for ratepayers on fixed government incomes
- 15% - for all other ratepayers.

Rate rebate, remission, relief and capping application forms with other eligibility criteria are available on-line on Council's website barossa.sa.gov.au, from Council's Principal Office or any branch office.

CONCESSIONS AND POSTPONEMENT

In order to support ratepayers who are in receipt of fixed incomes or are on low incomes, there are concessions available provided eligibility criteria are met. The 'Cost of Living Concession Payment' is paid directly to eligible concession holders by the State Government and the concession for Community Wastewater Management System (CWMS), is also paid directly by the State Government. The Department of Human Services administer all State concessions and Council has no part in approving or providing these concessions.

In accordance with the *Local Government Act 1999*, persons who hold a Seniors Card may apply to postpone payment for any amount in excess of $500 ($125 per quarter) for their principal place of residence.

Council encourages ratepayers who are experiencing difficulties in paying rates to contact Council to discuss support that may be available to alleviate any financial hardship. Council treats such enquiries confidentially.

PAYING RATES

Council provides for quarterly payment of rates in September, December, March and June each year. Payments can be made via Council's website (barossa.sa.gov.au), B-Pay, Australia Post Billpay, by mail, allocated EFT payment or by cash/cheque/EFTPOS over the counter at the Nuriootpa or branch offices. If you would like to discuss alternative payment arrangements, please contact the Council.

SERVICE CHARGES

The adopted LTFP included an increase for Waste and CWMS service charges to ensure cost recovery and the service charge increase is rounded to the nearest dollar.

CWMS SERVICES

The Residential CWMS Service charge will increase from last year at $403.40 to $417.25. The Non-Residential CWMS service rate for each of the townships increases from $0.0009445 per dollar of the property valuation to $0.0009370. An annual charge for vacant allotments has been increased from $129 to $135 for all other vacant allotments where a CWMS connection fee has been paid but no wastewater is being discharged. Total capital expenditure for CWMS is estimated at $502,000 not including carried over projects from the 2025-26 financial year.

WASTE SERVICES

Overall, the refuse, recycling and green organics collection service charge has been increased from last year at $284.30 to $288.00 per annum. The 140L Refuse Bin has increased from last year at $137.20 to $140. Recycling has increased from last year at $72.70 to $74.40 while Green Organics decreased from $74.40 to $73.60. The refuse collection service rate for 240L bins, available to commercial premises to upsize to 240L, has increased from last year at $178 to $184. The service charges are based on cost increases for collection and disposal.

IMPACT ON RATEPAYERS

The Annual Business Plan and Budget for 2026-27 budgets for general rate revenue increases excluding growth of 3.60%. Growth from new assessments in value of rate revenue is 1.78%, above the 1.0% revenue growth target, with the additional properties growing by 1.18%.

The average change per rateable property for general rates across all categories of land use is $106.90 per annum or $2.06 per week. Depending on the other services received by ratepayers, service charges will differ. In summary the following table provides the impact of service changes or service rates.

Typical Service Mixes	Ave Annual Amount	Ave Weekly Amount
Residential / Rural Living – receiving full waste and CWMS services	$17.55	$0.34
Residential / Rural Living Vacant Land – no waste service but access to CWMS available	$6.00	$0.12
Commercial – receiving full waste and CWMS services	$27.52	$0.53
Industry – receiving full waste and CWMS services	$27.52	$0.53
Industry – receiving full waste service and no CWMS service	$3.70	$0.07
Rural – receiving full waste service and no CWMS service	$3.70	$0.07
Rural – receiving general and recycle waste and no CWMS	$4.50	$0.09

For more information on the rate revenue increases please refer to the LTFP section in this document.

The information on the following pages incorporates the overall rating and its impact using average valuations; rate changes for individual assessments will vary from these amounts. Further information is provided in the following tables.

Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue

	2025/26 (as adopted)	2026/27 (estimated)		Change	Comments
General Rates Revenue					
General Rates (existing properties)	$34,937,324	$36,195,205	*(a)*	3.60%	
General Rates (new properties)		$621,617	*(b)*	1.78%	
General Rates (GROSS)	**$34,937,324**	**$36,816,822**	*(c)*		
Less: Mandatory Rebates	($598,562)	($626,786)	*(d)*		
General Rates (NET)	**$34,338,762**	**$36,190,037**	*(e)*	**5.39%**	
	(e)=(c)+(d)				
Other Rates (inc. service charges)					
Regional Landscape Levy	$828,505	$852,300	*(f)*		The Regional Landscape Levy is a State tax, it is **not retained** by council.
Waste collection	$3,348,755	$3,499,390	*(g)*		Increased costs of contract and disposal and general operations.
CWMS	$3,560,699	$3,729,082	*(h)*		Increased costs of general costs and general operations
	$42,076,722	$44,270,809			
Less: Discretionary Rebates	($175,725)	($183,539)	*(i)*		
Expected Total Rates Revenue	**$41,900,997**	**$44,087,270**	*(j)*	**5.22%**	
	(m)=(e)+(g)+(h)+(i)				

Estimated growth in number of rateable properties

Number of rateable properties	**13,639**	**13,800**	*(k)*	**1.18%**	
	Actual	*Estimate*			

'Grow th' is defined in the regulations as w here new properties have been created w hich has added rateable properties to council's ratepayer base. Grow th can also increase the need and expenditure related to infrastructure, services and programs w hich support these properties and residents.

Estimated average General Rates per rateable property

Average per rateable property	**$2,562**	**$2,668**	*(l)*	**4.15%**	

Estimated average rates and service charges for resident receiving all services

Average per rateable property	**$3,129**	**$3,253**		**3.98%**	

Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).
The total General Rates paid by all rateable properties w ill equal the amount adopted in the budget.

Notes

(d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:

Health Services - 100 per cent	Religious purposes - 100 per cent	Royal Zoological Society of SA - 100 per cent
Community Services - 75 per cent	Public Cemeteries - 100 per cent	Educational purposes - 75 per cent

The rates w hich are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties w ho receive the rebate).

(e) Presented as required by the *Local Government (Financial Management) Regulations 2011* reg 6(1)(ea)

Please Note: The percentage figure in *(e)* relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates w ill not necessarily change by this figure).

(f) Councils are required under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards w ho have responsibility for the management of the State's natural resources.

(h) Community Wastew ater Management Systems

(i) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates w hich are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties w ho receive the rebate).

(j) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.

(k) 'Grow th' as defined in the *Local Government (Financial Management) Regulations 2011* reg 6(2)

Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue (excluding fixed charge)

	Total expected revenue			No. of rateable properties		Average per rateable property				Cents in the $
	2025/26	**2026/27**	**Change**	2025/26	**2026/27**	2025/26	**2026/27**		**Change**	**2026/27**
Land Use (General Rates - GROSS)										
Residential	$15,408,903	**$16,397,771**	**6.4%**	9987	**10144**	$1,543	$1,621	*(p)*	**$79**	**0.0023630**
Commercial - Shop	$769,039	**$804,446**	**4.6%**	254	**254**	$3,028	$3,160	*(p)*	**$132**	**0.0044885**
Commercial - Office	$167,380	**$170,183**	**1.7%**	73	**71**	$2,293	$2,391	*(p)*	**$98**	**0.0044885**
Commercial - Other	$1,519,305	**$1,595,806**	**5.0%**	356	**356**	$4,268	$4,468	*(p)*	**$201**	**0.0044885**
Industry - Light	$118,094	**$118,534**	**0.4%**	47	**45**	$2,513	$2,627	*(p)*	**$114**	**0.0049700**
Industry - Other	$4,453,460	**$4,687,237**	**5.2%**	91	**94**	$48,939	$49,687	*(p)*	**$748**	**0.0169000**
Primary Production	$5,108,050	**$5,196,549**	**1.7%**	2163	**2164**	$2,362	$2,392	*(p)*	**$31**	**0.0024350**
Vacant Land	$938,795	**$1,015,663**	**8.2%**	527	**531**	$1,781	$1,855	*(p)*	**$74**	**0.0055810**
Other	$414,792	**$436,140**	**5.1%**	141	**141**	$2,942	$3,079	*(p)*	**$137**	**0.0047650**
Total Land Use	**$28,897,818**	**$30,422,330**	**5.3%**	**13,639**	**13,800**	**$2,119**	**$2,205**	*(p)*	**$86**	

The above information is general rates only for each Land Use. Note: a rate notice also includes the fixed charge, Landscape Levy and w here relevant service charges. Service charges include Waste Services for Refuse, Recycling and Green Organics and Community Wasterw ater Management Systems (CWMS).

Fixed Charge

	Total expected revenue			Charge			
	2025/26	**2026/27**	**Change**	2025/26	**2026/27**		**Change**
Fixed Charge	$6,031,402	**$6,394,492**	**6.0%**	$458.00	**$477.70**	*(q)*	**$19.70**

This revenue amount is **included** in the General Rates GROSS figure at (c) *and includes $111,304.10 of growth from new properties.*

Adopted valuation method

Capital Value/Annual Value

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:
Capital Value – the value of the land and all improvements on the land; or
Annual Value – a valuation of the rental potential of the property.

Council uses the capital value determined by the State Valuation Office as the basis for valuing land and calculating rates. Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers on the follow ing basis:
• The equity principle of taxation requires that ratepayers of similar w ealth pay similar taxes and ratepayers of greater w ealth pay more taxes than ratepayers of lesser w ealth;
• Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates.

Notes

(p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, *divided* by number of rateable properties w ithin that category in the relevant financial year.

(q) A fixed charge can be levied against the w hole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against tw o or more pieces of adjoining land (w hether intercepted by a road or not) if they are ow ned by the same ow ner and occupied by the same occupier. Also if tw o or more pieces of rateable land w ithin the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the w hole of the land.

PERFORMANCE MEASURES

Measuring and monitoring performance is important to ensure our objectives are achieved and services are delivered to our community. Council monitors financial performance through its Business Planning Framework (refer also to the section on "Strategic Directions"). This includes:

Monthly Financial Reports which regularly track Council finances;

Quarterly Budget Reviews which outline financial performance against the Annual Business Plan and Budget;

Audited Financial Statements which are included in the Annual Report as required under the *Local Government Act 1999*;

The Annual Report which describes the performance of Council on objectives set in the Annual Business Plan and Budget;

Council's Community Plan 2024-2044 includes the long-term objectives and strategies Council is striving to achieve. The Community and Corporate plans are used to form the Annual Business Plan and Budget.

To provide advice and recommendations on financial and governance matters, Council has appointed an Audit and Risk Committee which is made up of independent members with qualifications and experience in related disciplines.

KEY PERFORMANCE INDICATORS

Council has a number of financial Key Performance Indicators (KPIs) which measure the impact of the annual budget on Council's financial position. Each of these indicators, together with associated comments, is outlined below:

Indicator Legend:	**Target Not Met**	**Target At Risk**	**Target Met**

Forecast is the quarter 2 (Q2) budget update as at 31 December 2025, adopted by Council at the February meeting. Material financial information received since that time has been included.

Individual years are shown within the LTFP section in this document, including a rolling 3-year period on selected KPIs.

Key Performance Indicator 1: Operating Result ($'000)

Council's target is to achieve a cumulative operating break-even position or better, over any ten-year period. The operating result for 2026-27 is forecast to be a surplus of $245,000. The cumulative ten-year period operating surplus is forecast to be $7.920m - for more information refer to the LTFP section within this plan.

The 2023-24, 2024-25 and 2025-26 figures have been adjusted for early financial assistance grant payments received in June 2023 (for 2023-24) and June 2025 (for 2025-26), which impact the operating surpluses for 2023-24, 2024-25 and 2025-26. This indicator has therefore been adjusted in those years to reflect the true underlying result.

Year	2023-24 Actual $'000	2024-25 Actual $'000	2025-26 Forecast $'000	2026-27 Budget $'000
Result	($1,139)	$493	($1,878)	($648)
Underlying Result	$947	($1,279)	($506)	
Status				
Underlying Status				

Key Performance Indicator 2 Operating Surplus/(Deficit) Ratio

Expresses the projected operating surplus/(deficit) result as a percentage of total operating revenue over a rolling retrospective three years. Council has set a target to achieve an operating surplus ratio of between -2% to 10%. The 2026-27 budgeted ratio is forecast to be 0.4%, which is within Council's target.

The 2023-24, 2024-25 and 2025-26 figures have been adjusted for early financial assistance grant payments received in June 2023 (for 2023-24) and June 2025 (for 2025-26), which impact the operating surpluses for 2023-24, 2024-25 and 2025-26. This indicator has therefore been adjusted in those years to reflect the true underlying result.

Year	2023-24 Actual $'000	2024-25 Actual $'000	2025-26 Forecast $'000	2026-27 Budget $'000
Result	(2.5%)	0.9%	(1.7%)	(1.2%)
Underlying Result	2.0%	(2.5%)	(0.8%)	
Status				
Underlying Status				

Key Performance Indicator 3-1: Net Financial Liabilities ($'000)

Council has set a target for Council's level of net financial liabilities to be no greater than its annual operating revenue and not less than zero. Net financial liabilities in 2026-27 is budgeted to be $51.032m, which is below budgeted total revenue of $57.439m.

Year	2023-24 Actual $'000	2024-25 Actual $'000	2025-26 Forecast $'000	2026-27 Budget $'000
Result	$17,169	$37,385	$40,381	$51,108
Status				

Key Performance Indicator 3-2: Net Financial Liabilities Ratio

Expresses the projected net financial liabilities as a percentage of total operating revenue for each year. It is Council policy (and industry best practice) that this ratio shall not exceed 100%. Council has set the target that if a net financial liabilities ratio is greater than zero but less than 100% of total operating revenue, the target is met.

The 2023-24, 2024-25 and 2025-26 figures have been adjusted for early financial assistance grant payments received in June 2023 (for 2023-24) and June 2025 (for 2025-26), which impact the total operating income for 2023-24, 2024-25 and 2025-26. This indicator has therefore been adjusted in those years to reflect the true underlying result.

Year	2023-24 Actual $'000	2024-25 Actual $'000	2025-26 Forecast $'000	2026-27 Budget $'000
Result	37%	71%	76%	89%
Underlying Result	36%	76%	72%	
Status				
Underlying Status				

Key Performance Indicator 4: Asset Renewal Funding Ratio

Expresses the rate by which assets are wearing out and being replaced by comparing capital outlays on renewal/replacement to the Infrastructure Asset Management Plans. Council has set the following target: Capital outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 80% but less than 110% of Infrastructure Asset Management Plans. A substantial amount of 'Upgraded' asset work completed each year is partly renewing components of existing assets. The calculation to compile this ratio does not include any upgrade costs as it is not considered 'renewal/replacement'. This is then effectively understating the expenditure for asset replacement, and the ratio is not then reflecting the true actual net asset renewals. It is expected the renewal spend information will be more accurate when the four-year review of the IAMPs is undertaken and the improvement plans from that work provides these projections per annum. This target is budgeted to be exceeded in 2026-27.

Year	2023-24 Actual $'000	2024-25 Actual $'000	2025-26 Forecast $'000	2026-27 Budget $'000
Result	123%	84%	97.6%	157.9%
Status				

NON-FINANCIAL PERFORMANCE MEASURES

Council continues to review its Key Performance Indicators (KPIs) to improve the measurement of performance. This is part of Council's Community Plan, as well as continuous improvement initiatives related to Council's Business Planning Framework. Indicators measuring the performance of Council in relation to the Annual Business Plan are shown below.

They provide information with regards to Council's capacity to effectively deliver services to our community and the targets Council intends to meet. Council's performance against these indicators is then reported in the Annual Report each year.

Indicator	Description	Target
Our Community		
Library Visits	The number of library visits and participation within the Barossa Council Area	5 visits per capita
Mutual Liability Claims	Number of successful Mutual Liability Claims against Council	3 or less per annum
Customer Request Completion Rate	Number of completed customer requests	90%
Community Support Program - Transport	Number of outputs - one way trips	Minimum 4477
Community Support Program - Domestic Assistance	Number of outputs - hours	Minmum of 3058
Community Support Program - Home Maintenance and Repairs	Number of outputs - hours	Minimum 3509
Community Support Program - Sector Support and Development	Activity Work Plan	Completed
Community Support Program - Group Social Support	Number of outputs - hours	Minimum 5646
Community Support Program - Individial Social Support	Number of outputs - hours	Minmum of 260
Our Economy		
Tourism Customer Satisfaction with Visitor Information Services	Average Customer Satisfaction Rating	4 or above
Visitor Information Centre Bookings	Annual Booking Revenue (Accommodation/Tours/Tickets)	100% of Budget
Events	At least three key regional, state or national events hosted annually	3 or above
Our Environment		
Waste Disposal Rate	Percentage of waste disposed to landfill	Less than 65%
Recycling Rate	Percentage of waste recycled	More than 35%
Our Places		
Development Performance	% of development applications determined within statutory timeframes	90%
Asset Spending Ratio	Ratio of asset expenditure on renewal, replacement and upgraded assets and maintenance on assets	Between 100% and 150% of Depreciation
Our Council		
LGA KPI Audit Action Plan	Percentage of KPI Audit Actions Complete	90%
LGA Risk Review	Percentage risk review conformance	90%
Operating delivery	Actual Operating Expenditure as a % of Budgeted Operating Expenditure	95%
Capital program delivery	Actual Capital Expenditure as a percentage of Budgeted Capital Expenditure	92%

ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA – LOCAL GOVERNMENT ADVICE SCHEME REPORT

New header page – Budgeted financial statements for 2026-27

Advice

Local Government Advice

The Barossa Council

February 2026

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The Barossa Council
AT A GLANCE

OVERVIEW

The Essential Services Commission finds The Barossa Council's current and projected financial performance sustainable due to its strong governance processes and favourable sustainability ratios.

FINANCIAL PERFORMANCE

Past 10 years
Sustainable

Current
Sustainable

Projected
Sustainable

RISKS IMPACTING SUSTAINABILITY

⚠ The need to invest in infrastructure to support the expansion of Concordia ahead of generating rates from new residents (if the project proceeds).

KEY FACTS

- Population in 2024 was **26,590** residents
- The Council covers **893.5 square kilometres**
- **13,418** rateable properties in 2024-25
- **$52.7 million** of income in 2024-25
- Value of infrastructure assets held in 2024-25 equals **$452.5 million**

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, please visit www.escosa.sa.gov.au.

Table of contents

1 Executive summary

1.1 Summary of observations

The Essential Services Commission of South Australia (**Commission**) finds The Barossa Council's current financial position to be **sustainable.** The Barossa Council faces low risks in achieving its operating surplus and effectively managing its assets over the forecast period. It has a strong and demonstrated focus on transparency, community consultation and agile service delivery.

The Barossa Council has managed its operating surplus conservatively during the 10-year Historical Period (from 2014-15 to 2023-24), achieving an average operating surplus ratio of 3.8 percent. It has forecast an operating surplus ratio for the period from 2025-26 through to 2034-35 of 2.1 percent per annum on average, which is lower than the historical result but reflective of its planned capital program.

Rates are the main source of income for The Barossa Council over both the Historical Period and the Forecast Period (from 2025-26 through to 2034-35), and they are increasing from 78.3 percent to 80.9 percent as a percentage of total income. Growth in the number of rateable properties is forecast to be modest at 0.8 percent, originating from small scale development. The Commission notes that the Council's forecasts exclude the Concordia development pending formal resolution of boundary reform proposals. The forecast Net Financial Liabilities Ratio is an average of 50.8 percent due to borrowing for 'The Big Project' (a 35-year project for key infrastructure assets delivered in phases). The Council plans to repay loans rapidly but could consider a slower repayment pace with commensurate spreading of rates revenue, to improve intergenerational equity.

The Barossa Council is taking a pro-active approach to managing its assets and has been transparent with the Commission and other stakeholders via its strategic documents about its governance and asset management practices. It has an ambitious capital program that was established in consultation with the Community and will cost an average of $3.5 million per annum on new assets. This expenditure will not impact forecast capital spending of $9.9 million per annum on renewal of existing assets.

1.2 Summary of recommendations

The Council has a range of sound practices in its strategic planning and asset management, including:

- reviewing expenditure regularly and consulting the community on priorities
- its approach to project planning that includes obtaining and publishing prudential reports
- aligning its Infrastructure and Asset Management Plan with its Long-Term Financial Plan and Annual Budgets, and
- its governance processes around new infrastructure projects.

To further strengthen the Council's sustainability, the Commission recommends that the Council:

1. **Consider** its pace of repayment of debt for 'The Big Project' to balance financial costs and intergenerational equity.
2. **Update** the condition data for all asset classes and ensure that asset useful lives are reviewed annually.
3. **Clarify underlying assumptions and include** summary information on asset condition within the Infrastructure and Asset Management Plan to improve transparency.
4. **Update** all strategic plans to reflect the impact of the Concordia Development at the earliest opportunity.

2 About the advice

2.1 Background

The State Parliament has tasked the Commission, South Australia's independent economic regulator and advisory body, to provide advice on material changes proposed by local councils in relation to elements of their Strategic Management Plans (**SMP**), and on the proposed revenue sources, including rates, which underpin those plans.[1]

A primary purpose of the Local Government Advice Scheme (**Advice** or **the Scheme**) is to support councils to make financially sustainable strategic decisions in their annual business plans and budgets, in the context of their Long-Term Financial Plans (**LTFP**) and Infrastructure and Asset Management Plans (**IAMP**).[2] IAMPs are commonly referred to as Asset Management Plans (**AMP**). The LTFP and the IAMP are both required as part of a council's SMP.[3] Financial sustainability encompasses intergenerational equity,[4] program (service level) and rates stability in this context.[5] The other main purpose is for the Commission to consider ratepayer contributions in the context of all revenue sources, as outlined in the LTFP.[6] In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.[7]

The first cycle of the scheme extends over four years from 2022-23 to 2025-26. The Commission has selected 19 councils for advice in the fourth year (2025-26) of the Scheme, including The Barossa Council.

This report provides the Local Government Advice for the Council in 2025-26.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2026-27 Annual Business Plan (including any draft Annual Business Plan) and in subsequent plans until the next cycle of the Scheme.[8] Decision-making remains in the control of the Council.

The Commission thanks the Council for meeting with Commission staff and for providing information to assist the Commission in preparing this advice.

2.2 The Commission's approach

In providing its Advice for the Council, the Commission has followed the approach set out in the Framework and Approach – Final Report (**F&A**).[9]

1 Amendments to the LG Act (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).
2 Commonly referred to as Asset Management Plans (**AMP**).
3 The objectives of the advice with reference to a council's LTFP and IAMP are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMP.
4 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.
5 Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.
6 LG Act s122(1f)(a) and (1g)(a)(ii).
7 LG Act s122(1f)(b) and (1g)(b).
8 LG Act s122(1h).
9 Commission, *Framework and Approach – Final Report*, August 2022, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

The Commission has considered the Council's SMP documents and other documents (set out in the box below), with a particular focus on its performance and outlook against three financial indicators: the Operating Surplus Ratio (**OSR**), the Net Financial Liabilities Ratio (**NFLR**) and the Asset Renewal Funding Ratio (**ARFR**).[10] Analysis of these three indicators captures financial and service sustainability, cost control and affordability risk.[11]

The Commission reviews 10 years of historical data, being the years 2014-15 to 2023-24 (**Historical Period**) the "current year" 2024-25 and 10 forecast years, being 2025-26 to 2034-35 (**Forecast Period**).

Table 1: Strategic management documents referred to

- The Barossa Council, General Purpose Financial Statements for the year ended 30 June 2025.
- Corporate Plan, 2024-2028 (2024-2025 revision).
- Barossa Local Economic Development Plan, 2022-2027.
- Long-Term Financial Plan 2024/25 – 2033/34 Update as at 2 January 2025.
- Annual Business Plan and Budget 2025-2026 – Incorporating the review of the Long-Term Financial Plan for 2025/26 to 2034/35.
- Annual Budget and Business Plan 2024/25 (adopted 19 June 2024).
- UHY Haines Norton, The Big Project – Priority 1 Projects – 2023 Update, Prudential Review February 2024.
- Infrastructure Asset Management Plan, 2024-2034 – adopted 19 November 2024.

Given that the Commission must, in providing its advice, have regard to the objective of councils maintaining and implementing their IAMPs and LTFPs,[12] it has also considered the Council's performance in that context. Findings regarding the content of the Council's AMPs, and the alignment between its LTFP and AMPs,[13] are discussed in Section 5.

The Commission has also reviewed the financial template provided by the Council, including its 2025-26 LTFP forecasts for 2025-26 to 2034-35, historical financial data, the number of rateable properties and Council staff (Full Time Equivalent or **FTE**) numbers from 2014-15 onwards.[14] The charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council's audit committee reports, and other public information, as appropriate.

The Commission has reported estimates in nominal terms to identify 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (**CPI**) line for the Historical Period is calculated as the compound annual growth rate in the CPI (Adelaide) series from 2014-15 to 2023-24, being

[10] The three financial indicators are specified in the Local Government (Financial Management) Regulations 2011. Since 2011, each council has been required to include these three indicators in its plans, annual budget, mid-year budget review and annual financial statements. Councils can adopt their own target range for each ratio, but the Commission is guided by the Local Government Association (**LGA**) target ranges, which were established and agreed during the development of the LGA Financial Sustainability Papers (2006-2011).

[11] The F&A listed 29 analytical questions that the Commission has considered in assessing the Council's performance against these indicators to determine affordability, cost control and other sustainability risks.

[12] LG Act s122(1g)(a)(i).

[13] As required under s122(1b) of the LG Act.

[14] The Council's estimates for the 2024-25 financial year were unaudited at the time of preparing this advice.

2.9 percent.[15] Each financial year is the average of the four quarterly results. The CPI for the Forecast Period is calculated as the compound annual growth rate in the CPI (Australia) series from 2025-26 based on the Reserve Bank of Australia (RBA) (Australia-wide) inflation forecasts to the December 2027 quarter, and the midpoint of the RBA target range (2.5 percent) thereafter, yielding an average inflation rate for the Forecast Period of 2.5 percent. Similarly, for the current year 2024-25, we have observed a CPI (Adelaide) of 2.4 percent.

Finally, in formulating this Advice, the Commission has had regard to all discussions and engagement with the Council, including the meeting with Council officers and the individual circumstances of the Council, including:

- its location as an Urban Fringe Council
- its income level ($52.7 million in 2024-25[16]), and
- the size of its rates base (around 13,418 ratepayers in 2024-25[17]).

Throughout this Advice, the Commission has identified several key points and assigned the following risk category to those points:

Legend: Low-risk Moderate-risk High-risk

[15] The assumed CPI for the Historical Period is 2.9 percent, being the compound annual growth rate in the CPI (Adelaide) series from 2014-15 to 2023-24. Source: Consumer Price Index, Australia, June Quarter 2024 | Australian Bureau of Statistics

[16] The Barossa Council General Purpose Financial Statements for the year ended 30 June 2025, p 3.

[17] Based on the Council's financial reporting template provided to the Commission.

3 Council profile

The Council is classified by the Commission as an ‘Urban Fringe’ council and is one of five in this category in South Australia.[18] It covers an area of 893.5 square kilometres, has an estimated resident population of 26,590 (at 30 June 2024),[19] and approximately 13,418 rateable properties (on 1 January 2025).[20]

The Council is in the mid-north region of South Australia, formed in 1996 by amalgamation of the District Councils of Barossa, Tanunda and Angaston, and the amalgamation of the District Council of Mount Pleasant in 1997.[21]

Figure 1: Council Area

The Council region has the following attributes:

- historical rateable property growth of approximately 0.7 percent per annum[22]
- population density of 29.8 persons per square kilometre[23]
- 989 kilometres of sealed and unsealed roads, of which 61.6 percent are unsealed roads[24]
- employment sectors mainly in manufacturing (18.5 percent), healthcare and social assistance (11.5 percent), education and training (8.5 percent) and construction (8.1 percent)[25], and
- a median population age of 45.5 years.[26]

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18 Commission, *Fact Sheet - Local Government Advice Scheme – Schedule of Councils*, May 2023, available at https://www.escosa.sa.gov.au/ArticleDocuments/21947/20240731-Advice-ScheduleOfCouncils-FactSheet.pdf.aspx?Embed=Y.

19 Refer to Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/region.html?lyr=lga&rgn=40310

20 Based on the Council’s Financial Reporting template provided to the Commission.

21 The Barossa Council Annual Business Plan and Budget 2025/26, p. 7.

22 Based on the Council’s Financial Reporting template provided to the Commission.

23 Refer to Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/region.html?lyr=lga&rgn=40310

24 Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, *2023-24 Database Reports*, available at: https://www.dit.sa.gov.au/local-government/grants-commission/publications#database

25 Refer to Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/region.html?lyr=lga&rgn=40310

26 Refer to Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/region.html?lyr=lga&rgn=40310

4 Material plan amendments in 2025-26

Significant increases in Council financial estimates for 2025-26 to 2033-34 compared with the same period in the previous LTFP are due to borrowing for new capital projects. Capital expenditure on new and upgraded assets has increased markedly. The Council maintains transparent forecasting and indexation practices, with rate rises tied to CPI and property growth. The changes partially reflect the impact of 'The Big Project' and are explained further in the Council's LTFP.

The material amendments to some of its main financial forecasts are listed in the table below (in nominal terms).[27] To ensure a comparable analysis of forward estimates between the 2024-25 and 2025-26 LTFPs, the Commission has reviewed the nine overlapping years' statistics: 2025-26 to 2033-34 and identified material amendments accordingly.

4.1 Key points

✓ The Council's methodology for indexation is transparent and published.

Table 2: Historical and forecast financial items

Selected Financial Item	Sum of 2025-26 to 2033-34 estimates in 2024-25 LTFP ($ million)	Sum of 2025-26 to 2033-34 estimates in 2025-26 LTFP ($ million)	Change in 2025-26 estimates ($ million)	Change in 2025-26 estimates (percent)
Capital expenditure on new and upgraded assets	$5.9	$33.7	$27.8	+470.0

4.2 Changes to capital expenditure estimates

Capital expenditure on new infrastructure has increased by 470.0 percent due to ongoing expenditure for 'The Big Project' and other capital projects. Assets, the AMPs, and the Council's capital expenditure outlook are discussed further in Section 5.3.

4.3 Indexation adjustments

The Council has a structured approach to forecasting and has clear and comprehensive information for ratepayers about its revenue and expenditure estimates and assumptions underlying its forecasts for rate increases and the LTFP. Its general rates increase for 2025-26 is based on the RBA's May 2025 trimmed CPI,[28] plus anticipated rateable property growth together with a component for funding capital programs (further discussed in section 6.)

[27] Table 2 shows only selected financial items to demonstrate the material amendments made by the Council in its 2025-26 estimates.

[28] Annual Business Plan and Budget 2025/26, p. 49.

5 Financial sustainability

5.1 Operating performance

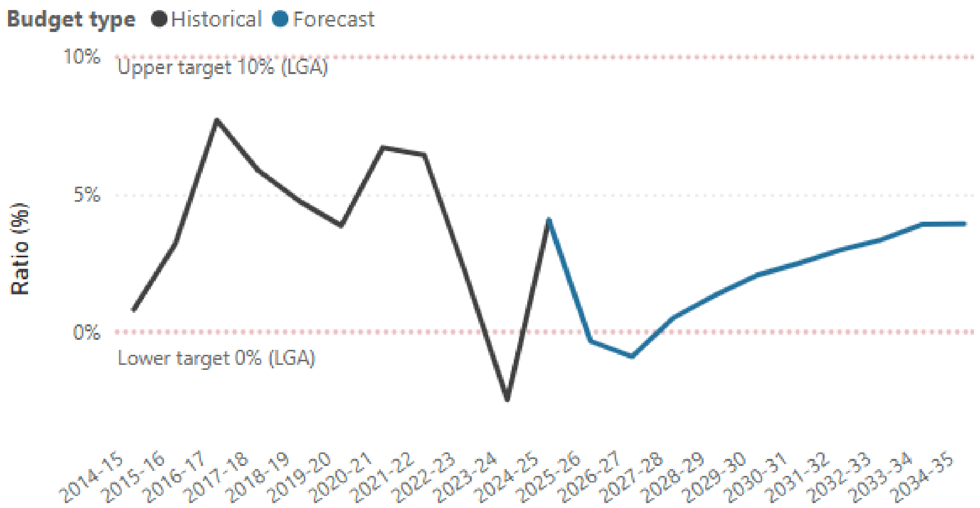
5.1.1 Key points

✓	The Council has achieved an average OSR of 3.8 percent indicating sustainability in operating performance during the Historical Period.
✓	In the Historical Period, expense growth per property was equal to inflation.
⚠	In the Forecast Period, the Council expects an annual average surplus less than its historical average performance but is likely to remain sustainable.
✓	The Council's ongoing reviews of expenditure and consultation with the community demonstrate good practice.

The Council remains financially sustainable, maintaining an average historical OSR of 3.8 percent, with forecasts slightly lower at 2.1 percent due to planned capital expenditure. Income and expenses have grown at rates matching or exceeding inflation. Expenditure and debt remain well-managed, supporting continued service delivery and capital investment.

5.1.2 Operating Surplus Ratio

Figure 2: Operating surplus ratio – historical and forecast



In the Historical Period, the Council achieved an average OSR of 3.8 percent incurring one deficit in the period due to a decrease in grants revenue and higher employee and materials costs. The average operating surplus was $1.5 million. The Council projects an average OSR of 2.1 percent in the Forecast Period. The Council forecasts small deficits in 2025-26 and 2026-27 followed by a return to surplus. The Council's forecast addresses cash flow impacts and budget constraints related to projected capital project expenditures (as discussed in section 5.3).[29] If the forecast is achieved, it will provide an

[29] Meeting with the Council, 27 May 2025.

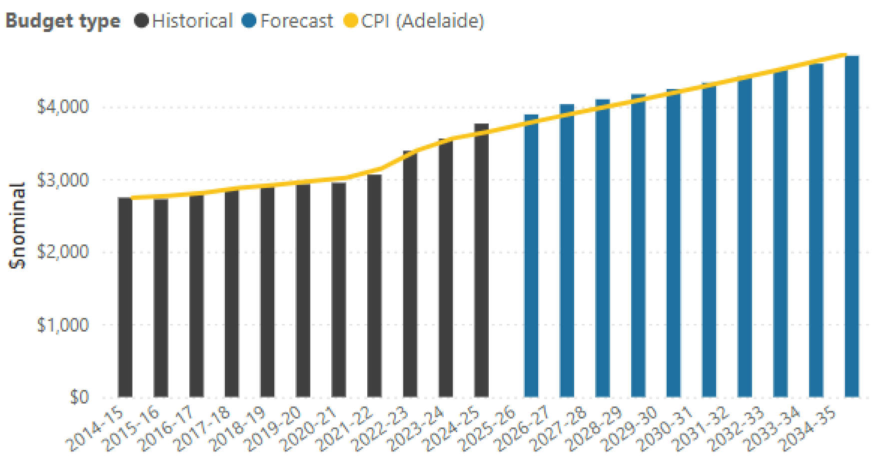
average OSR of 2.1 percent, below its historical average but commensurate with the impact of planned capital expenditure.

Total income and expenses were closely aligned between 2014-15 and 2023-24 and are forecast to continue similarly.

Average income growth per annum (CAGR) was 3.3 percent in the Historical Period but was equivalent to average inflation of 2.9 percent when accounting for rateable property growth of 0.7 percent for the period.[30] The Council forecasts income growth per annum (CAGR) of 3.5 percent (compared with forecast average inflation of 2.5 percent), driven by growth in rates and other charges but the difference is due to growth in rateable properties - expected to be 0.8 percent per annum. The Council noted that their forecast rate increases per property are higher than inflation but are aligned with their cost increases.[31]

Historical average expenditure growth per annum (CAGR) of 3.7 percent was higher than both inflation and the Council's income growth in the Historical Period but the difference can be attributed to growth in rateable properties. The average annual growth in expenses per property (CAGR) was 2.9 percent, equal to inflation for the period.

Figure 3: Expense by rated property - historical and forecast



The Council expects average expenditure per annum (CAGR) growth of 3.0 percent in the Forecast Period, above the RBA forecast inflation of 2.5 percent, the difference being mainly due to growth in rateable properties. However, operating expenses per rated property are forecast to be lower than CPI with average growth (CAGR) of 2.1 percent per annum (see Figure 3).

In the Historical Period, 'material, contracts and other' expenses averaged 39.8 percent of total costs, with employee costs at 36.0 percent. The Council projects these will shift to 36.5 percent and 39.4 percent respectively, while depreciation remains steady at 22.1 percent.

The Council has an ongoing reform agenda of increasing transparency and probity with rolling service reviews of all expense drivers.[32] It has a strong focus on both expenditure and function review.[33] It is focused on agile service delivery and changes its procurement models in response to market conditions in addition to utilising shared procurement with neighbouring councils as appropriate. The Council also consults extensively with its towns on expectations for service provision and has

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30 The assumed CPI for the Historical Period is 2.9 percent, being the compound annual growth rate in the CPI (Adelaide) series from 2014-15 to 2023-24. Source: https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/jun-quarter-2024

31 See Note 29.

32 See Note 29.

33 See Note 29.

developed a master plan to look forward and determine priorities for all communities within the geographic footprint of the Council.[34]

5.1.3 Commission's recommendations on operating performance

The Commission notes the Council's good practices of reviewing expenditure regularly and consulting the community on priorities.

5.2 Net financial liabilities

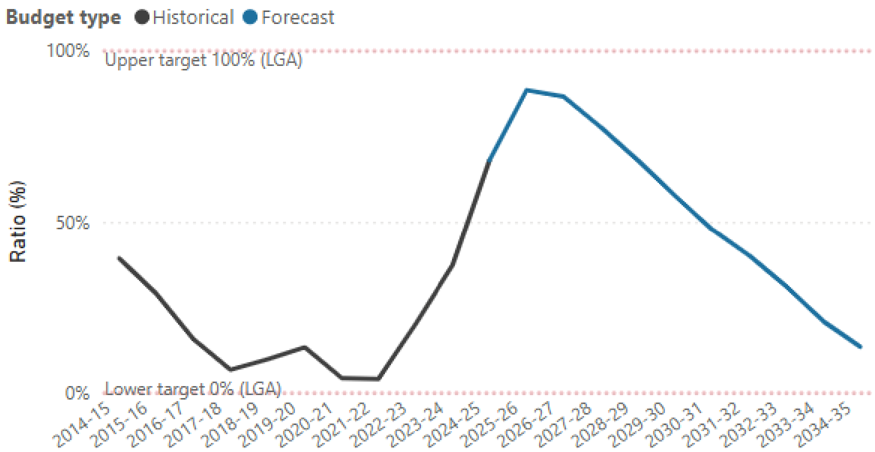
5.2.1 Key points

- ✅ The Council has a structured approach to debt management.
- ⚠️ The Council has forecast high debt for a period of five consecutive years however could reconsider its proposed repayment pace.
- ✅ The Council's historical and forecast income always exceed its debt.

The Council maintains strong financial management and transparency, with historical and forecast income consistently exceeding net financial liabilities, even as debt rises to fund 'The Big Project'. Although finance costs and debt levels temporarily increase, prudent planning, published reports, and ongoing community support contribute to long-term sustainability. The Council could consider adjusting its rapid loan repayment strategy to better balance financial costs and intergenerational equity, as cash reserves will be low during peak capital expenditure.

The NFLR[35] is a measure of a council's indebtedness and indicates whether a council can cover its net financial liabilities over a period.

Figure 4: Net financial liabilities ratio – historical and forecast



The NFLR averaged 17.9 percent in the Historical Period remaining within the LGA recommended range. The Council forecasts an increase in the ratio to an average of 50.8 percent in the Forecast

[34] See Note 29.

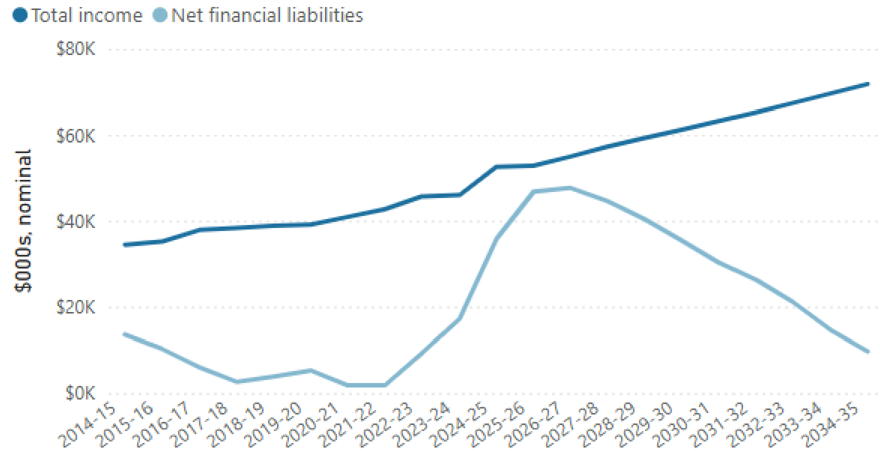
[35] The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The LGA target range is between zero and 100 percent of total operating income but could be higher in some circumstances (see LGA SA *Financial Indicators Paper*, pp. 7–8).

Period (with a peak of 88.6 percent in 2025-26) as it borrows to fund 'The Big Project' (Phase 1)– an intergenerational community infrastructure project.

The Commission notes the Council's diligent and transparent approach to this project with comprehensive, published, prudential reports.[36] Following extensive consultation, community support for the project is widespread. As noted above (see Figure 2), the Council forecasts deficit budgets from 2025-26 to 2026-27 reflecting cash flow impacts associated with this project.

Finance costs are forecast to increase in the near-term to support infrastructure development and return to average levels consistent with historical expenditure by June 2033. The Council proposes to repay loans rapidly (within seven years) and utilise CADs as required,[37] however the Commission suggests that the Council consider a slower repayment pace to support intergenerational equity.

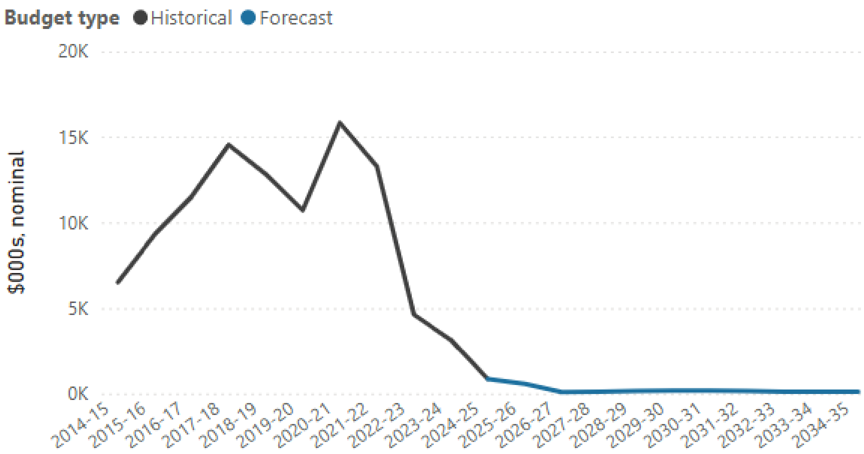
Figure 5: Total income and net financial liabilities – historical and forecast



Both historically, and in its forecast, the Council's annual income exceeds its net financial liabilities, noting some pressure in the early years of 'The Big Project' between 2024-25 and 2029-30 (see Figure 5). 'The Big Project' commenced in 2016 and most of the expenditure in Phase 1 will conclude by 2024-25. It is a long-term project with a 35-year time frame that is master-planned to deliver economic growth, community infrastructure, and social and environmental outcomes. $17.0 million is committed to this project in 2025-26 capital investment.[38]

36 UHY Haines Norton, The Big Project – Priority 1 Projects – 2023 Update, Prudential Review February 2024.
37 CADS – Cash Advance Debentures, Meeting with the Council, 27 May 2025.
38 Annual Business Plan and Budget, 2025/26, p. 22.

Figure 6: Cash and cash equivalents at year end – historical and forecast



Cash held at the end of the financial year averaged $10.2 million in the Historical Period. In the Forecast Period, the Council anticipates that cash held will decline to an average of $0.2 million, as it repays borrowings and funds capital projects (see Figure 6).

5.2.2 The Commission's recommendations on financial liabilities

The Commission recommends that the Council:

1. **Consider** its pace of repayment of debt for 'The Big Project' to balance financial costs and intergenerational equity.

5.3 Asset renewals expenditure

5.3.1 Key points

- ✓ The Council has a comprehensive IAMP that is aligned with budgets and the LTFP.
- ⚠ The Council could improve transparency in its IAMP by including more information on current asset condition.
- ✓ The Council's historical and forecast ARFR ratios indicate that the Council has and is likely to renew its assets in a timely manner.
- ✓ The Council has strong governance processes around new asset infrastructure projects that include community consultation.

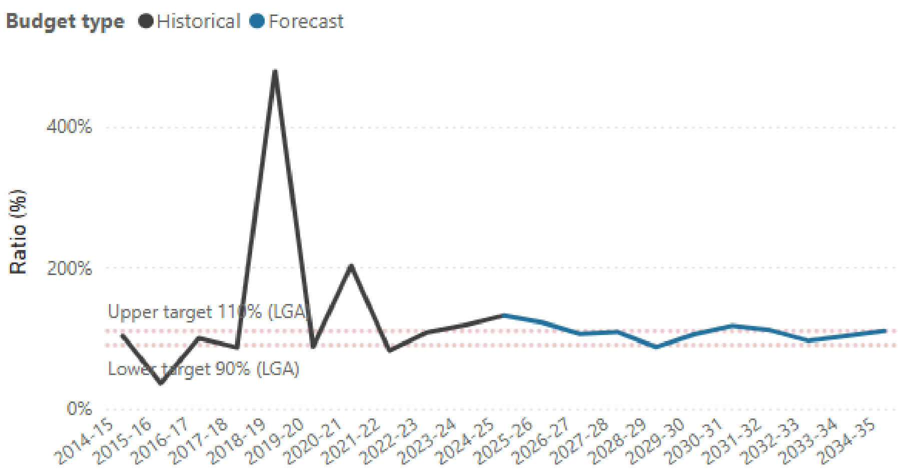
The Council maintains strong governance and prudent financial management of assets, with renewal and replacement aligned to budgets and long-term plans. Asset renewal funding is projected to stay within recommended ranges, despite variability and some reliance on younger assets due to recent major investments. The Council could further enhance transparency by updating and summarising asset condition data in its IAMP, especially as it undertakes significant projects like 'The Big Project'.

The Council has a comprehensive IAMP including all assets, that is reviewed every four years and updated as necessary. It promotes a systematic approach to managing assets however does not specify whether the figures presented are in real or nominal terms, nor any assumptions about its asset values. It aligns its asset expenditure forecasts with annual budgets and the LTFP[39] (which does provide more detail about assumptions). Asset condition assessment and assessment of remaining useful life of the Council's assets is undertaken on a rolling basis depending on the asset class.[40] It is not clear from the Council strategic documents whether the remaining useful lives of assets are reviewed annually as required under Local Government Regulations and accounting standards.

The Council's IAMP notes that asset expenditure details and condition data are kept in a management information system and that system is integral to the IAMP and asset strategy. It could be helpful to report users to see a summary of condition data for each asset class within the IAMP. The Commission encourages the Council to continue to update condition data for all asset classes noting bridges and stormwater[41] assessments are outdated.

The Council advises it is working with State Government and developers on a possible major residential expansion project (Concordia growth area). The Commission notes that the Local Government Boundaries Commission has recommended that the Concordia growth area move to Gawler Council however, the Minister requested that the Commission amend its Report and recommendations.[42] Due to uncertainty, this project was not included in the current IAMP or LTFP. It is now more likely that the project will proceed and will therefore have a major impact on the LTFP and other strategic documents. The Commission recommends that all strategic plans are redeveloped to include the impact of the Concordia development as soon as a decision has been made.

Figure 7: Asset renewal funding ratio (renewal expenditure net) – historical and forecast



The Council's net investment in infrastructure renewal averaged 101.4 percent in the Historical Period with some variability, however, indicates that on average, the Council is likely to have renewed its assets in a timely manner.[43] It advises that variability in historical renewal was a result of deficient information in its earlier IAMP and that it has since made a significant investment in updating the information.[44] In the Forecast Period, the Council anticipates that the ARFR (net) will average 106.7 percent, remaining within the LGA recommended range if achieved.

39 The Barossa Council Infrastructure Asset Management Plan 2024-2034 (adopted 19 November 2024), p. 21.

40 The Council response to ESCOSA questions, 30 April 2025.

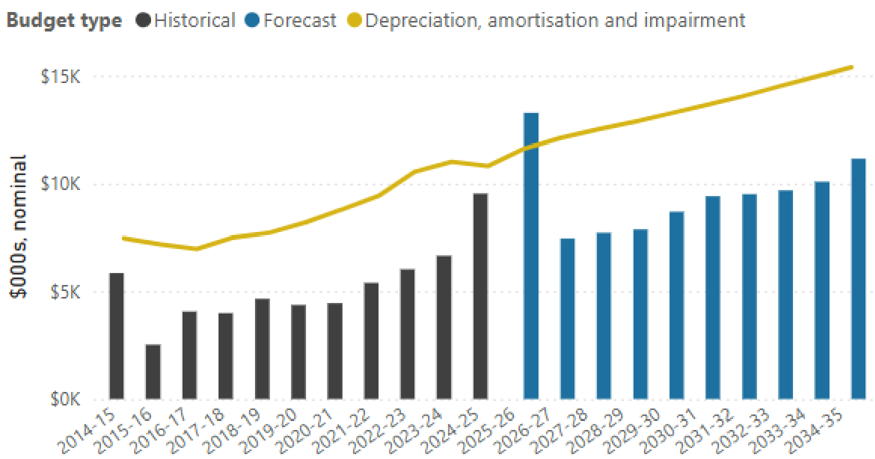
41 The IAMP notes condition assessment for bridges in 2017 and Stormwater assets in 2009 and no condition profile for fleet plant and equipment.

42 Local Government Boundaries Commission, Boundary Proposal reform status available at: https://www.dit.sa.gov.au/local-government/boundaries-commission/current-proposals/town-of-gawler.

43 LGA SA Financial Indicators paper, p9, available at: https://dit.sa.gov.au/local-government/documents/office-of-local-government/financial_sustainability_information_paper_9.pdf

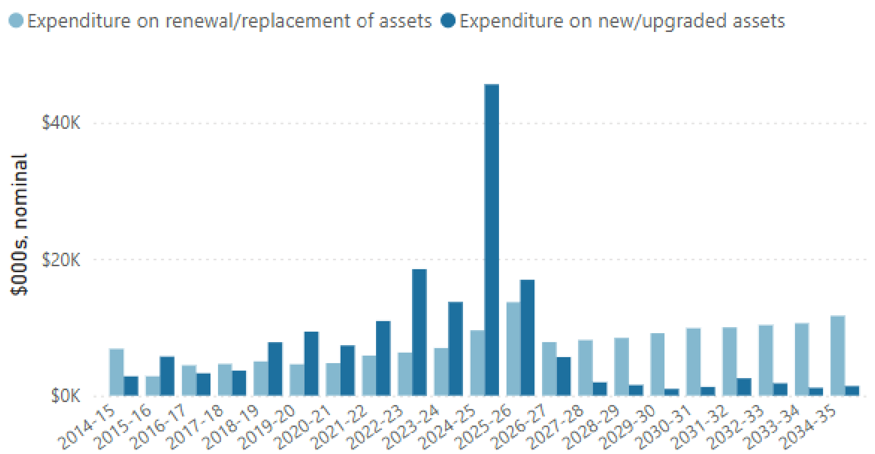
44 Correspondence with the Council, 9 September 2025.

Figure 8: Net asset renewal expenditure and depreciation – historical and forecast



In the Historical Period, the Council's ARFR on a depreciation basis averaged 56.5 percent, indicating that depreciation was high relative to the expenditure requirements set out in the IAMP. For the Forecast Period, this ratio is expected to be 70.3 percent, indicating that the depreciation expense continues to be higher than planned capital renewal expenditure. This may be due to the significant proportion of young long-life assets withing the Council's asset portfolio based on its historical and forecast new capital investments (further discussed below). The challenge for the Council will be to provide for future capital renewal, beyond the Forecast Period, ensuring that all Big Project renewals are not required simultaneously.

Figure 9: Total capital expenditure by category – historical and forecast



The Council expended an average of $5.2 million annually on renewal and replacement of assets in the Historical Period, and $8.3 million annually on average for new or upgraded assets in the same period. New/upgraded expenditure included $20.0 million expenditure over 2022-23 and 2023-24 on building infrastructure and recreation assets.[45]

The Council forecasts capital renewal and replacement expenditure of approximately $9.9 million per annum to maintain its existing assets.

'The Big Project' is a major infrastructure project (currently in progress) to uplift community infrastructure over the next 35 years. The Council is continuing to work on phase one of this project over the next few years.[46] This project is largely responsible for the average forecast of $3.5 million

[45] The Barossa Council General Purpose Financial Statements for 2022-23 and 2023-24 (Note 7).
[46] See Note 29

expenditure per annum on new and upgraded assets. The Council consults extensively with ratepayers, including on infrastructure development and priorities, to ensure that community expectations are managed and met.[47]

The Council's practice is to embed new asset projects within its LTFP when funding is certain, to enable assessment of the project in the broader context of the Council business. It also undertakes independent feasibility studies and business case development before project approval, for example the prudential reports obtained in relation to 'The Big Project'.[48] All reports are available on the Council's website in line with its governance principle of transparency.

5.3.2 The Commission's recommendations on asset renewals expenditure

The Commission notes the Council's good practice of maintaining a comprehensive IAMP and asset system that is aligned with budgets and the LTFP. The Commission also notes the rigorous process for approval of new infrastructure projects.

The Commission recommends that the Council:

2. **Update** the condition data for all asset classes and ensure that asset useful lives are reviewed annually.
3. **Clarify underlying assumptions and include** summary information on asset condition within the IAMP to improve transparency.
4. **Update** all strategic plans to reflect the impact of the Concordia Development at the earliest opportunity.

47 The Barossa Council Infrastructure Asset Management Plan 2024-2034 adopted 19 November 2024, p. 12.
48 See Note 36.

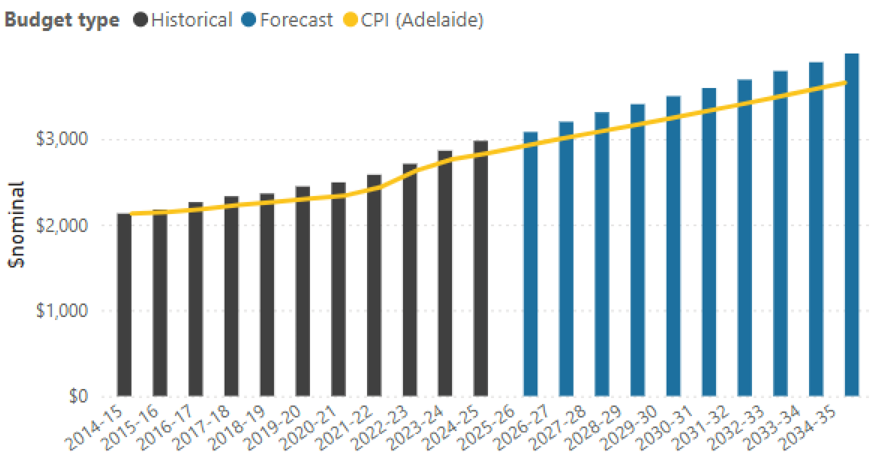
6 Advice on current and projected rate levels

6.1 Key points

Rates per property are forecast to increase by higher than inflation between 2025-26 and 2034-35.

Rates affordability issues are unlikely.

Figure 10: Average rates revenue per property – historical and forecast



The Council had average rates income growth per annum (CAGR) of 4.1 percent in the Historical Period which was above CPI but incorporates 0.7 percent of growth in rateable properties. Rates per property average growth per annum for the historical period was 3.3 percent, also marginally above CPI of 2.9 percent. The Council's primary source of income was rates, averaging 78.3 percent of total income in the Historical Period and expected to be 80.9 percent of total income in the Forecast Period. The Council anticipates average rate income growth per annum (CAGR) to be 3.8 percent in the Forecast Period which includes growth in rateable properties at an average of 0.8 percent.

The proposed rate increase for 2025-26 is 3.4 percent for existing ratepayers,[49] which is above the forecast inflation for the year (3.1 percent[50]) but meets the Council's requirement for revenue to renew current infrastructure and provide service delivery at current standards.[51] It is unlikely that rates affordability will be an issue in the current, nor the Forecast Period, given the Council's SEIFA score.[52]

The Commission notes the Council's transparency demonstrated by its routine publication of detailed information including assumptions behind its decision-making.

49 The Barossa Council Annual Business Plan and Budget 2025/26, p. 33.

50 RBA data -forecast time series, available at: https://www.rba.gov.au/publications/smp/2025/aug/

51 The Barossa Council Annual Business Plan and Budget 2025/26, p. 28.

52 The Barossa area is ranked 62 among 71 South Australian '*local government areas*' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/latest-release

7 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Council's:

- achievement of plans to manage financial liabilities
- achievement of asset management plans
- implementation progress of 'The Big Project', and
- planning for the impact of the possible Concordia Growth area development, if the project is approved and proceeds.

8 Appendix: Glossary of terms

Term	Explanation
ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
ARFR	Asset Renewal Funding Ratio: renewal expenditure based (gross): Asset Renewal Expenditure / IAMP Renewal Expenditure (where IAMP expenditure includes sale of replaced assets) Asset Renewal Funding Ratio - renewal expenditure based (net) - if IAMP excludes sale of replaced assets: Asset Renewal Expenditure / IAMP Renewal Expenditure (where IAMP expenditure excludes sale of replaced assets) Asset Renewal Funding Ratio (depreciation based): Asset Renewal Expenditure / Depreciation (IAMP Renewal Expenditure is that required according to the IAMP.)
CAGR	Compound Annual Growth Rate: CAGR = $(Vfinal / Vbegin)^{1/t} - 1$ CAGR represents the mean annualized growth rate for compounding values over a given time period. CAGR smoothes the effect of volatility of periodic values that can render arithmetic means less meaningful. (Source: Wikipedia)
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	The Barossa Council
CWMS	Community Wastewater Management System
ESC Act	*Essential Services Commission Act 2002*
F&A	Local Government Advice: Framework and Approach – Final Report
FA Grants	Financial Assistance Grants (Commonwealth Government)
Forecast Period	10 years from 2025-26 to 2034-35
FTE	Full Time Equivalent
Historical Period	10 years from 2014-15 to 2023-24
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	*Local Government Act 1999*

Term	Explanation
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Pa per 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
NFLR	Net Financial Liabilities Ratio Net Financial Liabilities are defined as: Total Liabilities LESS Current Assets (Cash and Cash Equivalents) LESS Current Assets (Trade and Other Receivables) LESS Current Assets (Other Financial Assets) LESS Non-Current Assets (Financial Assets - excluding equity accounted investments in council businesses) The net financial liabilities ratio is: Net financial liabilities ÷ Total Operating Income
OSR	Operating Surplus Ratio The Operating Surplus (Deficit) is defined as: Total Operating Income LESS Total Operating Expenses The Operating Surplus Ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme

The Essential Services Commission
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GPO Box 2605 Adelaide SA 5001
T 08 8463 4444
E escosa@escosa.sa.gov.au | W www.escosa.sa.gov.au

BUDGETED FINANCIAL STATEMENTS

The following pages contain Council's budgeted financial statements, including the Nuriootpa Centennial Park Authority (NCPA), in a format consistent with the requirements of Regulation 5B of *the Local Government (Financial Management) Regulations*, comprising for the year ending 30 June 2027:

- **Statement of Comprehensive Income**
- **Statement of Financial Position**
- **Statement of Changes in Equity**
- **Statement of Cash Flows**
- **Uniform Presentation of Finances**

STATEMENT OF COMPREHENSIVE INCOME

For the year ending 30 June 2027

	2025-26 Original Budget ($'000)	2025-26 Forecast* ($'000)	2026-27 Budget ($'000)
Income			
Rates	42,019	42,116	44,278
Statutory Charges	907	916	972
User Charges	4,178	4,194	4,481
Grants, subsidies and contributions - Operating	4,853	2,898	4,153
Grants, subsidies and contributions - Capital	0	1,628	2,662
Investment Income	166	166	93
Reimbursements	155	234	177
Other Income	622	807	623
Net Gain – Joint Ventures and Associates	0	0	0
TOTAL REVENUES	52,900	52,959	57,439
Expenses			
Employee Costs	20,211	20,464	21,643
Materials, Contracts and Other Expenses	19,354	20,158	21,521
Depreciation, Amortisation and Impairment	11,615	12,423	12,812
Finance Costs	1,898	1,792	2,111
Net Loss – Joint Ventures and Associations	0	0	0
TOTAL EXPENSES	53,078	54,837	58,087
Operating Surplus / (Deficit)	(178)	(1,878)	(648)
Asset Disposal & Fair Value Adjustments	(915)	(967)	(3,070)
Amounts Received Specifically for New or Upgraded Assets	5,673	1,252	3,955
Physical Resources Received Free of Charge	2,400	2,400	2,728
Net Surplus / (Deficit)	6,980	807	2,965
Transferred to Equity Statement	0	0	0
Other Comprehensive Income	0	0	0
Changes in revaluation surplus - infrastructure, property, plant & equipment	0	11,683	13,586
Total Other Comprehensive Income	0	11,683	13,586
Total Comprehensive Income	6,980	12,490	16,551

* Forecast uses the second quarter revised budget and estimates for operating and capital expenditure to 30 June 2026 using the latest information available at 31 December 2025 including material financial information received since the draft budget was placed on public consultation.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2027

	2025-26 Original Budget ($'000)	2025-26 Forecast* ($'000)	2026-27 Budget ($'000)
Assets			
Current Assets			
Cash and Cash Equivalents	559	1,382	48
Trade and Other Receivables	3,237	2,963	2,952
Other Financial Assets	0	0	0
Inventories	125	239	245
Subtotal	3,921	4,584	3,245
Non-Current Assets Held for Sale	0	0	0
Total Current Assets	3,921	4,584	3,245
Non-current Assets			
Financial Assets	1,935	2,040	2,005
Equity Accounted Investments in Council Businesses	4,518	4,738	4,866
Infrastructure, Property, Plant and Equipment	501,518	527,414	558,086
Other Non-Current Assets	0	0	0
Total Non-current Assets	507,971	534,192	564,957
Total Assets	**511,892**	**538,776**	**568,202**
Liabilities			
Current Liabilities			
Trade and Other payables	5,382	4,482	4,522
Borrowings - Council	531	801	819
Borrowings - Community Organisations	306	207	207
Provisions	3,158	3,479	3,633
Total Current Liabilities	9,377	8,969	9,181
Non-Current Liabilities			
Trade and Other payables	0	1,636	1,597
Borrowings	40,460	33,392	42,736
Borrowings - Community Organisations	2,024	1,956	1,748
Provisions	722	815	850
Total Non-current Liabilities	43,206	37,799	46,931
Total Liabilities	**52,583**	**46,768**	**56,112**
Net Assets	**459,309**	**492,008**	**512,090**
Equity			
Accumulated Surplus	159,130	162,595	167,878
Asset Revaluation Reserve	287,098	314,112	327,698
Other Reserves	13,081	15,301	16,514
Total Equity	**459,309**	**492,008**	**512,090**

* Forecast uses the second quarter revised budget and estimates for operating and capital expenditure to 30 June 2026 using the latest information available at 31 December 2025 including material financial information received since the draft budget was placed on public consultation.

STATEMENT OF CHANGES IN EQUITY

For the year ending 30 June 2027

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
	($'000)	($'000)	($'000)	($'000)
Budgeted balance at end of previous reporting period 30 June 2025	163,242	314,112	15,301	492,655
Restated opening balance	162,664	314,112	15,301	492,077
Net Surplus / (Deficit) for year	(648)			(648)
Other Comprehensive Income	3,613	0	0	3,613
Gain on revaluation of infrastructure, property, plant		13,586	0	13,586
Transfer to accumulated surplus on sale of infrastructure, property, plant and equipment and adjustments	3,462	0	0	3,462
Transfer between reserves and adjustments	(1,213)	0	1,213	0
Balance at the End of Period	167,878	327,698	16,514	512,090

* Forecast uses the second quarter revised budget and estimates for operating and capital expenditure to 30 June 2026 using the latest information available at 31 December 2025 including material financial information received since the draft budget was placed on public consultation.

STATEMENT OF CASH FLOWS

For the year ending 30 June 2027

	2025-26 Original Budget ($'000)	2025-26 Forecast* ($'000)	2026-27 Budget ($'000)
Cash Flows from Operating Activities			
Receipts			
Operating Receipts	52,734	52,793	57,347
Investment Receipts	166	166	93
Payments			
Operating payments to Suppliers and Employees	(39,556)	(39,458)	(43,157)
LandFill rehabilitation expense	0	0	0
Finance Payments	(1,813)	(1,706)	(2,000)
Net Cash Provided by (or Used in) Operating Activities	11,531	11,795	12,283
Cash Flows from Investing Activities			
Receipts			
Amounts Specifically for New or Upgraded Assets	5,673	1,252	3,955
Sale of Replaced Assets	344	265	422
Repayments of Loans by Community Groups	118	108	101
Payments			
Expenditure on Renewal / Replacement of Assets	(13,623)	(8,821)	(12,821)
Expenditure on New / Upgraded Assets	(16,970)	(5,972)	(14,318)
Loans made to Community Groups	0	0	0
Net Cash Provided by (or Used in) Investing Activities	(24,458)	(13,168)	(22,661)
Cash Flows from Financing Activities			
Receipts			
Loans Received	10,000	2,700	9,650
Proceeds from Loans made to Community Groups	0	0	0
Receipt of Funds from Leases	0	0	0
Proceeds from Bonds and Deposits	0	0	0
Proceeds from Internal Borrowings	0	0	0
Payments			
Repayments of Borrowings	(787)	(787)	(607)
Repayment Lease Liabilities	(7)	(7)	0
Repayment of Bonds and Deposits	0	0	0
Repayment of Internal Borrowings	0	0	0
Net Cash Provided by (or Used in) Financing Activities	9,206	1,906	9,043
Net Increase / (Decrease) in Cash Held	(3,721)	533	(1,335)
Cash and Cash Equivalents at Beginning of Period	4,280	849	1,382
Cash and Cash Equivalents at End of Period	559	1,382	47

* Forecast uses the second quarter revised budget and estimates for operating and capital expenditure to 30 June 2026 using the latest information available at 31 December 2025 including material financial information received since the draft budget was placed on public consultation.

UNIFORM PRESENTATION OF FINANCES

For the year ending 30 June 2027

The following is a high-level summary of both operating and capital investment activities of the Council prepared in a uniform and consistent basis.

All Councils in South Australia voluntarily have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangement ensures that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2025-26 Original Budget ($'000)	2025-26 Forecast* ($'000)	2026-27 Budget ($'000)
Income	52,900	52,959	57,439
Less Expenses	(53,078)	(54,837)	(58,087)
Operating Surplus / (Deficit)	(178)	(1,878)	(648)
Less Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	(13,623)	(8,821)	(12,821)
Less Depreciation, Amortisation and Impairment	11,615	12,423	12,812
Less Proceeds from Sale of Replaced Assets	344	265	422
	(1,664)	3,867	413
Less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	(16,970)	(5,972)	(14,318)
Less Amounts Received Specifically for New and Upgraded Assets	5,673	1,252	3,955
Less Proceeds from Sale of Surplus Assets	0	0	0
	(11,297)	(4,720)	(10,363)
Net Lending / (Borrowing) for Financial Year	(13,139)	(2,731)	(10,598)

* Forecast uses the second quarter revised budget and estimates for operating and capital expenditure to 30 June 2026 using the latest information available at 31 December 2025 including material financial information received since the draft budget was placed on public consultation.

New header page – Long Term Financial Plan 2026-27 to 2035-36

ASSUMPTIONS AND FINANCIAL INDICATORS

Under the *Local Government Act 1999*, Councils are required to have a **Long-Term Financial Plan (LTFP)** for a minimum period of 10 years. This Long-Term Financial Plan (LTFP) has been declared by The Barossa Council as a Strategic Management Plan pursuant to Section 122(8) of the *Local Government Act 1999*. This document reflects the annual review of Council's LTFP and acts as a starting reference point in the formulation of Council's Annual Business Plan and Budget 2026-27.

The LTFP is designed as a high-level document that summarises the future planning of Council's financial operations – particularly in relation to key components such as rate movements, service levels to our community, major infrastructure asset replacement/renewal, loan indebtedness and internal cash reserves.

On this basis and given the high-level nature of the document, the LTFP has been developed based on a number of key assumptions previously discussed and endorsed by Council. Further, Council has also previously endorsed a number of strategic financial policies which have driven the formulation of the LTFP.

Section 122 of the *Local Government Act 1999* also prescribes that Councils must have a Long-Term Infrastructure and Asset Management Plan to guide the future replacement, renewal and maintenance of our significant fixed asset base. Council's Infrastructure and Asset Management Plan (IAMP) was adopted by Council in November 2024, with an ongoing review process to provide improved asset data and information.

Consequently, in recognition of this, it is appropriate that a cautious and conservative approach be undertaken with financial modelling as part of the update to the LTFP.

With a significant fixed asset base being predominantly comprised of major community infrastructure such as roads, footpaths, stormwater drainage and community wastewater management systems, it is imperative that there is an appropriate link and consistency between the IAMP and the LTFP, to ensure the LTFP provides for the necessary capital outlays (as identified in the IAMP) for the renewal and replacement of existing community assets – herein referred to as 'non-discretionary' capital expenditure.

GENERAL ASSUMPTIONS

- The LTFP has been prepared to measure and check financial sustainability for Council and its component operations.
- The LTFP reflects existing recurrent service levels to our community being maintained. Council's budget process considers on-going service delivery and commitments and new expenditure items or initiatives.
- The LTFP has now been updated to include the Concordia growth area development financial estimates.
- 92% of the capital program is achieved and the remaining 8% is carried forward as works in progress or not commenced. The cash flow estimates align to the 92% capital program spend. Historically this is the upper performance outcome.
- The LTFP makes provision for ongoing Financial Assistance Grants and indexation at the trimmed RBA indexation rate.
- The LTFP investment in new infrastructure under The Big Project (Councils intergeneration community infrastructure strategy) assumes a 60% Council and 40% third party funding split for capital development costs.

OPERATIONS

- General rate revenue and service charge increments have been reviewed to ensure funding and service level provision is maintained in line with sustainability requirements.
- Operating costs for employees, contractors and materials have been based on a recalculation of budgets based on current expenditure trends, contractual arrangements and estimates for inflation and other cost growth.

- Depreciation has been calculated on existing asset classes, structures, valuation, and condition rating; asset componentisation has been included as appropriate to selected asset types. A review of useful lives, asset condition and replacement cost of all assets and components is an ongoing task refining the data.
- The LTFP assumes that the Federal Government budget will continue to supplement South Australia road funding application through Supplementary Road Funding at $235,000 per annum.
- The Roads to Recovery (RTR) grant funded program will continue for the forward estimates.
- Full Cost Attribution - an allocation of internal services to relevant charge areas has been allocated in the LTFP. This allocation from internal to external service areas does not affect the overall net result.
- Provisions have been estimated for the forward years of salary and wage growth due to increased population and support costs for growth infrastructure that is being or planned to be built.
- An efficiency and saving dividend of 1% has been applied to those expenses not linked to a contract indexed annually by CPI.

CAPITAL

- Asset renewal and/or replacement expenditure is provided for on various buildings, recreation, transport, stormwater, bridge, CWMS and plant & equipment assets providing for future needs. The estimates are based upon the November 2024 adopted IAMP.
- Infrastructure programs for upgrading existing assets including roads, recreation and open space, bike path, bridges, carparks, footpath program, stormwater and the continuous improvement program is budgeted at $13.169m in 2026-27.
- Infrastructure programs for new assets (not gifted assets) including roads, recreation and open space, bike path, bridges, carparks, footpath program, stormwater and the continuous improvement program is budgeted at $15.043m in 2026-27.
- Capital estimates have an escalation rate applied where applicable that is 10% greater than that applied to operating costs based on the RBA trimmed inflation index.

LOAN PRINCIPAL AND INTEREST REPAYMENTS

- Council's related borrowings and loan debt is predicted to peak at $48.899m in 2033-34.
- Council is budgeted to be guarantor to an additional $1.955m in loans to community groups in 2026-27.
- Total outstanding loans at the end of the 10-year long term financial plan period as at 30 June 2037 is $35.503m, of which $0.151m is for loans Council acts as guarantor on for community groups based on the current assumptions and service level policy settings of Council.
- Financing cost will increase in 2026-27 from the current interest cover percentage of 3.38% of revenue in 2025/26 to 3.68% of revenue in 2026/27 in support of growth infrastructure development and will reduce to 1.79% by 30 June 2037.

FINANCIAL SUSTAINABILITY PERFORMANCE CHIEF EXECUTIVE OFFICER REPORT – BASED ON CURRENT POLICY AND SERVICE LEVEL SETTINGS OF COUNCIL

- KPI 1: Operating surplus:
    - A operating deficit is budgeted for three years of the LTFP 2026-27, 2027-28 and 2028-29 with a combined total of $1.312m against revenue over the same period of $180.846m.
    - The LTFP returns to an operating surplus in 2029-30, with a surplus of $742,000 budgeted.
    - All future years are budgeting an operating surplus, with an accumulated surplus over 10 years as at the end of the 2036-37 financial year totalling $12.284m.
    - The general rate increase for 2026-27 is outlined in the business plan and budget above, 2027-28 and 2028-29 is 4.25%, 3.00% for 2029-30, 2.75% for 2030-31, 2.50% for the remainder of the

plan. Growth in future revenues from new property development is estimated at between 1.5% and 0.5% excluding Concordia growth.

  - Concordia growth area revenues over the life of the plan commence in the 2027-28 financial year and total $50.802m

- KPI 2: Operating surplus ratio average over 3 years:
  - Council's forecast retrospective operating result ranges from (1.9%) deficit to 2.8% surplus during this plan.
  - Annual surplus ratios range from (1.1%) deficit to 3.6% surplus.
- KPI 3: Net financial liabilities.
  - The forecast is 89.0% in 2026-27 and is budgeted to decrease to 46.5% by 2036-37.
- KPI 4: Asset Renewal Funding Ratio.
  - The average being 118.6% over the budget year and forward ten-year plan when measured against the adopted Infrastructure and Asset Management Plans.
- Council has reviewed its financial parameters for the LTFP including the indexation used for forward projections on income and expenditure.
- In line with Council Policy a regular review of Council's treasury management is undertaken to ensure a positive cash position is maintained.

This years annual business plan and long term financial plan has incorporated the best estimates available at the conclusion of the March 2026 financial year quarter 3 for the Concordia Development Area. The Concordia Growth Area is a significant property development of 12,000 allotments with the first properties estimated to be released in 2027-28.

The key performance indicators are all within the target ranges indicating a financially sustainable position over the 10-year period of the LTFP based on the current policy and service levels set by the elected body. Council has the capacity to undertake growth asset construction, operational costs and other minor additional projects along with consideration of other major works in future years.

FINANCIAL SUSTAINABILITY

The Barossa Council is committed to the principles of financial sustainability. The importance of this is to ensure that each generation 'pays their way', rather than any generation 'living off their assets' and leaving it to future generations to address the issue of repairing worn out infrastructure. Such issues are frequently referred to as 'intergenerational equity'.

With community infrastructure such as recreation and sporting facilities, roads, footpaths and stormwater drainage comprising a major proportion of Council's balance sheet, it is important that Council implements appropriate strategies for the effective maintenance and renewal of such assets to ensure it is fairly and equitably funded from current ratepayers (general rate income) and future ratepayers (long-term loan borrowings).

Given the importance of ensuring financial sustainability of operations in the longer term, it is a legislative requirement that Council adopt a LTFP and IAMP (minimum 10 years) as part of future planning.

The LTFP is designed as a high-level summarised document for the future planning of Council's financial operations, particularly in relation to key components such as rate movements, service levels to our community, major infrastructure asset replacement/renewal, loan financing and internal cash reserves. Council conducts an annual review of its LTFP each year.

The financial sustainability of Council is measured by the surplus/deficit (before capital revenues) disclosed in the Statement of Comprehensive Income, with a consistent breakeven or operating surplus result indicative of a Council that is financially sustainable in the long-term. Other financial sustainability indicators are separately included within this report.

FUNDING PLAN

Council uses a mix of service, user and statutory charges, grants, commercial, other income and loan financing as a means of funding both operating and capital expenditure. Refer to the appendix for funding the long-term indexation, financial assumptions and estimates and the review of financial indicators.

All key financial performance indicators are met in each year of the financial plan and on totality of the ten-year plan.

To assist in keeping rates affordable whilst delivering current service levels and consulted upon and adopted growth and new assets Council plans to generate general rates income and predicts the following increases over the ten-year plan:

- For year 2026-27, as outlined in the Annual Business Plan and Budget above.
- For year 2027-28 at 4.25%
- For the year 2028-29 at 4.25%.
- For the year 2029-30 at 3.00%.
- For the year 2030-31 at 2.75%
- For the years 2031-31 to 2036-37 at 2.50%
- The above estimates do not include new properties - the growth estimates for additional income are 1% with this decreasing to 0.5% from 2035-36.

Selected service areas use services charges and service rates to recover the cost, including - Waste services for Refuse, Recycling and Green Organic future years range from 4% to 3.5%; and CWMS service charges will increase in future years ranging from 3.5% to 2.75%.

Other income changes funding the expenditure of Council are:

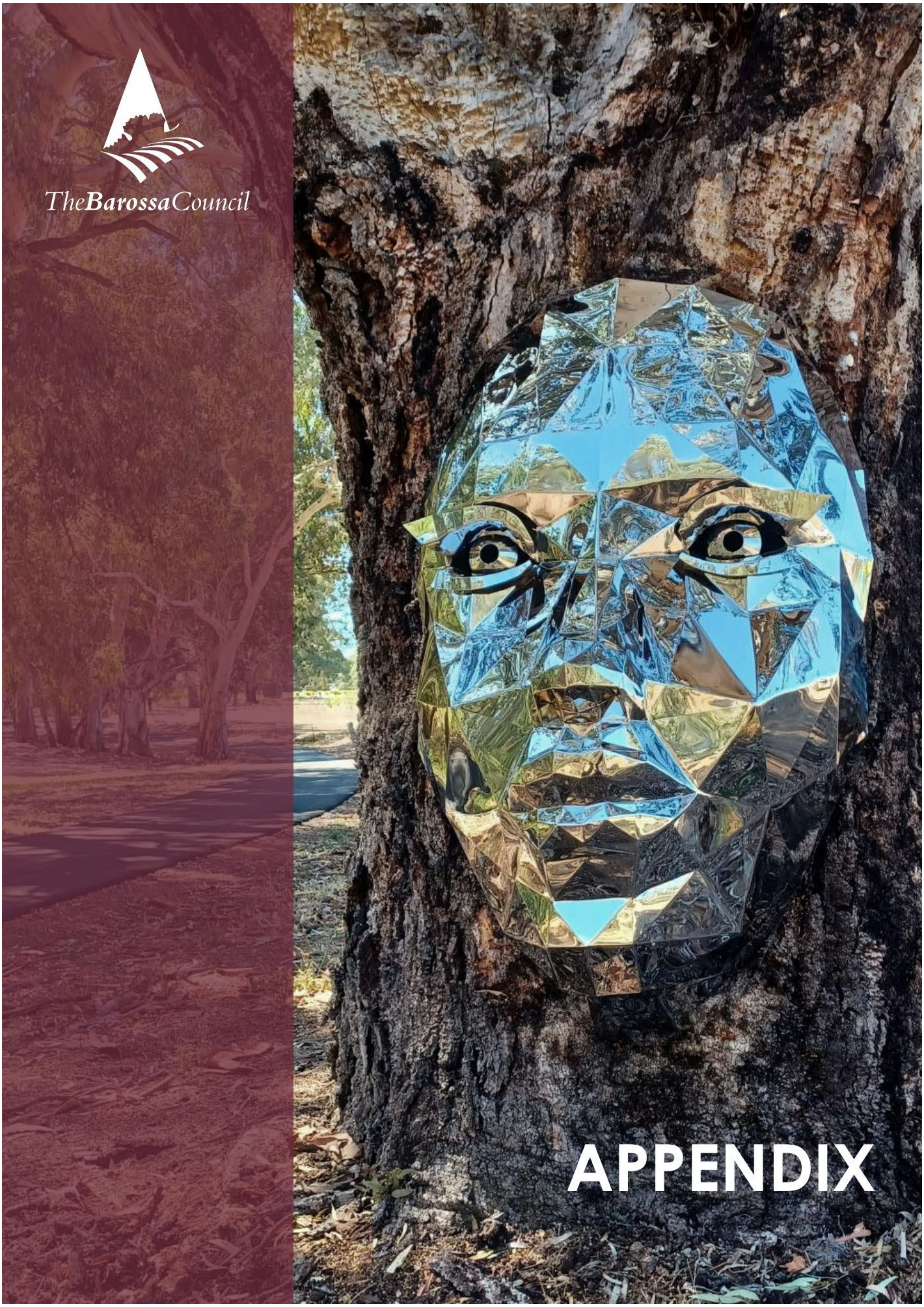
- General income from commercial activities and user charges such as caravan park, development fees and the like are estimated to increase at 2.7%.
- Recurrent grants are based on known factors. Where the grant is subject to indexation 2.7% has been applied.

Council is planning to spend an average of $21.224m per annum (including indexation) on capital expenditure and projects and an average of $53.164m per annum on day-to-day services (operational expenditure, excluding interest and depreciation but including indexation) over the next 10 years to 2036-37.

OUR FINANCIAL PRINCIPLES

As part of its commitment to financial sustainability, Council operates under the following key financial principles in preparing the Annual Business Plan:

- Ongoing education and training such that all Elected Members and staff understand and fulfil their financial governance responsibilities.
- Policies and practices that support decision making and assessment of performance.
- Budget and financial information is presented at a strategic level, succinct and easy to follow.
- Budget and financial information is based on the LTFP.
- The Asset Management Plans are maintained and reflect whole of life costs.
- The rating strategy is equitable and generates sufficient revenue to meet financial needs.
- Financial performance is managed using suitable financial indicators and targets.
- A robust audit and internal control process is in place to ensure effective financial and governance compliance.
- Information provided to the community is open, transparent and relevant.



The Barossa Council

APPENDIX

APPENDIX 1: KEY PERFORMANCE INDICATORS AND FINANCIAL PARAMETERS 2026-27 TO 2036-37

Consolidated Results: Key Performance Indicators and Financial Parameters		2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
		Q2 Review	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
		$'000 or %	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**	**$'000 or %**
Key Performance Indicators (KPI's) - Summary	Adopted target												
KPI 1 - Operating Surplus cumulative forward 10 year period	**Surplus year 10**	(1,878)	(648)	(1,227)	(1,312)	(570)	457	1,856	3,150	4,908	6,339	8,990	12,284
KPI 2 - Operating Surplus Ratio - Rolling 3 year - retrospective average	**(2%) to 10%**	(1.7%)	(1.2%)	(1.9%)	(0.7%)	0.0%	0.8%	1.5%	1.7%	2.0%	1.9%	2.3%	2.8%
KPI 2 - Operating Surplus Ratio - Rolling 5 year - retrospective average	**(2%) to 10%**	3.0%	(0.8%)	(1.4%)	(1.0%)	(0.9%)	0.1%	0.7%	1.2%	1.7%	1.8%	2.1%	2.5%
KPI 2 - Operating Surplus Ratio - Annual	**(4%) to 10%**	(3.5%)	(1.1%)	(1.0%)	(0.1%)	1.1%	1.5%	1.9%	1.7%	2.2%	1.7%	3.1%	3.6%
KPI 3 - Net Financial Liabilities ratio	**0-100%**	76.2%	89.0%	84.8%	87.2%	79.6%	68.4%	76.5%	73.0%	70.7%	64.1%	56.3%	46.5%
KPI 4 - Asset Renewal Funding Ratio - Annual - Using Asset Management Plan Forecast	**80% to 110%**	97.6%	157.9%	134.2%	113.5%	134.0%	136.0%	130.9%	100.6%	104.1%	95.3%	91.9%	106.0%
Financial parameters - Indexation													
RATE REVENUE INCREASES		Not Applicable	Included in Draft Budget										
General - Rate Revenue Net Increase (excl growth)				4.25%	4.25%	3.00%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Growth -Development - General rates				1.50%	1.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	0.50%	0.50%
CWMS - Service Charge & Rates Increase (+ growth 0.5-1.5%)				3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	2.75%	2.75%	2.75%
Refuse, Recycling and Green Organic Services Charge Net Increase (excl growth)				4.00%	4.00%	4.00%	4.00%	4.00%	3.50%	3.50%	3.50%	4.00%	3.50%
OPERATING REVENUE													
Operating Grants				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Statutory Charges				2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
User Charges				2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Investment Income				1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Reimbursements				2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Other Revenue				2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
OPERATING EXPENSES													
Service Cost Natural Growth				0.2%	0.2%	0.2%	0.3%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
Employee Costs				4.5%	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Contracts, Materials & Other - General Budget				2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Contracts, Materials & Other - Waste Services				3.2%	3.0%	3.0%	3.2%	3.2%	3.2%	4.0%	4.0%	3.3%	3.3%
Energy Costs				3.3%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Water Costs				3.3%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Debenture & Cash Advance Loan interest rate				6.1%	5.9%	5.6%	5.4%	5.1%	4.9%	4.9%	4.9%	4.9%	4.9%
Insurance				3.2%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
ASSET REVALUATION													
Land Assets				3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Building Assets				2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Recreation Assets				2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Infrastructure Assets				2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
CWMS				2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Stormwater Assets				2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Equipment Assets				2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
ASSET RENEWAL EXPENDITURE													
Infrastructure renewal increments				2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Office fleet vehicles				2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%

APPENDIX 2: LONG-TERM PLAN FINANCIAL STATEMENTS 2026-27 TO 2036-37

A2-1 Consolidated Results: Budgeted Statement of Comprehensive Income	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	Q2 Review	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
REVENUES												
Rates	42,116	44,278	47,253	50,538	53,293	56,052	58,808	61,652	64,611	67,548	71,188	75,044
Statutory Charges	916	972	1,119	1,346	1,571	1,634	1,657	1,706	1,760	1,796	2,003	2,338
User Charges	4,194	4,481	4,672	4,795	4,921	5,051	5,184	5,320	5,460	5,604	5,752	5,903
Grants, subsidies and contributions - Operating	2,898	4,153	4,312	4,490	4,669	4,849	5,035	5,228	5,427	5,589	5,755	5,927
Grants, subsidies and contributions - Capital	1,628	2,662	2,250	970	970	966	966	966	966	966	966	966
Investment Income	166	93	95	98	101	104	107	110	113	116	120	123
Reimbursements	234	177	90	79	68	58	47	35	24	14	7	5
Other Income	807	623	638	662	687	712	738	766	794	822	862	903
Net Gain - Joint Venture	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME	52,959	57,439	60,429	62,978	66,280	69,426	72,542	75,783	79,155	82,455	86,653	91,209
EXPENSES												
		3.68%										
Employee Costs	20,464	21,643	22,790	23,929	24,867	25,792	26,754	27,776	28,830	29,870	31,355	32,953
Materials, Contracts & Other expenses	20,158	21,521	22,322	22,560	23,535	24,830	25,765	26,886	28,081	29,790	30,699	32,254
Depreciation, Amortisation & Impairment	12,423	12,812	13,305	14,019	14,656	15,686	16,520	17,576	18,235	19,233	20,015	21,072
Finance Costs	1,792	2,111	2,591	2,555	2,480	2,091	2,104	2,251	2,251	2,131	1,933	1,636
Net loss - Joint Venture	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	54,837	58,087	61,008	63,063	65,538	68,399	71,143	74,489	77,397	81,024	84,002	87,915
OPERATING SURPLUS / (DEFICIT)	(1,878)	(648)	(579)	(85)	742	1,027	1,399	1,294	1,758	1,431	2,651	3,294

APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2026-27 TO 2036-37

A2-2 Consolidated Results: Budgeted Statement of Financial Position	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	Q2 Review	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
ASSETS												
Current Assets												
Cash and cash equivalents	1,382	47	65	25	52	42	34	64	56	99	62	105
Trade & other receivables	2,963	2,952	2,941	2,930	2,920	2,909	2,897	2,886	2,876	2,869	2,867	2,866
Inventories	239	245	252	258	265	272	279	286	293	301	308	316
	4,584	3,244	3,258	3,213	3,237	3,223	3,210	3,236	3,225	3,269	3,237	3,287
Non-Current Assets held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	4,584	3,244	3,258	3,213	3,237	3,223	3,210	3,236	3,225	3,269	3,237	3,287
Non-Current Assets												
Financial Assets	2,040	2,005	1,975	1,956	1,946	1,948	1,961	1,986	2,021	2,064	2,110	2,157
Equity accounted investments in Council businesses	4,738	4,866	5,002	5,133	5,266	5,403	5,543	5,687	5,835	5,987	6,143	6,302
Infrastructure, Property, Plant & Equipment	527,414	558,086	573,158	593,262	612,314	628,064	662,223	684,394	709,821	731,533	755,261	773,693
Other Non-Current Assets and Works In Progress	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	534,192	564,957	580,135	600,351	619,526	635,415	669,727	692,067	717,677	739,584	763,514	782,152
TOTAL ASSETS	538,776	568,201	583,393	603,564	622,763	638,638	672,937	695,303	720,902	742,853	766,751	785,439
LIABILITIES												
Current Liabilities												
Trade & Other Payables	4,482	4,522	4,561	4,599	4,637	4,674	4,711	4,747	4,782	4,817	4,850	4,884
Borrowings - Council	801	819	617	2,270	5,481	217	212	205	3,100	4,202	6,448	-
Borrowings - Commnity Organisations	207	207	196	201	206	217	212	205	150	52	48	49
Provisions	3,479	3,633	3,793	3,922	4,019	4,118	4,219	4,323	4,430	4,539	4,651	4,766
Total Current Liabilities	8,969	9,181	9,167	10,992	14,343	9,226	9,354	9,480	12,462	13,610	15,997	9,699
Non-Current Liabilities												
Trade & Other Payables	1,636	1,597	1,559	1,522	1,486	1,451	1,416	1,382	1,349	1,317	1,286	1,255
Borrowings (Internal from CWMS)	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings - Council	33,392	42,736	43,086	45,073	39,793	39,782	47,886	47,894	45,799	41,746	35,351	35,399
Borrowings - Commnity Organisations	1,956	1,748	1,541	1,345	1,144	938	722	509	305	155	103	55
Provisions	815	850	888	917	940	963	986	1,010	1,035	1,061	1,087	1,113
Total Non-Current Liabilities	37,799	46,931	47,074	48,857	43,363	43,134	51,010	50,795	48,488	44,279	37,827	37,822
TOTAL LIABILITIES	46,768	56,112	56,241	59,849	57,706	52,360	60,364	60,275	60,950	57,889	53,824	47,521
NET ASSETS	492,008	512,089	527,152	543,715	565,057	586,278	612,573	635,028	659,952	684,964	712,927	737,918
EQUITY												
Accumulated Surplus	162,595	167,877	167,973	169,495	174,180	180,567	192,027	197,191	202,938	208,128	214,917	218,701
Asset Revaluation Reserve	314,112	327,698	342,619	357,054	372,047	387,590	403,593	420,542	438,112	456,405	475,310	494,885
Other Reserves	15,301	16,514	16,560	17,166	18,830	18,121	16,953	17,295	18,902	20,431	22,700	24,332
TOTAL EQUITY	492,008	512,089	527,152	543,715	565,057	586,278	612,573	635,028	659,952	684,964	712,927	737,918

APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2026-27 TO 2036-37

A2-3 Consolidated Results: Budgeted Statement of Cash Flows	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	Q2 Review	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
CASH FLOWS FROM OPERATING ACTIVITIES												
Receipts:												
Operating receipts	52,793	57,347	60,334	62,880	66,180	69,321	72,434	75,672	79,043	82,339	86,534	91,086
Investment receipts	166	93	95	98	101	104	107	110	113	116	120	123
Payments:												
Operating payments to suppliers & employees	(39,458)	(43,157)	(45,101)	(46,480)	(48,395)	(50,616)	(52,512)	(54,654)	(56,903)	(59,652)	(62,047)	(65,200)
Finance payments	(1,706)	(2,000)	(2,423)	(2,568)	(2,506)	(2,226)	(2,100)	(2,200)	(2,251)	(2,173)	(2,002)	(1,739)
Net cash provided by (or used in) Operating Activities	11,795	12,283	12,905	13,930	15,380	16,583	17,929	18,928	20,002	20,630	22,605	24,270
CASH FLOW FROM INVESTING ACTIVITIES												
Receipts:												
Amounts specifically for new or upgraded assets	1,252	3,955	500	20	3,770	4,043	6,289	3,068	2,998	2,766	3,363	20
Sale of replaced assets	265	422	566	716	668	512	424	589	447	459	471	653
Repayment of loans by community organisations	108	101	90	79	68	58	47	35	24	14	7	5
Payments:												
Expenditure on renewal/replacement of assets	(8,821)	(12,821)	(11,068)	(11,063)	(10,752)	(10,956)	(11,539)	(10,710)	(10,962)	(11,283)	(11,233)	(13,149)
Expenditure on new/upgraded assets	(5,972)	(14,318)	(2,907)	(7,158)	(6,837)	(4,769)	(21,041)	(11,668)	(13,112)	(9,443)	(11,048)	(5,308)
Loans made to community organisations	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by (or used in) Investment Activities	(13,168)	(22,661)	(12,819)	(17,406)	(13,083)	(11,112)	(25,820)	(18,686)	(20,605)	(17,487)	(18,440)	(17,779)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts:												
Proceeds from borrowings for Council	2,700	9,650	550	3,950	0	0	8,100	0	800	0	0	0
Proceeds from borrowings for Community Organisations	0	0	0	0	0	0	0	0	0	0	0	0
Receipt of Funds from Leases	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Bonds and Deposits	0	0	0	0	0	0	0	0	0	0	0	0
Payments:												
Repayment of borrowings	(787)	(607)	(618)	(514)	(2,270)	(5,481)	(217)	(212)	(205)	(3,100)	(4,202)	(6,448)
Repayment of Lease	(7)	0	0	0	0	0	0	0	0	0	0	0
Repayment of Bonds and Deposits	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by (or used in) Financing Activities	1,906	9,043	(68)	3,436	(2,270)	(5,481)	7,883	(212)	595	(3,100)	(4,202)	(6,448)
Net Increase/(Decrease) in Cash held	533	(1,335)	18	(40)	27	(10)	(8)	30	(8)	43	(37)	43
Cash at beginning of period	849	1,382	47	65	25	52	42	34	64	56	99	62
CASH AT END OF PERIOD	1,382	47	65	25	52	42	34	64	56	99	62	105

APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2026-27 TO 2036-37

A2-4 Consolidated Results: Budgeted Statement of Changes in Equity	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	Q2 Review	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Accumulated Surpluses												
Opening Balance	137,829	162,595	167,877	167,973	169,495	174,180	180,567	192,027	197,191	202,938	208,128	214,917
Net Surplus / (Deficit) for the Financial Year	807	2,965	6,495	8,352	10,847	10,111	12,760	10,816	11,191	9,679	20,050	17,585
Net Transfers In/(Out) of Reserve and Adjustments	23,959	2,317	(6,399)	(6,830)	(6,162)	(3,724)	(1,300)	(5,652)	(5,443)	(4,489)	(13,261)	(13,801)
Closing Balance	162,595	167,877	167,973	169,495	174,180	180,567	192,027	197,191	202,939	208,128	214,917	218,701
Asset Revaluation Reserve												
Opening Balance	302,429	314,112	327,698	342,619	357,054	372,047	387,590	403,593	420,542	438,112	456,405	475,310
Net Changes in Asset Valuations Increase / (Decrease)	11,683	13,586	14,921	14,436	14,993	15,543	16,003	16,949	17,570	18,293	18,906	19,574
Closing Balance	314,112	327,698	342,619	357,054	372,047	387,590	403,593	420,542	438,112	456,405	475,310	494,885
Other Reserves												
Opening Balance	17,042	15,301	16,514	16,560	17,166	18,830	18,121	16,953	17,295	18,902	20,431	22,700
Net Transfers In/(Out) of Reserve	(1,741)	1,213	46	606	1,664	(709)	(1,168)	342	1,607	1,529	2,269	1,632
Closing Balance	15,301	16,514	16,560	17,166	18,830	18,121	16,953	17,295	18,902	20,431	22,700	24,332
Total Equity at the End of the Financial Year	492,008	512,089	527,152	543,715	565,057	586,278	612,573	635,028	659,953	684,964	712,927	737,918

APPENDIX 2: LONG TERM PLAN FINANCIAL STATEMENTS 2026-27 TO 2036-37

A2-5 Consolidated Results: Budgeted Uniform Presentation of Finances	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	Q2 Review	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Operating Revenues	52,959	57,439	60,429	62,978	66,280	69,426	72,542	75,783	79,155	82,455	86,653	91,209
less Operating Expenses	(54,837)	(58,087)	(61,008)	(63,063)	(65,538)	(68,399)	(71,143)	(74,489)	(77,397)	(81,024)	(84,002)	(87,915)
Operating Surplus / (Deficit)	(1,878)	(648)	(579)	(85)	742	1,027	1,399	1,294	1,758	1,431	2,651	3,294
***less* Net outlays on existing Assets**												
Capital expenditure on renewal and replacement of existing assets	(8,821)	(12,821)	(11,068)	(11,063)	(10,752)	(10,956)	(11,539)	(10,710)	(10,962)	(11,283)	(11,233)	(13,149)
less Depreciation, Amortisation and Impairment	12,423	12,812	13,305	14,019	14,656	15,686	16,520	17,576	18,235	19,233	20,015	21,072
less Proceeds from Sale of Replaced Assets	265	422	566	716	668	512	424	589	447	459	471	653
	3,867	413	2,803	3,672	4,572	5,242	5,405	7,455	7,720	8,409	9,253	8,576
***less* Net outlays on New and Upgraded Assets**												
Capital expenditure on New and Upgraded Assets	(5,972)	(14,318)	(2,907)	(7,158)	(6,837)	(4,769)	(21,041)	(11,668)	(13,112)	(9,443)	(11,048)	(5,308)
less Amounts received specifically for New and Upgraded Assets	1,252	3,955	500	20	3,770	4,043	6,289	3,068	2,998	2,766	3,363	20
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0	0
	(4,720)	(10,363)	(2,407)	(7,138)	(3,067)	(726)	(14,752)	(8,600)	(10,114)	(6,677)	(7,685)	(5,288)
Net Lending / (Borrowing) for Financial Year	(2,731)	(10,598)	(183)	(3,551)	2,247	5,543	(7,948)	149	(636)	3,163	4,219	6,582

APPENDIX 3: CAPITAL EXPENDITURE 2026-27 TO 2036-37

A3 Consolidated Results: Budgeted Capital Expenditure	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	Q2 Review	**Budget**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**	**LTFP**
	$' 000	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**
Renewal/Replacement Capital summary: Non-Discretionary												
Land	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	2,171	5,246	2,351	3,222	3,088	1,379	1,407	1,432	1,457	1,705	1,787	2,046
Recreation	463	293	452	469	485	503	529	552	577	601	631	858
Transport - Roads & Footpaths	3,931	3,976	5,454	4,797	4,989	6,880	7,155	5,996	6,237	6,313	6,549	7,175
Stormwater, Bridges & Floodplain	613	1,532	2	96	359	374	396	416	437	458	485	707
CWMS	1,418	419	1,079	873	428	433	963	1,069	966	991	497	1,012
Equipment - Plant & Vehicles	934	1,644	1,518	1,546	1,316	1,345	1,077	1,110	1,245	1,176	1,211	1,246
Other Assets	58	58	58	59	59	60	62	63	65	66	68	270
	9,588	13,169	10,914	11,062	10,724	10,974	11,589	10,638	10,984	11,310	11,228	13,314
New/Upgrade Capital summary: Discretionary												
Land	0	0	0	0	0	0	3,475	0	3,658	0	578	0
Buildings (includes TBP program)	1,123	13,323	0	5,625	5,625	682	0	0	2,432	2,242	3,900	0
Recreation (includes TBP program)	1,087	387	64	66	68	70	14,551	7,187	2,236	2,078	2,112	367
Transport - Roads & Footpaths	695	856	783	291	299	308	300	309	3,175	3,011	2,746	1,178
Stormwater, Bridges & Floodplain	122	322	257	265	405	416	427	439	451	464	477	690
CWMS	2,053	130	784	533	35	2,531	2,581	1,081	81	81	81	350
Equipment - Plant & Vehicles	555	0	0	0	250	280	811	844	877	912	949	987
Other	855	26	26	747	128	303	310	994	327	335	344	1,237
	6,490	15,043	1,914	7,527	6,810	4,590	22,455	10,854	13,237	9,123	11,187	4,809
Total Capital Expenditure	16,078	28,213	12,828	18,589	17,534	15,564	34,044	21,492	24,221	20,433	22,415	18,123
Note: includes internal allocation												

APPENDIX 4: RECONCILIATION OF CAPITAL INVESTMENT WITH INFRASTRUCTURE AND ASSET MANAGEMENT PLAN 2026-27 TO 2036-37

A4 - Reconciliation of Capital Expenditue with Infrastructure and Asset Management Plan	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	10 Year Forecast + Budget
LONG TERM FINANCIAL PLAN SETTINGS	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**
Renewal/Replacement Capital summary													
Land	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Buildings	2,171	5,246	2,351	3,222	3,088	1,379	1,407	1,432	1,457	1,705	1,787	2,046	**25,120**
Recreation	463	293	452	469	485	503	529	552	577	601	631	858	**5,950**
Transport - Roads & Footpaths	3,931	3,976	5,454	4,797	4,989	6,880	7,155	5,996	6,237	6,313	6,549	7,175	**65,521**
Stormwater, Bridges & Floodplain	613	1,532	2	96	359	374	396	416	437	458	485	707	**5,262**
CWMS	1,418	419	1,079	873	428	433	963	1,069	966	991	497	1,012	**8,730**
Equipment - Plant & Vehicles	934	1,644	1,518	1,546	1,316	1,345	1,077	1,110	1,245	1,176	1,211	1,246	**14,434**
Other Assets including Technology and Carparks	58	58	58	59	59	60	62	63	65	66	68	270	**888**
Sub-total Renewal and Replacement	9,588	13,169	10,914	11,062	10,724	10,974	11,589	10,638	10,984	11,310	11,228	13,314	**125,906**
Upgrade Capital summary													
Land	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Buildings (includes TBP program)	-241	453	0	0	0	682	0	0	0	0	0	0	**1,135**
Recreation (includes TBP program)	647	387	64	66	68	70	1,676	74	76	78	81	283	**2,923**
Transport - Roads & Footpaths	95	500	500	0	0	0	0	0	0	0	0	200	**1,200**
Stormwater, Bridges & Floodplain	122	322	257	265	405	416	427	439	451	464	477	690	**4,613**
CWMS	2,053	130	784	533	35	31	81	81	81	81	81	350	**2,268**
Equipment - Plant & Vehicles	90	0	0	0	0	0	0	0	0	0	0	0	**0**
Other Assets including Technology and Carparks	443	26	26	747	28	201	205	886	217	222	228	1,118	**3,904**
Sub-total Upgrade	3,208	1,818	1,631	1,611	536	1,400	2,389	1,480	825	845	867	2,641	**16,043**
Total Capital Expenditure on Existing Assets	12,796	14,987	12,545	12,673	11,260	12,374	13,978	12,118	11,809	12,155	12,095	15,955	**141,949**
New Capital summary													
Land	0	0	0	0	0	0	3,475	0	3,658	0	578	0	**7,712**
Buildings (includes TBP program)	1,364	12,870	0	5,625	5,625	0	0	0	2,432	2,242	3,900	0	**32,695**
Recreation (includes TBP program)	440	0	0	0	0	0	12,875	7,113	2,160	2,000	2,031	84	**26,263**
Transport - Roads & Footpaths	600	355	283	291	299	308	300	309	3,175	3,011	2,746	978	**12,053**
Stormwater, Bridges & Floodplain	0	0	0	0	0	0	0	0	0	0	0	0	**0**
CWMS	0	0	0	0	0	2,500	2,500	1,000	0	0	0	0	**6,000**
Equipment - Plant & Vehicles	465	0	0	0	250	280	811	844	877	912	949	987	**5,911**
Other Assets - Including IT Renewal	412	0	0	0	100	103	105	108	110	113	116	119	**874**
Total Capital Expenditure on New Assets	3,282	13,226	283	5,916	6,274	3,190	20,066	9,373	12,413	8,279	10,321	2,168	**91,508**
Total Capital Expenditure provisioned in Long Term Financial Plan	16,078	28,213	12,828	18,589	17,534	15,564	34,044	21,491	24,222	20,434	22,416	18,123	**233,457**

A4 - Reconciliation of Capital Expenditue with Infrastructure and Asset Management Plan	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	**10 Year Forecast + Budget**
INFRASTRUCTURE AND ASSET MANAGEMENT PLAN SETTINGS	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**	**$' 000**
Land	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Buildings	710	690	865	823	846	870	896	921	947	1,218	1,253	1,289	**10,618**
Carparks	0	0	0	150	38	0	0	0	282	0	0	0	**470**
Footpaths	679	680	699	719	353	0	190	805	829	849	874	899	**6,897**
Kerbing	118	188	58	0	0	0	0	0	0	563	579	596	**1,984**
Transport - Sealed Roads	1,030	1,092	1,189	2,291	2,441	2,598	2,766	2,945	3,135	3,712	3,818	3,927	**29,916**
Transport - Unsealed Roads	1,555	1,555	1,600	1,644	1,694	1,740	1,792	1,841	1,896	2,072	2,131	2,192	**20,156**
Stormwater and Bridges*	735	1,854	259	361	764	790	823	855	888	922	948	975	**9,440**
CWMS*	3,471	549	1,863	1,406	463	464	1,044	1,150	1,047	1,072	1,103	1,134	**11,295**
Equipment - Plant & Vehicles*	1,024	1,644	1,518	1,546	1,316	1,345	1,077	1,110	1,245	1,176	1,210	1,244	**14,431**
Other Assets - Including IT Renewal	501	84	84	806	87	261	267	949	282	288	296	305	**3,709**
Total Capital Expenditure requirement forecast in Infrastructure and Asset Management Plan	9,822	8,338	8,135	9,746	8,002	8,069	8,854	10,576	10,551	11,872	12,212	12,561	**108,916**
Net Capital Expenditure Against IAMP (Surplus)/Deficit - Existing Assets	(2,974)	(6,649)	(4,410)	(2,927)	(3,258)	(4,305)	(5,124)	(1,542)	(1,258)	(283)	117	(3,394)	**(33,033)**
Net Capital Expenditure Against IAMP (Surplus)/Deficit - Renew and Replacement only of Existing Assets	234	(4,831)	(2,779)	(1,316)	(2,722)	(2,905)	(2,735)	(62)	(433)	562	984	(753)	**(16,990)**
Net Capital Expenditure Against IAMP (Surplus)/Deficit - All Assets	(6,256)	(19,875)	(4,693)	(8,843)	(9,532)	(7,495)	(25,191)	(10,914)	(13,671)	(8,561)	(10,204)	(5,562)	**(124,541)**
* Based on current projections these are currently under new modelling in 2025-26													
KPI 4 - Existing Assets - All	130.3%	179.7%	154.2%	130.0%	140.7%	153.3%	157.9%	114.6%	111.9%	102.4%	99.0%	127.0%	**130.3%**
KPI 4 - Existing Assets - Renewal and Replacement Only	97.6%	157.9%	134.2%	113.5%	134.0%	136.0%	130.9%	100.6%	104.1%	95.3%	91.9%	106.0%	**115.6%**
KPI 4 - Total Assets	163.7%	338.4%	157.7%	190.7%	219.1%	192.9%	384.5%	203.2%	229.6%	172.1%	183.6%	144.3%	**214.3%**
Please note this statement is based on budget allocations and 100% capital program delivery, the corresponding cash flow reflects 92% capital program delivery.													