

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

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Dear Member,

NOTICE OF MEETING

Notice is hereby given pursuant to Clause 6 of the Charter that a meeting for the GRFMA Audit Committee has been called for:

DATE: **Wednesday 1 June 2022**

TIME: **12:30pm**

PLACE: **LGA House, 148 Frome Street, Adelaide**



David E Hitchcock

EXECUTIVE OFFICER



The Barossa Council

Gawler



AGENDA

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY AUDIT COMMITTEE MEETING

**12:30pm Wednesday 1 June 2022
148 Frome Street Adelaide**

- 1. Present**
- 2. Apologies**
- 3. Minutes of the Previous Meeting.....Page 3**

Confirmation of the Minutes of the previous GRFMA Audit Committee meeting held on Monday 7 February 2022.
- 4. Business Arising from the Minutes**
- 5. General Business**
 - 5.1 GRFMA Long Term Financial Plan and Asset Management Plan.....Page 7**
 - 5.2 Achievements Against the Annual Business Plan.....Page 54**
 - 5.3 GRFMA 2021/2022 Budget Review 3.....Page 61**
- 6. Next Meeting**
- 7. Closure**

Agenda Item: **3**
Committee: **GRFMA Audit Committee**
Meeting Date: **1 June 2022**
Title: **Minutes of the Previous Meeting**

Recommendation:

That the minutes of the previous GRFMA Audit Committee meeting held on 7 February 2022 as per copies supplied to members be adopted as a true and correct record of that meeting.

See attached minutes.

MINUTES

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY AUDIT COMMITTEE MEETING

1pm Monday 7 February 2022
Held virtually by video conference

1. Present

- Mr Peter Brass, Independent Member, Chair
- Cr Malcolm Herrmann, Adelaide Hills Council
- Mr Greg Pattinson, City of Playford
- Mr David Hitchcock, Executive Officer

2. Apologies

Nil

3. Previous Minutes – 23 November 2021

GAC 22/01 Previous Minutes – GRFMA Audit Committee 23 November 2021
Moved: Cr M Herrmann
Seconded: Mr G Pattinson

That the minutes of the previous GRFMA Audit Committee meeting held on Tuesday 23 November 2021 as per copies supplied to members be adopted as a true and correct record of that meeting.

CARRIED UNANIMOUSLY

4. Business Arising from the Minutes

Nil

5. General Business

5.1 GRFMA Annual Audit Plan (2022) - Dean Newbery and Partners.

GAC 22/02 GRFMA Annual Audit Plan (2022) – Dean Newbery and Partners.
Moved: Cr M Herrmann
Seconded: Mr G Pattinson

That the GRFMA Audit Committee receive the Annual Audit Plan for the year ended 30 June 2022.

CARRIED UNANIMOUSLY

GAC 22/03 August 2022 meeting
Moved: Cr M Herrmann
Seconded: Mr G Pattinson

That the August meeting of the GRFMA Audit Committee be held 08 August 2022 to facilitate timely consideration of Balance Date Audit report and the draft financial statements.

CARRIED UNANIMOUSLY

Members noted the importance of the timely development of the Long Term Financial Plan and the Asset Management Plan and requested the Executive Officer to endeavor to facilitate draft copies of the documents for consideration at the June 2022 meeting.

5.2 Budget Review 2

GAC22/04 GRFMA Budget Review 2
Moved: Mr G Pattinson
Seconded: Cr M Herrmann

That the GRFMA Audit Committee:

1. *Notes changes proposed for Budget Review 2.*
2. *Recommends the document be presented to the GRFMA for consideration and adoption.*

CARRIED UNANIMOUSLY

5.3 2022 - 2023 GRFMA Draft Business Plan and 2022- 2023 Draft Budget

GAC 22/05 2022 - 2023 GRFMA Draft Business Plan and 2022- 2023 Draft Budget
Moved: Cr M Herrmann
Seconded: Mr G Pattinson

That the GRFMA Audit Committee:

1. *Recommends that the 2022/2023 draft budget include quantum of income commensurate to the 2021/2022 financial year. On the basis of development of the Long Term Plan and Asset Management Plan and associated future asset maintenance requirements are currently unknown and capacity should be provided for the Authority to manage and consider asset management/maintenance in the future.*
2. *Requests the Executive Officer provide the draft 2022/2023 GRFMA Annual Business Plan and Draft 2022/2023 Budget (as amended) documents to the 17 February 2022 GRFMA Board meeting for consideration.*

CARRIED UNANIMOUSLY

Other Business

Members noted in kind contributions by Constituent Councils was not recorded in the operations of the GRFMA.

6. Next Meeting

TBC June 2022

| Date | Audit Committee meeting schedule 2021/2022 | Action |
|---------------|---|------------------|
| March 2022 | Annual Budget and Business Plan Review; External Audit Plan and Schedule 2022. | Completed 7/2/22 |
| June 2022 | Annual cost estimates and budget variations consideration. | |
| August 2022 | Annual Financial Statements – Audit report; 2021/2022 – Auditor to attend. | |
| November 2022 | <ul style="list-style-type: none">• In-camera discussion with external auditor.• Operation of the Regional Subsidiary – Business Plan progress.• Annual cost estimates and budget variations consideration. | |

7. Closure

The Chair thanked the members for their attendance and closed the meeting at 1:45pm

Chair _____ Date _____

Agenda Item: 5.1

Committee: GRFMA Audit Committee

Meeting Date: 1 June 2022

Title: GRFMA Long Term Financial Plan and Asset Management Plan

Recommendation:

That the GRFMA Audit Committee:

- 1. Receives the report.**
 - 2. Notes the draft GRFMA Long Term Financial Plan and Asset Management Plans have been prepared in accordance with requirement of the GRFMA Charter.**
 - 3. Requests the Executive Officer provide the documents to the 16 June 2022 GRFMA meeting for consideration.**
- OR**
- Requests the Executive Officer provide the documents to the 16 June 2022 GRFMA meeting for consideration, including Audit Committee comments in relation to**
-

The GRFMA Charter provides:

Long Term Financial Plan (LTFP)

13.1 The Authority must develop and adopt in consultation with the Constituent Councils a Long Term Financial Plan covering a period of at least ten (10) years in a form and including such matters which, as relevant, is consistent with Section 122 of the Act and the Local Government (Financial Management) Regulations 2011 as if the Authority.

The Authority must review its Long Term Financial Plan in consultation with the Constituent Councils.

Asset Management Plan (AMP)

13.3.1 The Authority must prepare and adopt in consultation with the Constituent Councils an Asset Management Plan in a form and including such matters which, as relevant, is consistent with Section 122 of the Act as if the Authority were a council.

The Authority must review its Asset Management Plan in consultation with the Constituent Councils.

A draft Long Term Financial Plan and draft Asset Management Plan have now been prepared (see attached).

The Charter requirement that the documents be adopted “in a form and including such matters which, as relevant, is consistent with Section 122 of the Act as if the Authority were a council” has been reflected in the documents where appropriate.

However, the GRFMA relies on Constituent Council subscription income, not property taxation and has a limited asset scope, this is subsequently reflected in variations to what would be considered normal financial indicator parameters and asset management policies.

Other Considerations

The BENPFM Dam requires periodic inspection 2 years and 5 years and with inspection comes likely maintenance and repair costs. This has been reflected in the LTFP on an annual basis in the relevant years of requirement. This ultimately manifests in fluctuating projected annual cost estimations.

Consequence of the fluctuating cost estimates is the quantum of annual Constituent Council subscription requirement (income) will also fluctuate relative to the increase or decrease of projected costs.

Depreciation of the BENPFMD is not funded. The GRFMA acknowledges it is likely Constituent Councils would question any GRFMA Budget contribution that would result in substantive funds (depreciation) being set aside in cash reserves to be utilised for replacement of the Dam at an unknown date.

Additionally, consideration of the possible political climate and aptitude for replacing the Dam in 80 years plus is very much an unknown. Changes in technology and climate change are real variables. On this basis, the LTFP reflects the approach that sufficient funds be allocated to maintain the dam to the current service standard, the assumption is that depreciation will not be funded (cash allocation).

Policy Considerations

Would it be more appropriate to “smooth” out the fluctuations with an indicative annual amount spread over the relevant term/years to ensure funds are available as required. This would provide a more stable level of understanding of annual subscription projections for Constituent Councils.

The LTFP as drafted reaffirms the GRFMA view that depreciation will not be funded (cash allocation).

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

2021/22 – 2030/31

LONG TERM FINANCIAL PLAN

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1. Long Term Financial Planning Defined

1.1 Purpose

The purpose of a long-term financial plan (LTFP) is to guide the future direction of Gawler River Floodplain Management Authority (GRFMA) in a sustainable manner. It describes the way that GRFMA is responding to requirements of its charter and flood mitigation investment.

The Long-Term Financial Plan is linked with GRFMA's strategic objectives, goals and desired outcomes and is expressed in financial terms. It is a guideline for future action and encourages GRFMA to think about the future impact that decisions made today have on GRFMA's long-term sustainability.

The Authority has been established for the following purposes:

- to co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River. This purpose is the core business of the Authority;
- to raise finance for the purpose of developing, managing and operating and maintaining works approved by the Board;
- to provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flood mitigation for the Gawler River;
- upon application of one or more Constituent Councils pursuant to clause 12.4:
 - to coordinate the construction, maintenance and promotion and enhancement of the Gawler River and areas adjacent to the Gawler River as recreational open space for the adjacent communities; and
 - to enter into agreements with one or more of the Constituent Councils for the purpose of managing and developing the Gawler River.

To achieve these roles and the strategic objectives set out in the GRFMA strategic plan the GRFMA must take a long-term view to enable the necessary work to be undertaken to achieve the steps needed to develop a stronger and more resilient community.

The preparation of this plan forms the basis for identifying and quantifying service level standards and the future investment requirements to adequately maintain GRFMA's infrastructure and asset portfolio.

1.2 Principles

The Local Government Act 1999 requires local government authorities to prepare strategic management plans including an annual business plan and long-term financial plan.

The GRFMA has recently amended its charter to reflect this principle and is now developing relevant documents.

Under section 122(1a) each local government authorities (GRFMA) must prepare a long-term financial plan for a period of at least 10 years.

Regulation 5 of the Local Government (Financial Management) Regulations 2011 states:

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

- (b) a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
- (c) estimates and target ranges adopted by the GRFMA for each year of the long-term financial plan with respect to an operating surplus ratio, a net financial liabilities ratio and an asset sustainability ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.*

The long-term financial plan must also be accompanied by a statement which sets out

- a) the purpose of the long-term financial plan; and*
- b) the basis on which it has been prepared; and*
- c) the key conclusions which may be drawn from the estimates, proposals and other information in the plan*

This statement must be expressed in plain English and must avoid unnecessary technicality and excessive detail.

The first projected year of the LTFP is consistent with the Annual Budget adopted for the current 2021-2022 financial year.

It assumes that GRFMA intends to maintain the existing asset stock in a sustainable manner. It also assumes that GRFMA wants to maintain the current service levels.

2. Financial Planning Considerations

2.1 GRFMAs Vision/Mission

Vision

Flood mitigation investment with economic, social, environmental and cultural considerations.

Mission

Advocacy on behalf of the Constituent Councils and their communities for legislative and policy changes on matters related to flood mitigation and management within the Gawler River catchment and floodplain.

2.2 Strategic Management Plans

The GRFMA has a 5-year Strategic Plan for 2019-2026 which identifies key issues and priorities. The Strategic Plan focuses on sustainability to ensure that the needs of both current and future needs are met through integrated and long-term management.

The core values which guide all decisions of GRFMA and which are reflected in the Strategic Plan include:

- | | |
|------------|--|
| Theme 1: | Design, build, and maintain physical flood mitigation infrastructure |
| Objective: | To have in place an agreed extent of physical flood mitigation infrastructure that is fit for purpose and achieves the targeted levels of performance. |
| Theme 2: | Develop and evolve key relationships |
| Objective: | To maintain key relationships that are most important to the Authority achieving its purpose. |
| Theme 3: | Ensure good governance and ongoing financial sustainability |
| Objective: | To ensure that the Authority meets legislative requirements and contemporary standards of governance and is financially sustainable for the long term. |

2.3 Service Delivery

In the preparation of the LTFP it has been assumed that the current levels of service provided by GRFMA will be maintained throughout the life of the plan.

Service levels have been based on ANCOL Guidelines On Dam Safety Management (2003) which are intended to apply to what might be termed conventional dams (eg. for water supply, irrigation, power and flood mitigation).

2.4 Roles and Responsibilities

The Authority has been established for the purpose of co-ordinating the planning, construction, operation and maintenance of flood mitigation infrastructure for the Gawler River, and for the following functions:

- to raise finance for the purpose of developing, managing and operating and maintaining works approved by the Board;

- to provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flooding of the Gawler River;
- to advocate on behalf of the Constituent Councils and their communities where required to State and Federal Governments for legislative and policy changes on matters related to flood mitigation and management and associated land use planning within the Gawler River Floodplain;
- to facilitate sustainable outcomes to ensure a proper balance between economic, social, environmental and cultural consideration.

2.5 Infrastructure and Asset Management Strategy

Under section 122(1a) of the Local Government Act 1999 GRFMAs must prepare an infrastructure and asset management plan (IAMP) for a period of at least ten years. Due to the long-lived nature of GRFMA assets the IAMP covers a much longer time frame.

The GRFMA IAMP covers a period of 10 years.

In the plan GRFMA is required to distinguish between the replacement and renewal of existing assets and the acquisition or construction of new assets.

New assets will require additional funding either from additional grants, subsidies or constituent council contributions.

The South Australian Model Financial Statements contain the following definitions;

- *A new asset is additional to GRFMA's previous asset complement.*
- *An upgraded asset replaces a previously existing asset with enhanced capability or functionality, where an option existed for replacement without the enhanced capability or functionality.*

GRFMA's strategy is to maintain infrastructure at the current service standard. (ANCOLD guidelines)

The Bruce Eastwick North Para Flood Mitigation Dam is the single most material GRFMA asset and is somewhat unique in the context of general assets owned and maintained by local councils.

Principally on the basis of the magnitude of construction value costs \$18 Million which were substantially funded by Commonwealth and State Government Funds.

A recent revaluation of the Dam (June 2019) provides a value of \$25 Million with accumulated depreciation of \$4.1 Million.

Accounting for depreciation of the asset should be undertaken in accordance with current legislative requirements, however setting aside funding for annual depreciation would be double the current general budget of the GRFMA.

The considered life of the Dam as an asset is based on 80 years; however, it could be argued that it would be longer. Particularly if suitable maintenance and renewal regimes were in place to maintain fair condition.

The GRFMA acknowledges it is likely constituent councils would question any GRFMA Budget contribution that would result in substantive funds (depreciation) being set aside in cash reserves to be utilized for replacement of the Dam at an unknown date.

Additionally, consideration of the possible political climate and aptitude for replacing the Dam in 80 years plus is very much an unknown. Changes in technology and climate change are real variables.

On this basis, ensuring the GRFMA allocates sufficient funds to maintain the dam to the current service standard, the assumption is that depreciation will not be funded (cash allocation).

2.6 Revenue and Financing Strategy

GRFMA operating and capital expenditure decisions are made on the basis of:

- facilitating construction, operation and maintenance of flood mitigation infrastructure in the Gawler River area ('the Floodplain');
- cost effectiveness of the proposed means of service delivery; and
- affordability of proposals having regard to GRFMA's long-term financial sustainability and the support of constituent councils.

2.7 Treasury Strategy

The GRFMA Treasury Management Policy establishes a decision framework to ensure that:

- funds are available as required to support approved outlays;
- the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term.

3. Financial Sustainability

The definition of Financial Sustainability for Local Government emanated from the independent SA Local Government Financial Sustainability Inquiry in 2005.

It is defined as follows:

"A local government authority's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."

The definition was endorsed nationally at the National General Assembly of Local Government in Canberra in November 2006.

Why is it important?

The importance of financial sustainability is to ensure that each generation 'pays their way', rather than any generation 'living off their assets and leaving it to the future generations to address the issue of repairing worn out infrastructure.

The GRFMA is the custodian of infrastructure and assets with a value of \$25.8 million and has the responsibility to ensure that assets are managed efficiently and effectively; and that decisions regarding the acquisition of new assets and the sale and maintenance of existing assets are undertaken in an open and transparent fashion.

Sound asset management is the key to financial sustainability. There is clearly a direct link between the development and implementation of GRFMA's Infrastructure and Asset Management Plan and its Long Term Financial Plan. GRFMA has a high investment of assets (Bruce Eastick North Para Flood Mitigation Dam). It will be exposed to financial risk over the longer term if budget processes have little regard for ongoing costs associated with the maintenance and renewal of its assets beyond the current budget period. It is incumbent on GRFMA to carefully consider information about the stock of infrastructure and other assets and the contribution that constituent councils are making to consumption, of assets.

The term "asset management" is used to describe the process by which the GRFMA manages physical assets to meet current and future levels of service. The GRFMA determines the policy framework within which existing assets are managed and new assets acquired and the overall program for maintenance and disposal of

How is it measured?

The financial sustainability of a Local Government entity is measured by the surplus/(deficit) (before capital revenues) disclosed in the Statement of Comprehensive Income.

The GRFMA understands not funding depreciation, in relation to the Bruce Eastick North Para Flood Mitigation Dam, will generally result in deficit results in the Statement of Comprehensive Income; However, establishment of this GRFMA Long-term Financial Plan should ensure provision of suitable funds to maintain and operate the Dam at required service levels. (i.e. it's not so much about funds for depreciation and eventual replacement, rather ensuring the GRFMA is provided with sufficient cash flow to maintain the Dam).

Other indicators that focus attention on factors identified as key to securing long-term financial security include:

- Net financial liabilities
- Operating surplus ratio
- Net financial liabilities ratio
- Asset sustainability ratio

In considering these indicators it is important to note the GRFMA does not raise land taxes(rates) as other councils do, rather the GRFMA is dependent upon subscriptions levied on the Constituent Councils in accordance with Clause 10.2 of the Charter for its continued existence and ability to co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River.

Long Term Financial Plan Presentation

In accordance with the Local Government (Financial Management) Regulations 1999, Part 2, Section 5 and pursuant to section 122(2)(b) of the Local Government Act 1999, a Long Term Financial Plan must include –

- (a) *an estimated income statement, balance sheet, statement of changes in equity and statement of cashflows with respect to the period of the long-*

term financial plan presented in a manner consistent with the Model Financial Statements;

- (b) a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
- (c) estimates with respect to an operating surplus ratio, an asset sustainability ratio and net financial liabilities ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.*

GRFMA's Long Term Financial Plan has been expressed and presented in accordance with the above-mentioned legislation and can be found in Part 5.

4. Performance Indicators

The legislation requires that GRFMA's strategic management plans, which include the Long Term Financial Plan, state the measures (financial and non-financial) that are to be used to monitor and assess the performance of the GRFMA against its objectives.

4.1 Basic Assumptions

The basic assumptions in relation to the major drivers of GRFMA expenditure including inflation (Consumer Price Index), as well as a number of expenditure influencers and capital expenditure projections are detailed below.

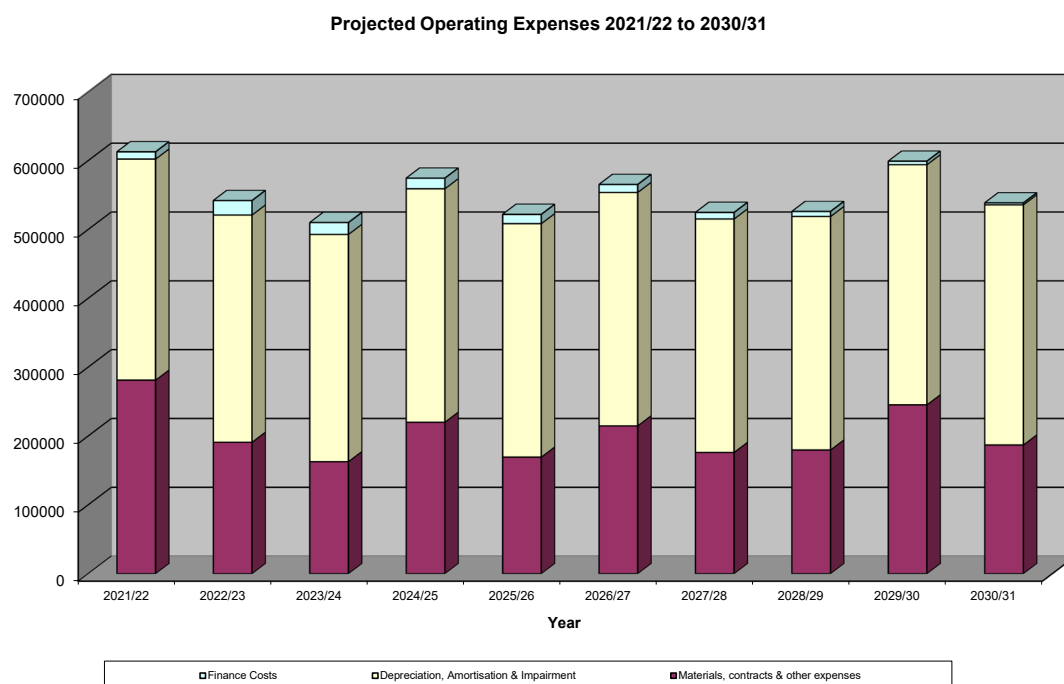
The underlying assumption is that the levels of service being provided are relatively unchanged. As indicated above some of these levels are externally determined. Others depend on GRFMA policy. For instance if GRFMA wishes to increase the level of expenditure on renewal of assets or to construct new assets then that is an increase in service level. This increase must be accompanied by an increase in funding either from an increase in income such as constituent council contributions, state or federal government funding or borrowings.

- The Consumer Price Index (CPI) is regarded as Australia's key measure of inflation. It is designed to provide a general measure of price inflation for the Australian household sector as a whole. The CPI measures changes over time in a wide range of consumer goods and services acquired by Australian metropolitan households and is measured quarterly this is assumed to be 2% for the life of the plan
- Existing service levels will be maintained. This includes periodic (2 year and 5 year programmed Bruce Eastick North Para Flood Mitigation Dam inspections);
- Constituent council contributions will vary in accordance with the cost of the relevant inspection frequency and subsequent maintenance requirement costs and flood mitigation initiatives as agreed with constituent councils.
- User charges will increase by CPI;
- Other revenues will increase by CPI;
- Operating costs (other than financing costs) will increase by CPI;

4.2 GRFMA Operations Expenditure/Revenue Analysis

Operating Expenses – this is what it costs to operate the GRFMA services.

EXPENSES



Materials, Contracts & Other Expenses

Materials, Contract & Other Expenses, effectively include all expenses that are NOT employee costs, finance costs, or depreciation, amortisation & impairment. Note the GRFMA does not have any employees.

This plan factors that these costs will increase by CPI.

Depreciation, Amortisation & Impairment

Depreciation relates to infrastructure, property, plant and equipment to which the GRFMA has title.

The annual depreciation of an asset reflects the financial value of the rate at which the asset wears out each year and hence the amount of money which will need to be spent at a point in time in the future to either rebuild or replace the asset.

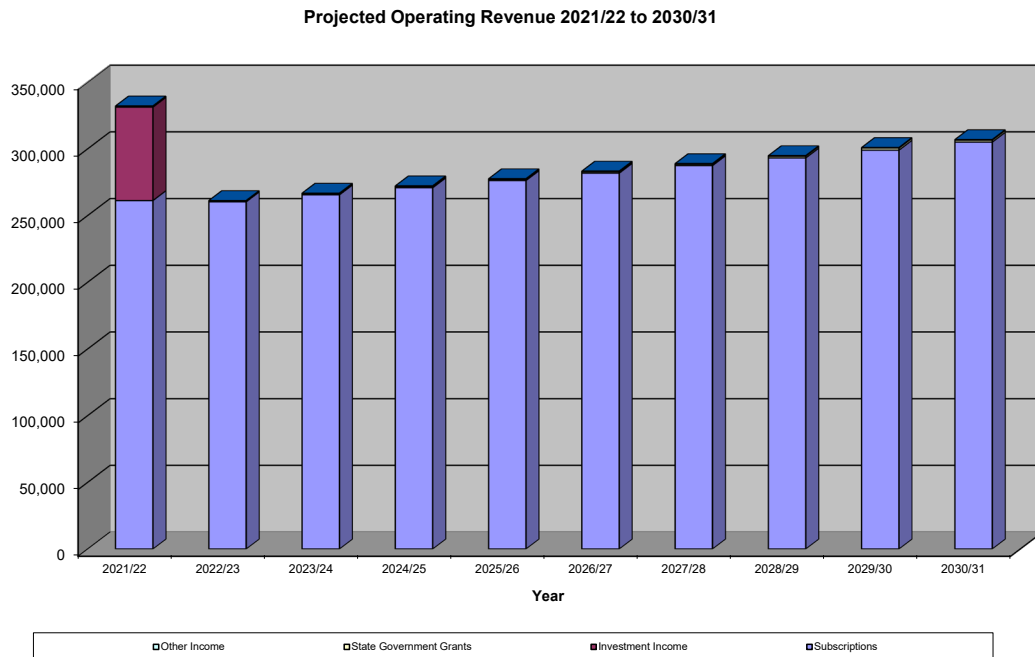
Funding (cash allocation) of annual depreciation calculations is not undertaken, rather the policy is ensuring the GRFMA is provided with sufficient cash flow to maintain the Dam at required service provision levels.

Finance Costs

Finance Costs are the costs of financing activities through borrowings or other types of financial accommodation (e.g. finance leases). This does not include bank charges which is included under materials, contract and other expenses.

Finance Charges for the purpose of this plan have been derived by the interest payable over the next ten years on our already existing loan portfolio.

REVENUE



Subscriptions

Subscriptions are contributions received from constituent councils.

Grants, Subsidies and Contributions

Includes grants and subsidies from all sources but excludes grants and subsidies specifically provided for new/upgraded assets.

Investment Income

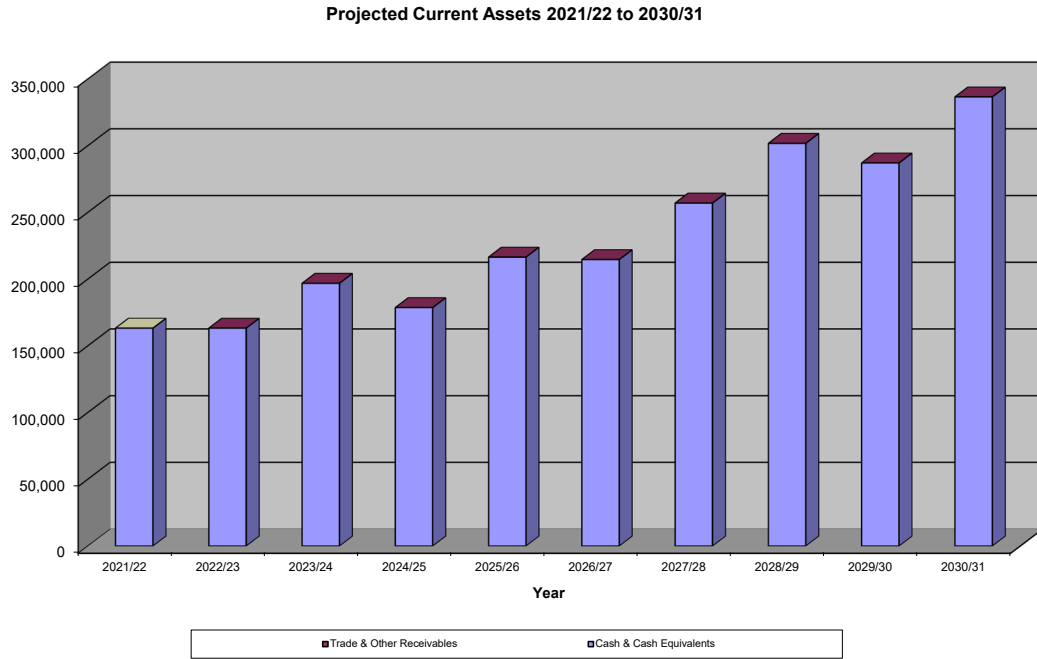
Investment income is revenue from financial investments.

It includes interest received from the Local Government Finance Authority [LGFA] or banks.

Other Income

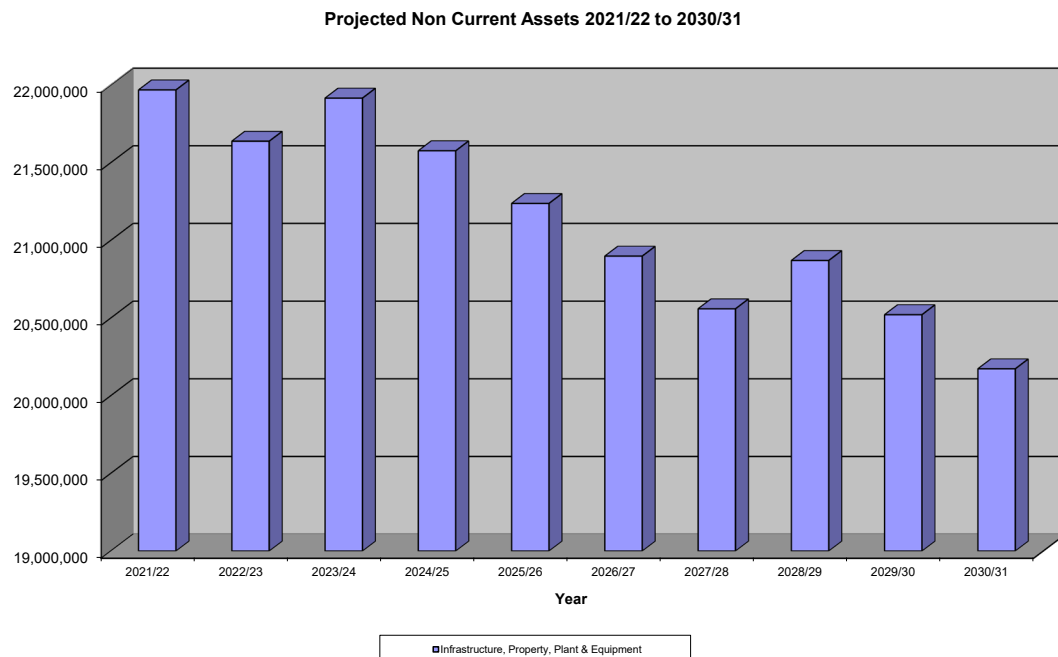
Other revenue is revenue not classified elsewhere.

CURRENT ASSETS



NON CURRENT ASSETS

Non-current assets include 'fixed' assets such as Land and Dam Infrastructure.



Capital Expenditure on Renewal Replacement of Existing Assets - GRFMA expenditure on assets has two parts.

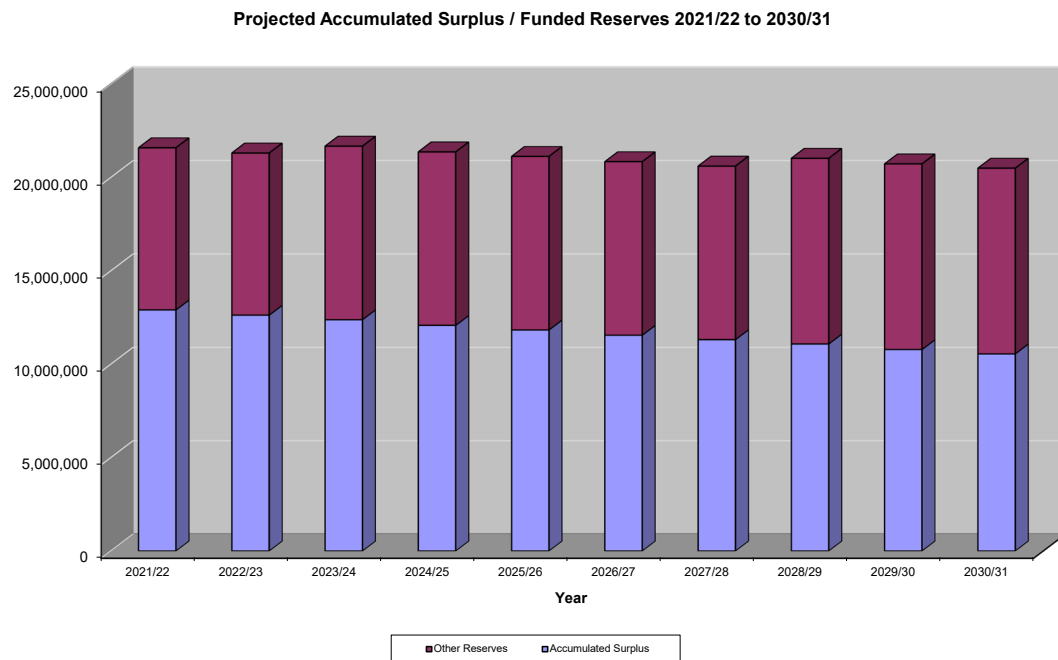
The first is maintenance. This is included in operating expenditure.

The second is capital. That is expenditure on the renewal of GRFMA assets. This is not shown under operating expenditure. It is included in the Balance Sheet of the GRFMA as an asset. Generally the asset is subsequently depreciated. As indicated above this depreciation expense is included in the operating expenses.

The replacement of Assets is in accordance with GRFMAs Asset Management Plans.

The fluctuation in Non-Current Assets is a result of the Asset Revaluations that have been factored in every 5 years.

ACCUMULATED SURPLUS / FUNDED RESERVES



The movement in the Accumulated Surplus / Funded Reserves is determined by the net operating surplus / (deficit) illustrated on the budgeted Statement of Comprehensive Income – an operating surplus will increase the overall balance whilst a deficit will reduce it.

Not funding depreciation will generally result in annual operating deficits and this is reflected in the reduction of Accumulated Surplus/ Funded Reserves.

4.3 Key Financial Indicators

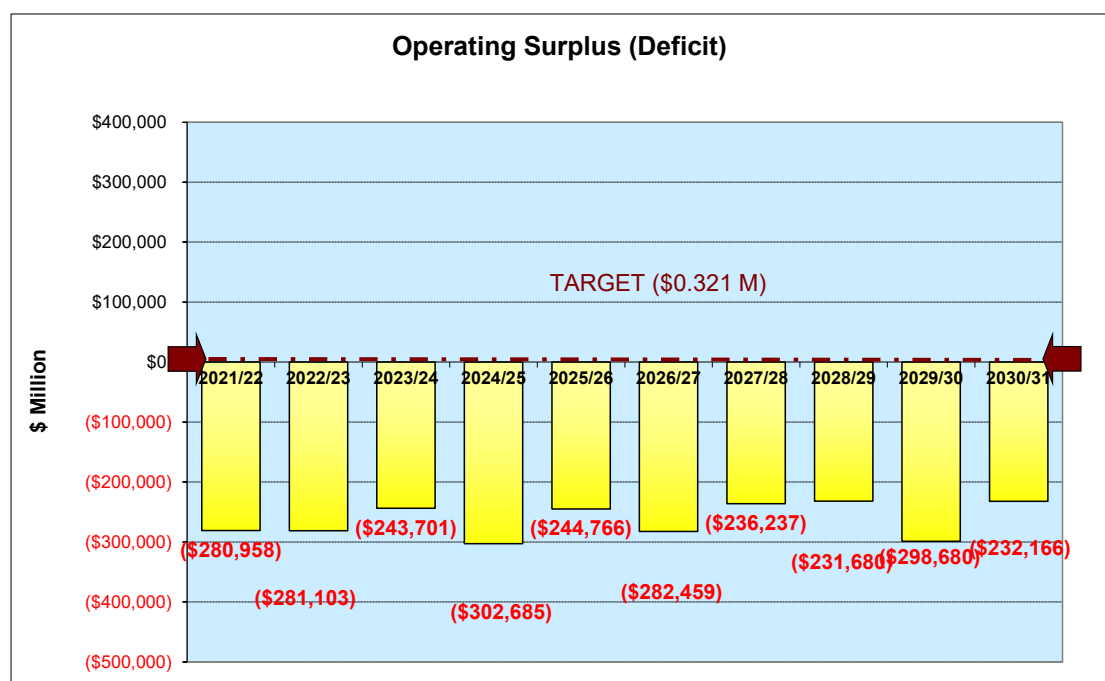
Indicator 1 – Operating Surplus (Deficit)

An operating surplus indicates the extent to which operating revenues are sufficient to meet all operating expenses including depreciation and consequently the extent to which the burden of expenses is being met by current ratepayers.

An operating deficit occurs when total operating expenses exceed total operating revenues.

Calculated as: Operating surplus/ (deficit) before capital amounts (as shown on the Income Statement)

GRFMA's target is to be at deficit position equivalent of depreciation expense each year.



GRFMA's Long Term Financial Plan indicates through the graph above that it will operate on average over the term with an operating deficit.

This means that GRFMA will have less available cash to spend on the construction of new assets after renewal of existing assets whilst maintaining its current level of services.

Indicator 2 - Operating Surplus (Deficit) Ratio

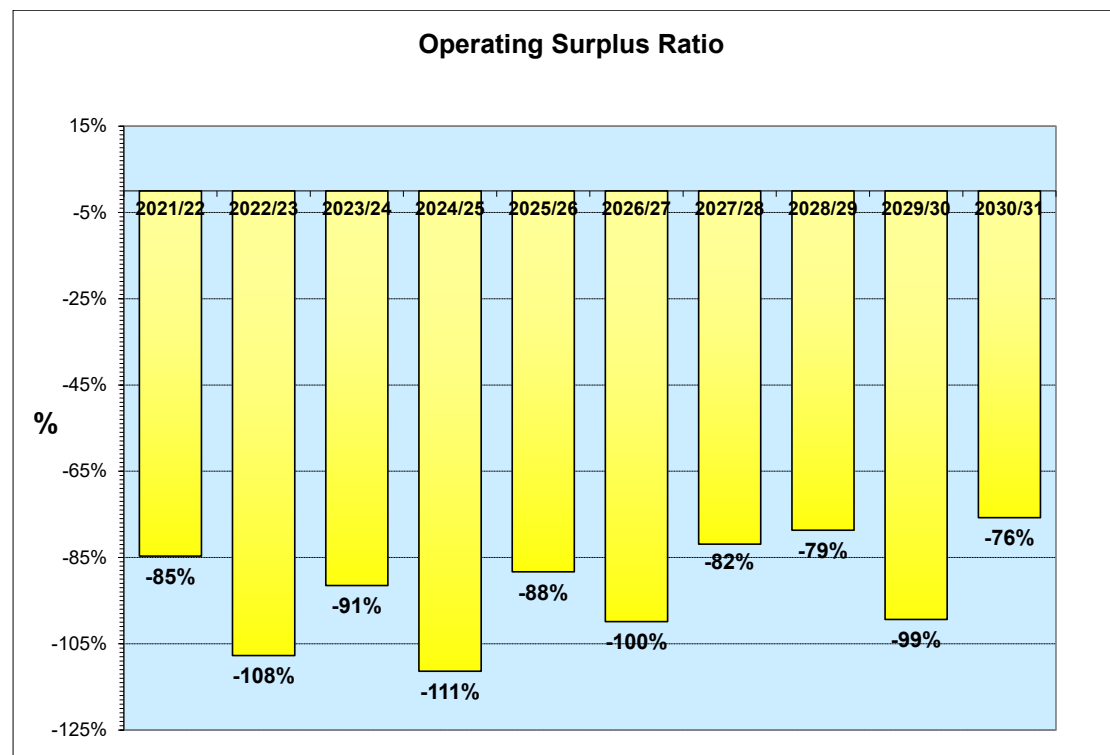
This ratio expresses the operating surplus (deficit) as a percentage of general revenue

A negative ratio indicates the percentage increase in total rates required to achieve a breakeven operating result.

A positive ratio indicates the percentage of total revenue available to fund capital expenditure over and above the level of depreciation expense, without increasing GRFMA's level of net financial liabilities. If this amount is not required for capital expenditure it simply reduces the level of net financial liabilities.

Calculated as; Operating surplus (as above) Divided by Operating Revenues

GRFMA's target is a deficit equivalent of depreciation expense each year.



Indicator 3 - Net Financial Liabilities

Net Financial Liabilities measure a GRFMA's total indebtedness.

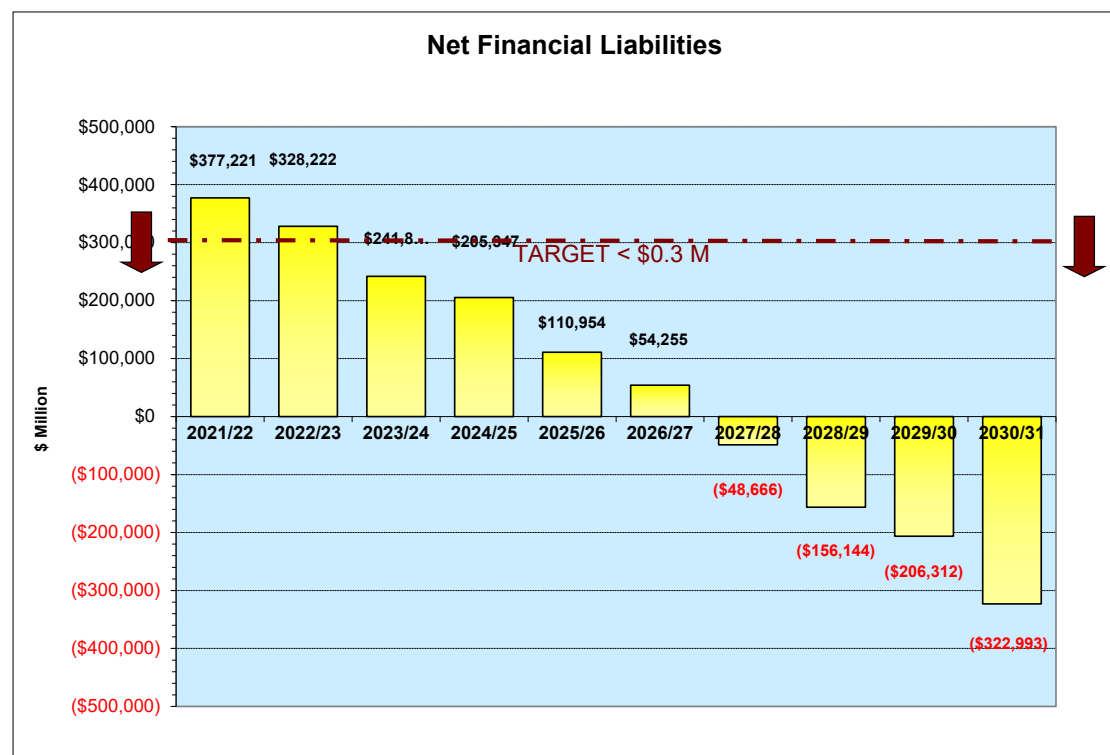
Net financial liabilities is a broader measure than net debt as it includes all of a GRFMA's obligations.

The level of net financial liabilities increases when a net borrowing result occurs in a financial year and will result in a GRFMA incurring liabilities and/or reducing financial assets.

The level of net financial liabilities decreases when a net lending result occurs in a financial year and will result in a GRFMA purchasing financial assets and/or repaying liabilities.

Calculated as: Total Liabilities (from Balance Sheet) Less Current cash and cash equivalents Current trade & other receivables Current other financial assets Noncurrent financial assets

GRFMA's limit is 100% of total annual revenue.



Local Government sector proposed targets for this indicator suggest that GRFMA's Net Financial Liabilities should not exceed total operating revenue.

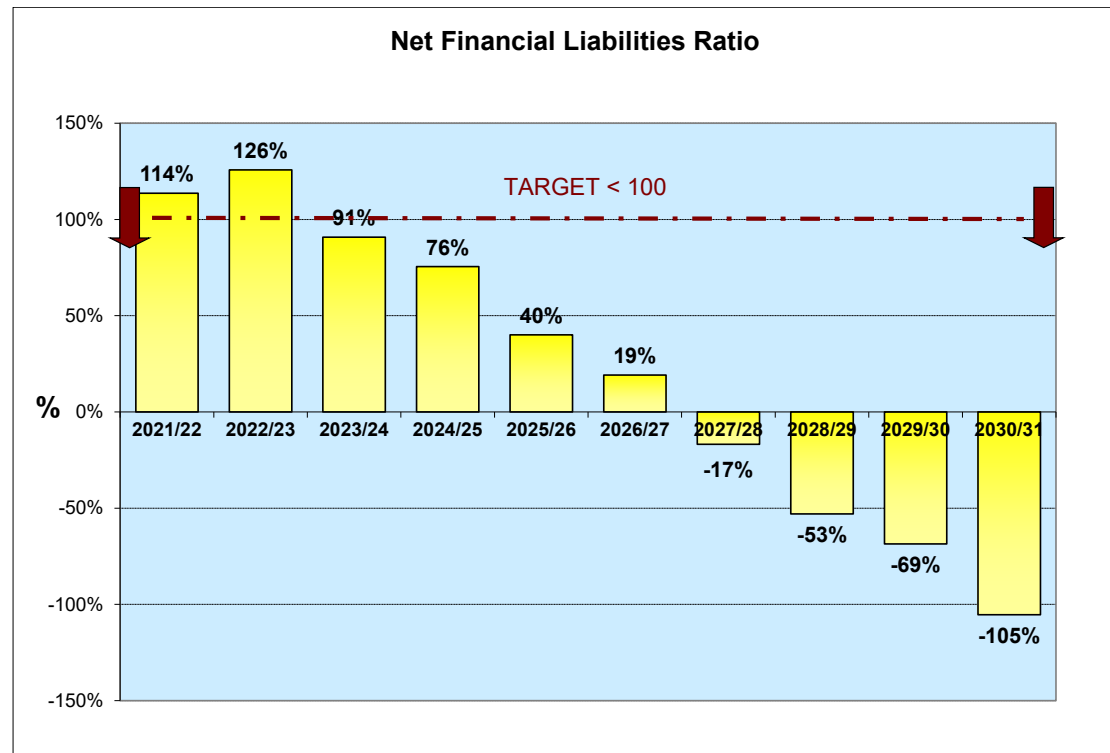
GRFMA does have outstanding loans that will be repaid during the LTFP

Indicator 4 - Net Financial Liabilities Ratio

This ratio indicates the extent to which net financial liabilities of the GRFMA can be met by the GRFMA's total operating revenue. Where the ratio is falling it indicates the GRFMA's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing it indicates a greater amount of GRFMA's operating revenues is required to service its financial obligations.

Calculated as; Net financial liabilities (as above) Divided by Total operating revenues

GRFMA's limit is 100%.



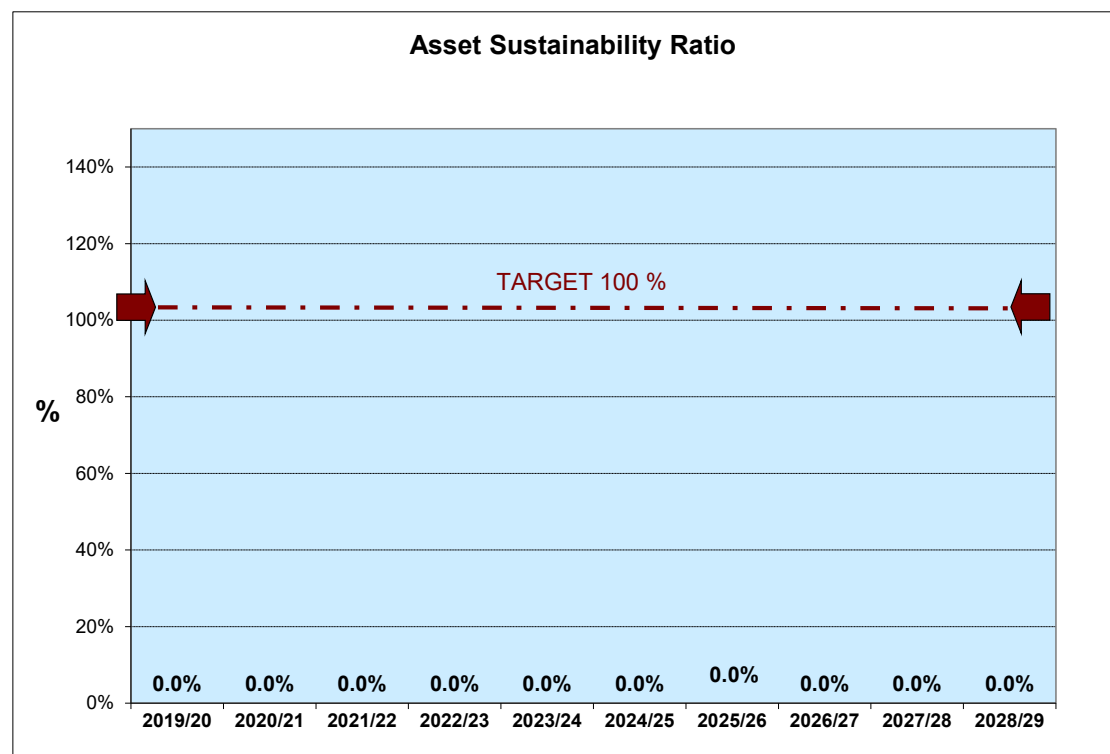
Local Government sector proposed targets for this indicator suggest that GRFMA's Net Financial liabilities should not exceed total operating revenue or 100%.

For the purpose of preparing the Plan a target of 100% has been adopted, GRFMA will be slightly above this for the first 2 years as a result of new borrowings.

Indicator 5 - Asset Sustainability Ratio

This ratio indicates whether the GRFMA is renewing or replacing existing physical assets at the rate at which they are wearing out. On occasions, the GRFMA will accelerate or reduce asset expenditures over time to compensate for prior events, or invest in assets by spending more now so that it costs less in the future to maintain.

Calculated as: Expenditure on renewal/replacement of assets (Cash Flow Statement) Less Sale of replaced assets (Cash Flow Statement) Divided by Proposed Expenditure per Asset Management Plan.



Local Government sector proposed targets for this indicator suggest that GRFMA's should target a range of between 90% to 100% over any three year period, however this does not allow for the "lumpy" nature of required expenditure on asset renewal, e.g. Periodic inspections of the Dam will determine any immediate and significant expenditure requirement to upgrade or replace asset components.

Significant Long Term Financial Plan Risks

Whilst the Plan has included all ongoing commitments it primarily forecasts results based on existing activities. There is an inherent risk that circumstances may change in the future which may materially affect the projected financial estimates.

Typically, this might be unprecedented rainfall events and subsequent flooding occurrence e.g climate change scenarios.

Gawler River Flood Management Authority
Long Term Financial Plan Model
ESTIMATED COMPREHENSIVE INCOME STATEMENT

| Year Ended 30 June: | Indexing Factor | | 2019 Actual | 2020 Actual | 2021 Actual | 2022 DRAFT Year 1 | 2023 Plan Year 2 | 2024 Plan Year 3 | 2025 Plan Year 4 | 2026 Plan Year 5 | 2027 Plan Year 6 | 2028 Plan Year 7 | 2029 Plan Year 8 | 2030 Plan Year 9 | 2031 Plan Year 10 |
|---|------------------------------------|-------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| | * CPI Federal/RBA predictions | | | | | | | | | | | | | | |
| | LGPI 5yr average = 2.0% | | | | | | | | | | | | | | |
| INCOME | | | | | | | | | | | | | | | |
| Subscriptions | LGPI 5yr average | 2.00% | 231,577 | 230,300 | 196,235 | 261,252 | 260,320 | 265,526 | 270,837 | 276,254 | 281,779 | 287,414 | 293,163 | 299,026 | 305,006 |
| Grants, subsidies, contributions | | | 0 | 98,980 | 20,000 | 70,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Income | 0.5% on Closing Balance of Account | 0.50% | 1,718 | 1,042 | 1,009 | 600 | 600 | 816 | 984 | 894 | 1,083 | 1,074 | 1,285 | 1,509 | 1,435 |
| Other Revenue | | | 5,024 | 100 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | | | 238,319 | 330,422 | 217,344 | 331,852 | 260,920 | 266,343 | 271,821 | 277,147 | 282,861 | 288,488 | 294,448 | 300,536 | 306,444 |
| EXPENSES | | | | | | | | | | | | | | | |
| Materials, contracts & other expenses | LGPI (5 yr average) | 2.00% | 146,603 | 257,035 | 177,535 | 281,147 | 190,920 | 162,738 | 219,993 | 169,313 | 214,699 | 176,153 | 179,676 | 245,270 | 186,935 |
| Depreciation | | 1.49% | 233,081 | 321,163 | 321,163 | 321,163 | 330,103 | 330,103 | 339,158 | 339,158 | 339,158 | 339,158 | 339,158 | 348,847 | 348,847 |
| Finance Costs | | | 0 | 0 | 0 | 10,500 | 21,000 | 17,203 | 15,355 | 13,442 | 11,463 | 9,414 | 7,293 | 5,098 | 2,827 |
| Total Expenses | | | 379,684 | 578,198 | 498,698 | 612,810 | 542,023 | 510,044 | 574,506 | 521,913 | 565,320 | 524,725 | 526,128 | 599,216 | 538,610 |
| OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS | | | (141,365) | (247,776) | (281,354) | (280,958) | (281,103) | (243,701) | (302,685) | (244,766) | (282,459) | (236,237) | (231,680) | (298,680) | (232,166) |
| Net gain/(loss) on disposal or revaluations | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amounts specifically for new assets | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NET SURPLUS/(DEFICIT) | | | (141,365) | (247,776) | (281,354) | (280,958) | (281,103) | (243,701) | (302,685) | (244,766) | (282,459) | (236,237) | (231,680) | (298,680) | (232,166) |
| Other Comprehensive Income | | | | | | | | | | | | | | | |
| Changes in revaluation surplus - IPP&E | | 1.40% | 5,830,163 | 0 | 0 | 0 | 0 | 607,738 | 0 | 0 | 0 | 0 | 650,280 | 0 | 0 |
| Total Other Comprehensive Income | | | 5,830,163 | 0 | 0 | 0 | 0 | 607,738 | 0 | 0 | 0 | 0 | 650,280 | 0 | 0 |
| TOTAL COMPREHENSIVE INCOME | | | 5,688,798 | (247,776) | (281,354) | (280,958) | (281,103) | 364,037 | (302,685) | (244,766) | (282,459) | (236,237) | 418,600 | (298,680) | (232,166) |

Gawler River Flood Management Authority
Long Term Financial Plan Model
ESTIMATED BALANCE SHEET

| Year Ended 30 June: | | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|--|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | Actual | Actual | Actual | Draft | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan |
| | | | | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| ASSETS | | | | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | | | | |
| Cash & Equivalent Assets | | | 66,902 | 151,764 | 169,344 | 163,278 | 163,278 | 196,883 | 178,711 | 216,546 | 214,708 | 257,043 | 301,814 | 287,079 | 336,586 |
| Investments | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trade and Other Receivables | | | 1,958 | 32,152 | 49,279 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Current Assets | | | 68,860 | 183,916 | 218,623 | 163,279 | 163,278 | 196,883 | 178,711 | 216,546 | 214,708 | 257,043 | 301,814 | 287,080 | 336,588 |
| Non-Current Assets | | | | | | | | | | | | | | | |
| Land | | | 477,000 | 477,000 | 477,000 | 477,000 | 477,000 | 477,000 | 477,000 | 477,000 | 477,000 | 477,000 | 477,000 | 477,000 | 477,000 |
| Infrastructure, Property, Plant & Equipment | | | 21,855,000 | 21,533,837 | 21,212,674 | 21,491,511 | 21,161,409 | 21,439,044 | 21,099,886 | 20,760,728 | 20,421,569 | 20,082,411 | 20,393,532 | 20,044,685 | 19,695,838 |
| Total Non-Current Assets | | | 22,332,000 | 22,010,837 | 21,689,674 | 21,968,511 | 21,638,409 | 21,916,044 | 21,576,886 | 21,237,728 | 20,898,569 | 20,559,411 | 20,870,532 | 20,521,685 | 20,172,838 |
| Total Assets | | | 22,400,860 | 22,194,753 | 21,908,297 | 22,131,790 | 21,801,687 | 22,112,927 | 21,755,597 | 21,454,273 | 21,113,278 | 20,816,454 | 21,172,347 | 20,808,765 | 20,509,426 |
| LIABILITIES | | | | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | | | | |
| Trade & Other Payables | | | 0 | 41,669 | 36,567 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Borrowings | | | 0 | 0 | 0 | 49,000 | 52,797 | 54,645 | 56,558 | 58,537 | 60,586 | 62,707 | 64,902 | 67,173 | 0 |
| Provisions | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Current Liabilities | | | 0 | 41,669 | 36,567 | 49,000 | 52,797 | 54,645 | 56,558 | 58,537 | 60,586 | 62,707 | 64,902 | 67,173 | 0 |
| Non-Current Liabilities | | | | | | | | | | | | | | | |
| Borrowings | | | 0 | 0 | 0 | 491,500 | 438,703 | 384,058 | 327,500 | 268,963 | 208,377 | 145,670 | 80,768 | 13,595 | 13,595 |
| Provisions | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Non-Current Liabilities | | | 0 | 0 | 0 | 491,500 | 438,703 | 384,058 | 327,500 | 268,963 | 208,377 | 145,670 | 80,768 | 13,595 | 13,595 |
| Total Liabilities | | | 0 | 41,669 | 36,567 | 540,500 | 491,500 | 438,703 | 384,058 | 327,500 | 268,963 | 208,377 | 145,670 | 80,768 | 13,595 |
| NET ASSETS | | | 22,400,860 | 22,153,084 | 21,871,730 | 21,591,290 | 21,310,187 | 21,674,224 | 21,371,539 | 21,126,773 | 20,844,315 | 20,608,077 | 21,026,677 | 20,727,997 | 20,495,831 |
| EQUITY | | | | | | | | | | | | | | | |
| Accumulated Surplus | | | 13,718,887 | 13,471,111 | 13,189,757 | 12,909,317 | 12,628,214 | 12,384,513 | 12,081,828 | 11,837,062 | 11,554,603 | 11,318,366 | 11,086,686 | 10,788,006 | 10,555,840 |
| Asset Revaluation Reserve | | | 8,681,973 | 8,681,973 | 8,681,973 | 8,681,973 | 8,681,973 | 9,289,711 | 9,289,711 | 9,289,711 | 9,289,711 | 9,289,711 | 9,939,991 | 9,939,991 | 9,939,991 |
| Other Reserves | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EQUITY | | | 22,400,860 | 22,153,084 | 21,871,730 | 21,591,290 | 21,310,187 | 21,674,224 | 21,371,539 | 21,126,773 | 20,844,315 | 20,608,077 | 21,026,677 | 20,727,997 | 20,495,831 |

| Gawler River Flood Management Authority Long Term Financial Plan Model ESTIMATED STATEMENT OF CHANGES IN EQUITY | | | | | | | | | | | | | | | |
|--|---------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Year Ended 30 June: | | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| | | | Actual | Actual | Actual | Draft | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan |
| | | | | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| ACCUMULATED SURPLUS | | | | | | | | | | | | | | | |
| Balance at end of previous reporting period | | | 13,860,252 | 13,718,887 | 13,471,111 | 13,189,757 | 12,909,317 | 12,628,214 | 12,384,513 | 12,081,828 | 11,837,062 | 11,554,603 | 11,318,366 | 11,086,686 | 10,788,006 |
| Net Result for Year | | | (141,365) | (247,776) | (281,354) | (280,440) | (281,103) | (243,701) | (302,685) | (244,766) | (282,459) | (236,237) | (231,680) | (298,680) | (232,166) |
| Transfers to Other Reserves | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers from Other Reserves | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at end of period | | | 13,718,887 | 13,471,111 | 13,189,757 | 12,909,317 | 12,628,214 | 12,384,513 | 12,081,828 | 11,837,062 | 11,554,603 | 11,318,366 | 11,086,686 | 10,788,006 | 10,555,840 |
| ASSET REVALUATION RESERVE | | | | | | | | | | | | | | | |
| Land | 11312 | | 11,312 | 11,312 | 11,312 | 11,312 | 11,312 | 12,104 | 12,104 | 12,104 | 12,104 | 12,104 | 12,951 | 12,951 | 12,951 |
| Dam | 8671874 | | 8,671,874 | 8,671,874 | 8,671,874 | 8,671,874 | 8,671,874 | 9,278,905 | 9,278,905 | 9,278,905 | 9,278,905 | 9,278,905 | 9,928,429 | 9,928,429 | 9,928,429 |
| Access Roads | -1213 | | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) | (1,298) | (1,298) | (1,298) | (1,298) | (1,298) | (1,389) | (1,389) | (1,389) |
| Balance at end of period | | 8681973 | 8,681,973 | 8,681,973 | 8,681,973 | 8,681,973 | 8,681,973 | 9,289,711 | 9,289,711 | 9,289,711 | 9,289,711 | 9,289,711 | 9,939,991 | 9,939,991 | 9,939,991 |
| OTHER RESERVES | | | | | | | | | | | | | | | |
| Balance at end of previous reporting period | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers from Accumulated Surplus | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers to Accumulated Surplus | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at end of period | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EQUITY AT END OF REPORTING PERIOD | | | 22,400,860 | 22,153,084 | 21,871,730 | 21,591,290 | 21,310,187 | 21,674,224 | 21,371,539 | 21,126,773 | 20,844,315 | 20,608,077 | 21,026,677 | 20,727,997 | 20,495,831 |

Gawler River Flood Management Authority
Long Term Financial Plan Model
ESTIMATED CASH FLOW STATEMENT

| Year Ended 30 June: | | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|--|--|-----------------|----------------|----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | Actual | Actual | Actual | Draft | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan |
| | | | | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | | | | | | | | |
| <u>Receipts</u> | | | | | | | | | | | | | | | |
| Subscriptions | | | 231,577 | 200,193 | 179,095 | 311,048 | 260,320 | 265,526 | 270,837 | 276,254 | 281,779 | 287,414 | 293,163 | 299,026 | 305,006 |
| Grants, subsidies, contributions | | | 0 | 98,980 | 20,000 | 70,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Income | | | 1,800 | 1,055 | 1,023 | 600 | 600 | 816 | 984 | 894 | 1,083 | 1,074 | 1,285 | 1,509 | 1,435 |
| Other Revenue | | | 4,797 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Payments</u> | | | | | | | | | | | | | | | |
| Materials, contracts & other expenses | | | (146,602) | (215,367) | (182,638) | (317,714) | (190,920) | (162,738) | (219,993) | (169,313) | (214,699) | (176,153) | (179,676) | (245,270) | (186,935) |
| Finance Costs | | | 0 | 0 | 0 | (10,500) | (21,000) | (17,203) | (15,355) | (13,442) | (11,463) | (9,414) | (7,293) | (5,098) | (2,827) |
| Net Cash provided by (or used in) Operating Activities | | | 91,572 | 84,861 | 17,580 | 53,434 | 49,000 | 86,402 | 36,474 | 94,392 | 56,700 | 102,921 | 107,478 | 50,167 | 116,680 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | | | | |
| <u>Receipts</u> | | | | | | | | | | | | | | | |
| Amounts Specifically for New/Upgraded Assets | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Renewed/Replaced Assets | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Surplus Assets | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Payments</u> | | | | | | | | | | | | | | | |
| Expenditure on Renewal/Replacement of Assets | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenditure on New/Upgraded Assets | | | (84,081) | 0 | 0 | (600,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans Made to Community Groups | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash Provided by (or used in) Investing Activities | | | (84,081) | 0 | 0 | (600,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | | | | | |
| <u>Receipts</u> | | | | | | | | | | | | | | | |
| Proceeds from Borrowings | | | 0 | 0 | 0 | 600,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Payments</u> | | | | | | | | | | | | | | | |
| Repayments of Borrowings | | | 0 | 0 | 0 | (59,500) | (49,000) | (52,797) | (54,645) | (56,558) | (58,537) | (60,586) | (62,707) | (64,902) | (67,173) |
| Net Cash provided by (or used in) Financing Activities | | | 0 | 0 | 0 | 540,500 | (49,000) | (52,797) | (54,645) | (56,558) | (58,537) | (60,586) | (62,707) | (64,902) | (67,173) |
| Net Increase/(Decrease) in cash held | | | 7,491 | 84,861 | 17,580 | (6,066) | 0 | 33,605 | (18,171) | 37,834 | (1,837) | 42,335 | 44,771 | (14,735) | 49,507 |
| Opening cash, cash equivalents or (bank overdraft) | | | 59,412 | 66,903 | 151,764 | 169,344 | 163,278 | 163,278 | 196,883 | 178,711 | 216,546 | 214,708 | 257,043 | 301,814 | 287,079 |
| Closing cash, cash equivalents or (bank overdraft) | | | 66,903 | 151,764 | 169,344 | 163,278 | 163,278 | 196,883 | 178,711 | 216,546 | 214,708 | 257,043 | 301,814 | 287,079 | 336,586 |

Gawler River Flood Management Authority

Long Term Financial Plan Model

SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

| Year Ended 30 June: | | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|--|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | Actual | Actual | Actual | Draft | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan |
| | | | | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Operating Revenues | | | 238,319 | 330,422 | 217,344 | 331,852 | 260,920 | 266,343 | 271,821 | 277,147 | 282,861 | 288,488 | 294,448 | 300,536 | 306,444 |
| less Operating Expenses | | | 379,684 | 578,198 | 498,698 | 612,810 | 542,023 | 510,044 | 574,506 | 521,913 | 565,320 | 524,725 | 526,128 | 599,216 | 538,610 |
| Operating Surplus/(Deficit) before Capital Amounts | | | (141,365) | (247,776) | (281,354) | (280,958) | (281,103) | (243,701) | (302,685) | (244,766) | (282,459) | (236,237) | (231,680) | (298,680) | (232,166) |
| Less: Net Outlays on Existing Assets | | | | | | | | | | | | | | | |
| Capital Expenditure on Renewal/Replacement of Existing Assets | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| less Depreciation, Amortisation & Impairment | | | 233,081 | 321,163 | 321,163 | 321,163 | 330,103 | 330,103 | 339,158 | 339,158 | 339,158 | 339,158 | 339,158 | 348,847 | 348,847 |
| less Proceeds from Sale of Replaced Assets | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | (233,081) | (321,163) | (321,163) | (321,163) | (330,103) | (330,103) | (339,158) | (339,158) | (339,158) | (339,158) | (339,158) | (348,847) | (348,847) |
| Less: Net Outlays on New and Upgraded Assets | | | | | | | | | | | | | | | |
| Capital Expenditure on New/Upgraded Assets | | | 84,081 | 0 | 0 | 600,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| less Amounts Specifically for New/Upgraded Assets | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| less Proceeds from Sale of Surplus Assets | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | 84,081 | 0 | 0 | 600,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Lending / (Borrowing) for Financial Year | | | 7,635 | 73,387 | 39,809 | (559,795) | 49,000 | 86,402 | 36,474 | 94,392 | 56,700 | 102,921 | 107,478 | 50,168 | 116,682 |
| In any one year, the above financing transactions are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result. | | | | | | | | | | | | | | | |
| Year Ended 30 June: | | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| FINANCING TRANSACTIONS | | | Actual | Actual | Actual | Draft | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan |
| | | | | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| New Borrowings | | | 0 | 0 | 0 | 600,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Repayment of Principal on Borrowings | | | 0 | 0 | 0 | 59,500 | 49,000 | 52,797 | 54,645 | 56,558 | 58,537 | 60,586 | 62,707 | 64,902 | 67,173 |
| Increase/(Decrease) in Cash and Cash Equivalents | | | 7,491 | 84,861 | 17,580 | (6,066) | 0 | 33,605 | (18,171) | 37,834 | (1,837) | 42,335 | 44,771 | (14,735) | 49,507 |
| Increase/(Decrease) in Receivables | | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Increase/(Decrease) in Payables & Provisions | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other – Including the Movement in Inventories | | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Financing Transactions | | | 7,491 | 84,863 | 17,584 | 653,440 | 49,008 | 86,412 | 36,486 | 94,406 | 56,716 | 102,939 | 107,498 | 50,189 | 116,704 |



Gawler River Floodplain Management Authority

2022-2031

Asset Management Plan (Concise)



April 2022

| Document Control | | <div>IPWEA <small>INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA</small></div> <div>JRA</div> <div>Asset Management Plan</div> | | | |
|---|---------|---|--------|-----------------|----------|
| Document ID : NAMSPLUS Concise Asset Management Plan Template_V2_170508 | | | | | |
| Rev No | Date | Revision Details | Author | Reviewer | Approver |
| 1 | 11/9/19 | Prepare plan | DEH | | |
| 2 | 25/3/22 | Update Plan | VM | | DEH |
| 3 | 30/4/22 | Review Plan | | Audit Committee | AC |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

NAMS.PLUS Asset Management Plan Templates

NAMS.Plus offers two Asset Management Plan templates – ‘Concise’ and ‘Comprehensive’.

The Concise template is appropriate for those entities who wish to present their data and information clearly and in as few words as possible whilst complying with the ISO 55000 Standards approach and guidance contained in the International Infrastructure Management Manual.

The Comprehensive template is appropriate for those entities who wish to present their asset management plan and information in a more detailed manner.

This is the **Concise** Asset Management Plan template.

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1 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan 2022-2031

Asset management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner.

This plan covers the infrastructure assets that provide Flood Mitigation comprising of:

- Bruce Eastick North Para Flood Mitigation Dam
- Associated land
- Road Access

These infrastructure assets have significant value estimated at \$25,806,000

1.2 Levels of Service

Our present funding levels are insufficient to continue to provide existing services at current levels in the medium term.

The main services consequences are:

- Asset not fit for purpose
- Land in disrepair

1.4 Future Demand

The main demands for new services are created by:

- Economic and Infrastructure development in the Gawler River Catchment
- Climate Change – increase in heavy rainfall events over the catchment
- Community expectation

These demands may be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, such as changes to Planning Regulations or community preparedness to flooding.

Potential flood mitigation options are outlined in the Gawler River 2016 Flood Review and the 2016 Dam Raise Feasibility study.

Further consideration of options will be available following completion of the Gawler River Stormwater Management Plan(July 2022) and the Gawler River Flood Mitigation Investment Logic Mapping Program (DEW) - June 2022)

1.5 Lifecycle Management Plan

What does it cost?

The projected outlays necessary to provide the

services covered by this Asset Management Plan (AM Plan) includes operations, maintenance, renewal and upgrade of existing assets over the 10-year planning period is \$416,866

NOTE. Cost estimates do not include any upgrade or construction of new structural flood mitigation measures. Most flood management initiatives within the Gawler River catchment and floodplain are beyond the capacity of Constituent Councils to fund and State and Federal Government engagement and funding support will be required before any such initiatives are to be realised.

Depreciation

Policy principles and legislative considerations for funding of depreciation

1. Current GRFMA processes accounting for depreciation costs of the Bruce Eastick North Para Flood Mitigation Dam will be maintained in accordance with legislative requirements.

2. Options for funding depreciation.

Funding (cash allocation) of annual depreciation calculations is not supported.

It is likely constituent councils would question any GRFMA Budget contribution that would result in substantive funds (depreciation) being set aside in cash reserves to be utilised for replacement of the Dam at an unknown date.

3. Risk associated with not funding depreciation

Consideration of the possible political climate and aptitude for replacing the Dam in 80 years plus is very much an unknown. Changes in technology and climate change are real variables.

Identification of known risks can be facilitated via development of a suitable GRFMA Long Term Financial Plan and Asset Management Plan

1.6 Financial Summary

What we will do

We plan to provide Flood Mitigation services for the following:

- Operation and maintenance, renewal and upgrade of the Bruce Eastick North Para Flood Mitigation Dam and associated land to meet service levels set by current design standard.
- Trash Rack cleaning rubbish removal from the Dam,

- General condition inspections monthly, interim condition inspections biennially (2 years), comprehensive engineering inspections every 5 years.(ANCOLD Guidelines)
- Land management including control of weeds and fire prevention measures are undertaken via land lease arrangements.

Managing the Risks

Our present funding levels are sufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Lack of capacity to fund repairs and maintenance and renewal due to not recognising depreciation (consumption of asset value).
- Insufficient fund availability to renew assets at end of estimated service life
- The considered life of the Dam as an asset is based on 80 years; however, it could be argued that it would be longer.
- We will endeavour to manage these risks within available funding by General condition inspections monthly, interim condition inspections biennially (2 years), comprehensive engineering inspections every 5 years.

1.8 Monitoring and Improvement Program

The next steps resulting from this asset management plan to improve asset management practices will be consideration by the GRFMA Board on implications and perceived risks.

2. INTRODUCTION

2.1 Background

This asset management plan communicates the actions required for the responsive management of assets (and services provided from assets), compliance with regulatory requirements, and funding needed to provide the required levels of service over a 10-year planning period.

The asset management plan is to be read with the GRFMA Strategic Plan .

The infrastructure assets covered by this asset management plan are shown in Table 2.1.

These assets are used to provide flood mitigation services.

Table 2.1: Assets covered by this Plan

| Asset Category | Dimension | Replacement Value |
|---|---------------------------|---------------------|
| • Bruce Eastick North Para Flood Mitigation Dam | 25mtr high @y 80 mtr wide | \$25,245,000 |
| Associated land lot 62 hd Kingsford | | \$477,000 |
| Road access | Approx. 440 x 4m | \$84,000 |
| TOTAL (fair value) | | \$25,806,000 |

2.2 Goals and Objectives of Asset Management

Our goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a long-term financial plan which identifies required, affordable expenditure and how it will be allocated.

2.3 Core and Advanced Asset Management

This asset management plan is prepared as a 'core' asset management plan over a 10 year planning period in accordance with the International Infrastructure Management Manual¹. It is prepared to meet minimum legislative and organizational requirements for sustainable delivery and long term financial planning and reporting. Core asset management is a 'top down' approach where analysis is applied at the system or network level. An 'advanced' asset management approach uses a 'bottom up' approach for gathering detailed asset information for individual assets.

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

GRFMA has undertaken consultation with the six constituent councils (via GRFMA Strategic Plan) regarding asset management service level expectations. Future revisions of the asset management plan will incorporate further consultation on service levels and costs of providing the service. This will assist the GRFMA and constituent councils in

¹ IPWEA, 2015, IIMM.

matching the level of service required, service risks and consequences with the community's ability and willingness to pay for the service.

3.2 Strategic and Corporate Goals

This asset management plan is prepared under the direction of the GRFMA Charter goals and objectives and the GRFMA Strategic Plan

The GRFMA was established for the following purposes:

- 1.To co-ordinate the construction, operation and maintenance of flood mitigation infrastructure in the Gawler River area ('the Floodplain');
- 2.To raise finance for the purpose of developing, managing and operating and maintaining flood mitigation works within the Floodplain;
- 3.To provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flood mitigation within the Floodplain;
- 4.To enter into agreements with Constituent Councils for the purpose of managing and developing the Floodplain.

The core values which guide all decisions of GRFMA and which are reflected in the Strategic Plan include:.

Theme 1: Design, build, and maintain physical flood mitigation infrastructure

Objective: To have in place an agreed extent of physical flood mitigation infrastructure that is fit for purpose and achieves the targeted levels of performance.

Theme 2: Develop and evolve key relationships

Objective: To maintain key relationships that are most important to the Authority achieving its purpose.

Theme 3: Ensure good governance and ongoing financial sustainability

Objective: To ensure that the Authority meets legislative requirements and contemporary standards of governance and is financially sustainable for the long term.

The GRFMA will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan prepared in conjunction with this AM Plan. Management of infrastructure risks is covered in Section 6.

The GRFMA Long-term Financial Plan will facilitate provision of suitable funds to maintain and operate the Dam at required service levels. (i.e. its not so much about funds for depreciation and eventual replacement, rather ensuring the GRFMA is provided with sufficient cash flow to maintain the Dam).

A suitable Long-Term Financial Plan, in conjunction with an Asset management Plan, will assist GRFMA with understanding of long-term implications in relation to asset inspection regimes required, service and maintenance costs, statement of risks, and provision for damage cost contingencies.

3.3 Legislative Requirements

Legislative requirements relating to the management of assets include:

Table 3.3: Legislative Requirements

| Legislation | Requirement |
|------------------------------------|--|
| Local Government Act 1999 | Asset Management planning, financial plans and service delivery. |
| LANDSCAPE SOUTH AUSTRALIA ACT 2019 | Water Affecting Activities |

3.4 Customer Levels of Service

Service levels are defined service levels in two terms, customer levels of service and technical levels of service. These are supplemented by organisational measures.

Customer Levels of Service measure how the customer receives the service and whether value to the customer is provided.

Customer levels of service measures used in the asset management plan are:

Quality How good is the service ... *what is the condition or quality of the service?*

Function Is it suitable for its intended purpose *Is it the right service?*

Capacity/Use Is the service over or under used ... *do we need more or less of these assets?*

The current and expected customer service levels are detailed in Tables 3.4 and 3.5. Table 3.4 shows the expected levels of service based on resource levels in the current long-term financial plan.

Organisational measures are measures of fact related to the service delivery outcome e.g. number of occasions when service is not available, condition %'s of Very Poor, Poor/Average/Good, Very good.

These Organisational/Organizational measures provide a balance in comparison to the customer perception that may be more subjective.

Table 3.4: Customer Level of Service

| | Expectation | Performance Measure Used | Current Performance | Expected Position in 10 Years based on the current budget. |
|--|--|--|---------------------|--|
| Service Objective: Flood Mitigation | | | | |
| Quality | Flood protection for a 1 in 100 AEP event | Extent of flooding | Low | Low |
| | | | | |
| | Confidence levels | | Medium | Medium |
| Function | The Dam is a flood control dam and was built in 2007 with the design objective of providing flood protection to the township of Gawler for a 1 in 40 AEP event | Measurement of rainfall/flood event severity | High | High |
| | Confidence levels | | High | High |
| Capacity and Use | | | | |
| | The main dam has a crest length of approximately 226m of which 150m is the primary spillway. The main dam has a 5m wide crest with a vertical upstream face and stepped downstream face. The main dam incorporates a low level outlet pipe that is 2.1 m in diameter and twin high level outlets each 1.8m in diameter. The dam will see substantial flows over the spillway in design flood events, | Review of flood events | High - 2016 Flood | High for similar event as 2016. Low for greater ARI event |
| | Confidence levels | | High | Low |

3.5 Technical Levels of Service

The flood consequence category of the Bruce Eastick North Para Flood Mitigation Dam has been determined as High B as per the ANCOLD Guideline. This impacts on the inspection regime for the dam as inspections are in part determined based on the consequence category of the dam and also on the dam type and the value of the dam to the owner and the community.

Table 3-5.1: ANCOLD recommended inspection frequencies

| Inspection type | | | |
|-----------------|--------------|---------------------|-------------|
| Comprehensive | Intermediate | Routine Visual | Special |
| 5 yearly | Annual | Daily to tri-weekly | As required |

The Bruce Eastick North Para Flood Mitigation Dam is a flood control dam that only impounds water in times of flood. This is nontypical for most dams and does alter the recommended inspection frequency predominately by reducing the need for Routine Visual inspections as the dam does not impound water for the majority of time. However, the

need for special inspections is higher after each flood. Based on this the recommended inspection frequency is contained in Table 5-2.

Table 3-5.2 (ANCOLD Dam Safety Guidelines, 2003) provides greater detail on the conduct of dam safety inspections.

Table 3-5.2

| Inspection | Personnel | Purpose |
|-------------------|---|--|
| Comprehensive | Dam Engineer and specialists (where relevant) | The identification of deficiencies by thorough onsite inspections; by evaluating surveillance data and by applying current criteria and prevailing knowledge. Equipment should be test operated to identify deficiencies. |
| Intermediate | Dams Engineer | The identification of deficiencies by visual examination of the dam and review of recent surveillance data, with recommendations for corrective actions. Equipment is inspected and, preferably, test operated. |
| Routine/Visual | Operations Personnel | The identification and reporting of deficiencies by visual observation of the dam by operating personnel as part of their duties at the dam. |
| Special/Emergency | Dams Engineer and specialists | The examination of a particular feature of a dam for some special reason (e.g. After earthquakes, heavy floods, rapid drawdown, emergency situation) to determine the need for pre-emptive or corrective actions. |

4. FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets were identified and are documented in Table 4.3.

4.3 Demand Impact on Assets

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Table 4.3: Demand Drivers, Projections and Impact on Services

| Demand drivers | Present position | Projection | Impact on services |
|---|--|---|---|
| Economic and Infrastructure development in the Gawler River Catchment | Development is not co-ordinated across the floodplain. | Major developments being proposed. Eg Riverlea , Northern Adelaide Irrigation Investments | Potential increases in the severity of flooding |

| | | | |
|---|---|---|--------------------------------------|
| Climate Change – increase in heavy rainfall events over the catchment | Dam works OK however the Gawler River is prone to breakaways during high rain fall events | Material flood damage to lower reaches of the Gawler river- community assets and horticulture | Demand for mitigation infrastructure |
|---|---|---|--------------------------------------|

4.4 Demand Management Plan

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.4. Further opportunities will be developed in future revisions of this asset management plan.

Table 4.4: Demand Management Plan Summary

| Demand Driver | Impact on Services | Demand Management Plan |
|--|--|--|
| Gawler River 2016 Flood Review | New infrastructure required \$41 Million | Subject to further consideration, and Federal and State Government Funding |
| Raise Dam Feasibility Study | Under consideration \$62 Million | Subject to further consideration, and Federal and State Government Funding |
| Gawler River Stormwater Management Plan | Currently being determined | Completion of the plan due 30 July 2022 |
| Gawler River Flood Management Investment logic Mapping Program | Currently being determined | Completion due by 30 June 2022 |

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the GRFMA plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this asset management plan are shown in Table 2.1.

The assets are generally the Bruce Eastick North Para Flood Mitigation dam, and adjoining land.

The first asset valuation of Bruce Eastick Flood Mitigation Dam was undertaken by Entura for GRFMA in 2014/15. As the Worksheet (2011) requires the revaluation should be carried out every five years, GRFMA requested Entura to undertake the asset revaluation of Bruce Eastick Flood Mitigation Dam to determine the replacement cost of the dam at 2018/19 prices.

The 2019 report by Entura estimated replacement cost for Bruce Eastick Flood Mitigation Dam is \$25.806 million at June 2019 cost and the corresponding written down value is \$22.332million (excluding land costs) based on the most current construction rate information and relevant accounting standards for 2019.

Land is valued at \$477,000.

Access roads are valued at \$84,000.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available.

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

| Location | Service Deficiency |
|---|-------------------------------|
| Bruce Eastick North Para Flood Mitigation Dam | Events of 40 ARI |
| Land | All weather access to the Dam |

5.1.3 Asset condition

Condition is monitored as per item 3.5

5.2 Routine Maintenance Plan

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

Table 5.2.1 Inspection Frequency

| Inspection Type | Comprehensive | Intermediate | Routine Visual | Special |
|--|---|-----------------------------------|-------------------------|---|
| Bruce Eastick North Para Flood Mitigation Dam | 5 yearly | Every Second year (See Note 1) | Monthly (See Note 2) | As required (See Note 3 and 4) |
| Personnel | Dam engineer and specialists as required. | Dams Engineer | Operational staff | Dam engineer and specialists as required. |
| Site access roads, swales and culverts, gates, fencing and signage | | | Monthly | |
| Personnel | | | Operational staff | |

Notes:

1. If a Special Inspection is required in an individual year this can include the Intermediate Inspection for that period.
2. After an event that requires a Special Inspection this inspection frequency should be increased to Daily until the Special Inspection has been undertaken.
3. The Inspection regime should be reviewed at every Special Inspection and adjusted as recommended by the Dams Engineer.

4. A Special Inspection is required after a large flood, an earthquake (of magnitude sufficient to cause shaking in the area) or any other emergency situation. For floods it is recommended that a Special Inspection be undertaken if the high-level outlets operate.

5.3 Renewal Replacement Plan

5.3.1 Maintenance plan

Field inspection sheets are to be established for the routine and annual inspections. The inspections shall include review of all monitoring data and any incidents.

An inspection report shall be prepared for each inspection other than the routine where the inspection sheet will be sufficient. A register of issues for close out shall be maintained.

Actual past maintenance expenditure is shown in Table 5.3.1.

Table 5.3.1: Maintenance Expenditure Trends

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| | Actual | Actual | DRAFT | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan |
| | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Amount | 27,736 | 7,560 | 15,000 | 25,000 | 25,500 | 80,010 | 26,530 | 69,061 | 27,602 | 28,154 | 90,717 | 29,291 |

Current maintenance expenditure levels are considered to be adequate to meet required service levels. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels.

Assessment and prioritisation of reactive maintenance is undertaken by operational staff using experience and judgement.

5.4 Creation/Acquisition/Upgrade Plan

New works are those that create a new asset that did not previously exist, or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost. These additional assets are considered in Section 4.4.

5.4.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed below.

Table 5.4.1: New Assets Priority Ranking Criteria

| Criteria | Weighting |
|---|-----------|
| Dam with 100 ARI capacity | 30% |
| Low flooding incidence in Gawler River floodway | 70% |
| Total | 100% |

Expenditure on new assets and services in the capital works program will be included in the long term financial plan only when the projects are approved and a funding pathway has been identified.

Should these new assets be realised additional funding commitments of ongoing operations, maintenance and renewal costs will be required for the period that the service provided from the assets is required.

5.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.5, together with estimated annual savings from not having to fund operations and maintenance of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any. Any costs or revenue gained from asset disposals is accommodated in the long term financial plan.

Table 5.5: Assets Identified for Disposal

| Asset | Reason for Disposal | Timing | Disposal Expenditure | Operations & Maintenance Annual Savings |
|-------|---------------------|--------|----------------------|---|
| Nil | | | | |

6. RISK MANAGEMENT PLAN

The purpose of infrastructure risk management is to document the results and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:20018 as: ‘coordinated activities to direct and control with regard to risk’².

An assessment of risks³ associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a ‘financial shock’. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Similarly, critical failure modes are those which have the highest consequences.

Critical assets have been identified and their typical failure mode and the impact on service delivery are as follows:

Table 6.1 Critical Assets

| Critical Asset(s) | Failure Mode | Impact |
|---|---|--------|
| Bruce Eastick North Para Flood Mitigation Dam | Flood Failure” - the difference between the consequences of a natural rainfall and flooding event with the consequences resulting from the failure of the dam during the same AEP flood event | High |

By identifying critical assets and failure modes investigative activities, condition inspection programs, maintenance and capital expenditure plans can be targeted at the critical areas.

² ISO 31000:2009, p 2

6.2 Risk Assessment

An assessment of risks⁴ associated with service delivery from infrastructure assets has identified the critical risks that will result in significant loss, 'financial shock' or a reduction in service.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment cost after the selected treatment plan is implemented is shown in Table 6.2. These risks and costs are reported to management and GRFMA.

Two critical risk associated with the Bruce Eastick North Para Flood Mitigation Dam are failure of the structure of the Dam (Dam Break) and over topping of the Dam Crest wall in a flood event greater than 40 ARI .

Table 6.2: Critical Risks and Treatment Plans

| Service or Asset at Risk | What can Happen | Risk Rating (VH, H) | Risk Treatment Plan | Residual Risk * | Treatment Costs |
|---|---|---------------------|--|--|----------------------------|
| Bruce Eastick North Para Flood Mitigation Dam | Sunny Day Failure (SDF); Dam Crest Flood (DCF) (with and without failure); and Probable Maximum Flood (PMF) (with and without failure | | Dam break and Consequence Assessment Annual Maintenance | Low High B (ANCOLD) | Nil Ref Table 5.3.1 |

Note * The residual risk is the risk remaining after the selected risk treatment plan is operational.

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to our customers and the services we provide. To adapt to changing conditions and grow over time we need to understand our capacity to respond to possible disruptions and be positioned to absorb disturbance and act effectively in a crisis to ensure continuity of service.

Resilience is built on aspects such as response and recovery planning, financial capacity and crisis leadership.

Our current measure of resilience is shown in Table 6.4 which includes the type of threats and hazards, resilience assessment and identified improvements and/or interventions.

Table 6.4: Resilience

| Threat / Hazard | Resilience LMH | Improvements / Interventions |
|----------------------------------|----------------|--|
| Earthquake | Low | Unknown |
| Significant flood event (40 ARI) | Low | Strategic levees infrastructure to reduce impact of moderate flooding in the lower reaches of the Gawler River |
| 100 ARI Flood | Low | Raise dam to improve flood protection for the Gawler River catchment. |

7. FINANCIAL SUMMARY

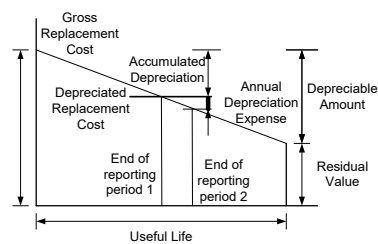
This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

7.1 Financial Statements and Projections

7.1.1 Asset valuations

The best available estimate of the value of assets included in this Asset Management Plan are shown below. Assets are valued at Fair Value

| | |
|---|--------------|
| Gross Replacement Cost | \$25,806,000 |
| Depreciable Amount | \$25,329,000 |
| Depreciated Replacement Cost ⁵ | \$21,689,675 |
| Annual Average Asset Consumption | \$321,163 |



7.1.1 Sustainability of service delivery

Two key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset category, these being the:

- asset renewal funding ratio, and
- medium term budgeted expenditures/projected expenditure (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio⁶ 0

The Asset Renewal Funding Ratio is the most important indicator and indicates that over the next 10 years of the forecasting that we expect to have 100% of the funds required for the optimal renewal and replacement of assets.

Medium term – 10 year financial planning period

This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

⁵ Also reported as Written Down Value, Carrying or Net Book Value.

⁶ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

The projected operations, maintenance and capital renewal expenditure required over the 10-year planning period is identified in Table 5.3.1.

Funding (cash allocation) of annual depreciation calculations is not undertaken, rather the policy is ensuring the GRFMA is provided with sufficient cash flow to maintain the Dam at required service provision levels.

GRFMA's target is a deficit equivalent of depreciation expense each year, net of estimated (budget) operations and maintenance outcomes

The Long-Term Financial Plan indicates that GRFMA will operate on average over the 10-year term with an operating deficit of \$2,634,425

7.2 Funding Strategy

Funding for assets is provided from the budget and long-term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the asset management plan communicates how and when this will be spent, along with the service and risk consequences of differing options.

7.3 Valuation Forecasts

Asset values are forecast to remain static unless additional assets are added.

Additional assets will generally add to the operations and maintenance needs in the longer term, as well as the need for future renewal. Additional assets will also add to future depreciation forecasts.7.4

7.4 Forecast Reliability and Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5-level scale⁷ in accordance with Table 7.5.

Table 7.5: Data Confidence Grading System

| Confidence Grade | Description |
|-------------------|---|
| A Highly reliable | Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate \pm 2% |
| B Reliable | Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate \pm 10% |
| C Uncertain | Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated \pm |

⁷ IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

| Confidence Grade | Description |
|------------------|---|
| | 25% |
| D Very Uncertain | Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy \pm 40% |
| E Unknown | None or very little data held. |

The estimated confidence level for and reliability of data used in this AM Plan is considered to be Reliable.

8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices⁸

8.1.1 Accounting and financial data sources

2020/21 GRFMA Financial Statements

8.1.2 Asset management data sources

2020/21 GRFMA Financial Statements

8.2 Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget planning processes and amended to show any material changes in service levels and/or resources available to provide those services as a result of budget decisions.

The AM Plan will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the long term financial plan.

8.3 Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required projected expenditures identified in this asset management plan are incorporated into the long term financial plan,
- The degree to which 1-5 year detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the asset management plan,
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0.

9. REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney,
- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM.

⁸ ISO 55000 Refers to this the Asset Management System

- IPWEA, 2015, 3rd edn., 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2012 LTFP Practice Note 6 PN Long Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney

Agenda Item: **5.2**
Committee: **GRFMA Audit Committee**
Meeting Date: **1 June 2022**
Title: **Achievements Against the Annual Business Plan**

Recommendation:

That the GRFMA Audit Committee:

- 1. Notes the report.**
 - 2. Requests the Executive Officer provide the document to the 16 June 2022 GRFMA meeting for consideration.**
-

The Statement of Achievements against the Business Plan provides a basis for evaluation of performance by the GRFMA.

The June 2022 report forms part of the GRFMA Annual Report 2021-2022.

See separately attached for the completed 2021-22 Statement of Achievements Against the Business Plan.

Where relevant, key priorities identified in the draft GRFMA Strategic Plan have been referenced.



ACHIEVEMENTS AGAINST THE BUSINESS PLAN 2021-2022

June 2022

Gawler River Floodplain Management Authority

Constituent Councils:

Adelaide Hills Council

Adelaide Plains Council

The Barossa Council

Town of Gawler

Light Regional Council

City of Playford

GRFMA

Gawler River Floodplain Management Authority (GRFMA)

The Gawler River

The Gawler River is formed by the confluence of the North Para and South Para in the town of Gawler, and is located in the Adelaide Plains district of South Australia. The district surrounding the river produces cereal crops and sheep for both meat and wool, as well as market gardens, almond orchards and vineyards. The farm gate output of the Gawler River floodplain horticultural areas is estimated to be at least \$225 million.

Purpose of the GRFMA

The Gawler River Floodplain Management Authority (GRFMA) was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 on 22 August 2002. The Constituent Councils are the Adelaide Hills Council, The Adelaide Plains Council, The Barossa Council, The Town of Gawler, Light Regional Council, and the City of Playford.

The Charter provides for one independent person, who is not an officer, employee or elected member of a Constituent Council, to be appointed as the Chairperson of the Board of Management of the GRFMA for a term of two years.

The Charter sets down the powers, functions, safeguards, accountabilities and an operational framework and the Business Plan sets down the operational plan and financial plan to achieve agreed objectives.



Evaluation of Performance against the Business Plan

This Statement of Achievements against the Business Plan will form part of the Key Outcomes Summary to Councils following the meetings at which it is tabled. The June report will form part of the GRFMA Annual Report 2021-2022.

Part A: Funding

| Performance Targets: | Timings: | To be measured By: | Actual Achievements |
|-----------------------------|--------------|---|--|
| Grant Claims | At all times | Lodge claims monthly for the payment of Commonwealth and State Government Grants. | <input checked="" type="checkbox"/> Claims lodged according to grant conditions |
| Maintain positive Cash Flow | At all times | Positive bank account balances at all times. | <input checked="" type="checkbox"/> Positive cash flow maintained |

Part B: Proposed Flood Mitigation Scheme Works

| | |
|---|--|
| Gawler River Flood Mitigation Scheme | |
| One | What will the Mark Two Scheme Include? (Note these steps may occur concurrently and not necessarily in the following order) |
| Two | Reconfirm with the Constituent Councils that a 1 in 100-year level of protection is the protection standard that is to be pursued in the development of the Gawler River Flood Mitigation Scheme - Mark Two Strategy. N.B. The protection standard does not guarantee full protection for all flood events. <i>The Findings Report 2016 advised the 1 in 100 ARI event is considered to be the minimum desirable level of flood protection for new development as well as for much of the existing floodplain development. GRFMA Strategic Plan Priority action 1.2 - Review, with Constituent Councils and stakeholders, design standards for infrastructure works including costs and benefits. The Findings Report 2016 advised enlarging the existing Bruce Eastick North Para Flood Mitigation Dam on the North Para offers the greatest level of protection with least impacts and is rated as the most favoured structural mitigation option. This option deferred pending completion of the Gawler River Stormwater Management Plan. Noting feasibility of raising the height of the Bruce Eastick Dam is still a strategic consideration. GRFMA Strategic Plan Priority action 1.4 – In conjunction with the Constituent Councils, develop and implement a schedule of flood mitigation infrastructure works for the Gawler River referencing the Gawler River Stormwater Management Plan.</i> |
| Three | The Gawler River Floodplain Mapping Model should be maintained as the reference tool to demonstrate the level of flood protection and validity of design of land proposed for development as part of the approval process. To achieve this, the model should be upgraded to include recent works such as the Northern Expressway works and the additional floodplain mapping completed as part of the Light River Templers Creek Salt Creek Mapping Study by the Adelaide Plains Council. <i>Completed.</i> |

- Four To further develop the preliminary assessment of possible local area levees prepared in the 2008 Gawler River Floodplain Mapping Study at Gawler, Angle Vale and Two Wells and develop a levee strategy for Virginia to a robust design standard with a staging plan. Undertake a cost benefit study for each stage of the plan. ***Will be a consideration of the Gawler River Stormwater Management Plan 2021/2022.***
- Five Establish a protocol with the Floodplain Councils that where development of land in areas identified as 'at risk of flooding' is planned to proceed by the implementation of a local area levee that mapping of the proposed levees on the Gawler River Floodplain Mapping Study Model will be required. ***GRFMA Strategic Plan Priority action 1.4 – In conjunction with the Constituent Councils, develop and implement a schedule of flood mitigation infrastructure works for the Gawler River referencing the Gawler River Stormwater Management Plan.***
- Six Maintain a working relationship with the Australian Rail Track Corporation to ensure that any changes to Railtrack infrastructure of culverts and rail heights are mapped on the Gawler River Floodplain Mapping Study Model to identify any changes to flooding impacts. ***Ongoing - new replacement of the rail bridge completed April 2021***
- Seven Develop a funding strategy for flood protection that is delivered by local area levees on the questions of who should own and maintain the levees and whether local area levees are regional works that the GRFMA should fund or are they local works that are the responsibility of the local Council. ***Will be a consideration of the Gawler River Stormwater Management Plan 2021/2022.***
- Eight Investigate opportunities for funding partners and grants to undertake the necessary assessments and designs. ***Ongoing. GRFMA currently working with Department of Environment and Water on the \$9Mil Gawler River Flood Mitigation projects GRFMA Strategic Plan Priority action 2.4 – Proactively pursue governance structures and/or management approaches that bring together the various government agencies involved in water management related to the Gawler River to ensure coordinated action is taken to reduce flood risk, while contributing to greater integration of water management.***
- Nine The Scheme will also seek to clarify, through the Local Government Association, the policy and legal framework around maintenance of rivers and creeks where those rivers and creeks are part of the regional flood management plan. Under current legislation a landowner is responsible for the condition of a creek or waterway on private land. ***Pending finalisation of the review by Department Environment and Water. GRFMA submission provided.***

Part B: Maintenance of the Scheme

| Performance Targets: | Timings: | To be measured By: | Actual Achievements |
|------------------------|-------------------|---------------------------------|--|
| Six monthly inspection | June and December | Completion of Inspection Report | ☑ Routine inspections completed |

Part C: Operation of the Regional Subsidiary

| Performance Targets: | Timings: | To be measured By: | Actual Achievements |
|--|--|--|--|
| Reports to Stakeholders | Bi-Monthly | Key Outcomes Summary to be published following each Board Meeting | ☑ Key Outcomes Summary prepared following GRFMA meetings |
| Maintain effective Regional Subsidiary | December | The performance of the Executive Officer be reviewed annually Charter Review | ☑ Review conducted in December 2021 ☑ GRFMA Charter Review (2nd stage) commenced April 2020 - Materially completed pending finalisation of cost share funding model |
| | August | The appointment of Auditor, Bank Operators, levels of insurance, appropriate registrations, delegations and policies be reviewed annually. | ☑ New External Auditor 2019-2024 appointed June 2019 ☑ Appropriate levels of insurance reviewed in July 2021 |
| Review of the Business Plan | By 31 st March | Review the Business Plan prior to preparing the Budget Forward to the Councils | ☑ June 2021 - Business Plan 2021- 2022 adopted ☑ June 2021 - Achievements against the Business Plan 2021 - 2022 presented |
| Annual Budget | By 31 st March, June, October, December | Adopt for consultation forward to Councils- Adopt Budget – copy to Councils in 5 days- Conduct Budget Reviews | ☑ 2022 - 2023 Draft Budget forwarded in March 2022 to consistent councils for consultation ☑ Budget Reviews 1, 2 and 3 reviewed by GRFMA Audit Committee |
| Subscriptions | June December | Send half year subscriptions to Council | ☑ All first half subscriptions paid ☑ All Second half subscriptions paid |

| | | | |
|--------------------------------|---|---|--|
| Report to Constituent Councils | Following each Board meeting By 30 th September | The receipt of the following reports by Councils, Board Meeting Key Outcome Summary Annual Report including Annual Financial Statements | <input checked="" type="checkbox"/> Key Outcomes Summary prepared following meetings <input checked="" type="checkbox"/> Annual Report forwarded electronically to Councils. |
| Governance | Ongoing | Policies and new management framework documents developed and reviewed | <input checked="" type="checkbox"/> Independent review of all GRFMA policies initiated December 2021 <input checked="" type="checkbox"/> GRFMA Strategic Plan facilitated and considered at the June 2022 GRFMA Meeting <input checked="" type="checkbox"/> Draft Asset Management Plan and Long Term Financial Plans facilitated for adoption June 2022. |
| Annual Operations | | <p>Advocacy for construction of Northern Floodway project</p> <p>Dewatering and repair of the low-level inlet pipe and stilling basin.</p> <p>Scheduled inspection</p> <p>Environmental management of land associated with the Dams location.</p> <p>GRUMP decision support tool to manage flood risk</p> <p>Revegetate land zone around the Bruce Eastick North Para Flood Mitigation Dam.</p> | <p>Hiatus. Pending completion of the Gawler River Stormwater Management Plan</p> <input checked="" type="checkbox"/> GRFMA currently working with Department of Environment and Water on the \$9 Mil Gawler River Flood Mitigation projects <input checked="" type="checkbox"/> Major repair works facilitated and completed 31 April 2022 <input checked="" type="checkbox"/> Removal of Graffiti and security chains attached to HLOP screens completed November 2021 <input checked="" type="checkbox"/> Completed April 2022 <input checked="" type="checkbox"/> Annual land management lease in place <input checked="" type="checkbox"/> Completion March 2022 <input checked="" type="checkbox"/> Ongoing |

| | |
|----------------------|--|
| Agenda Item: | 5.3 |
| Committee: | Audit Committee |
| Meeting Date: | 1 June 2022 |
| Title: | GRFMA 2021/2022 Budget Review 3 |

Recommendation:

That the GRFMA Audit Committee:

- 1. Notes changes proposed for Budget Review 3.**
 - 2. Recommends the document be presented to the GRFMA for consideration and adoption.**
-

Budget Review 3

Regulation 9 of Local Government (Financial Management) Regulations 2011 states:

'A report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances'.

Budget Review 1 (BR1)

The Profit and Loss Budget Analysis as at 31 October 2021 identified no material change to the adopted GRFMA 2021-2022 Budget.

There were some minor fluctuations between forecast expenditure / income against actual for the period to 31 October, however in context of the overall 2021-2022 financial year budget estimations, these items did merit change at the time.

Budget Review 2(BR2)

BR2 identified movement in expenditure and income due to commencement of BENPFM Dam repair works and receipt of associated Cash Advance Debenture (CAD) finance from LGFA.

Adjustments were also made to reflect the cost of completion of the Gawler River Stormwater Management Plan (SMP), receipt of funding contribution from the Stormwater Management Authority and \$6,560 for the Community Engagement Flood Resilience funding application costs.

Budget Review 3 (BR3)

BR3 contains movement in expenditure and income to reflect final cost of completed BENPFM Dam repair works and receipt of associated Cash Advance Debenture (CAD) finance from LGFA.

Adjustments have also been made to reflect the cost of additional duties for the GRFMA Chair representing at the Gawler River Flood Mitigation Program (DEW), increase in Other Costs (subscriptions and reduction of projected consultancy costs).

In presenting Budget Review 3 information as per Local Government Uniform Presentation of Finances the following adjustments have been made:

- The \$635,000 CAD facility from LGFA is not an income item and is reflected as cash coming in and a liability on the balance sheet.
- Given the value of the repairs are \$635,000, at this point it is reflected as a Capital item and reported on the Cash Flow and Balance Sheet.
- The following amounts are reflected as expenditure:
 - \$10,000 Honorarium Chair (increase of \$1,500)
 - \$158,495 Contract consultancy cost (reduction of \$9,240)
 - \$7,000 Other, increase in subscriptions and accounting (increase of \$992)

Uniform Presentation of Finances BR3:

| | |
|-------------------------|-------------|
| Operating Revenues | \$332,370 |
| Less Operating Expenses | \$599,510 |
| Operating Deficit | \$(267,140) |
| Less Capital Outlay | \$635,000 |
| Less Depreciation | (\$321,163) |
| Net Borrowing | (\$580,977) |

This is calculated as MYOB:

- Total Income \$967,370
- Minus total expenses \$1,294,010
- Net loss (\$326,640)

Reconciliation of BR2 Result:

- Net Profit / Loss for the Year (MYOB) (\$326,640)
- Add Back Depreciation Expense \$321,163
- Add Back Principal Loan Repayments \$59,500
- TOTAL \$54,023
- Loan Borrowings \$635,000
- Cash Used \$580,977

The projected cash loss of \$326,640 consists of \$321,162 Depreciation (unfunded) and projected general operating loss of \$5,478.

See attached for:

- Budget Review 3 information as per Local Government Uniform Presentation of Finances
- Profit and Loss Budget Analysis which shows income and expenditure to 11 May 2022

See the chart below which identifies BR3 variations as they appear in the MYOB format:

| | Budget Adopted | BR1 | BR2 | BR3 | Variation |
|-------------------------------------|---------------------------|------------|------------|------------|---|
| INCOME | | | | | |
| State Grant-SMP | \$0 | \$0 | \$70,518 | | |
| Finance-LGFA Cash Advance Debenture | | | \$600,00 | \$635,00 | Accounting for CAD provision BRNPFM Dam repairs (\$700,000 is available) |
| EXPENSE | | | | | |
| Honorarium Chair | \$8,300 | | | \$10,000 | Additional duties DEW committees |
| Other Clerical | \$6,008 | | | \$7,000 | Cost of services MYOB \$600 FMA Subs \$900 Accounting \$1,000 Clerical \$5,100 |
| Gawler River Mk2 Consultancies | \$85,000 | | \$167,735 | \$158,495 | Balance SMP for 2022 \$143,735 Strategic Plan \$ 4,200 LTFP/AMP \$ 2,000 Community Flood Eng \$ 6,560 Records Management \$ 2,000 |
| BENPFMD Repairs | \$0 | | \$600,000 | \$635,000 | Completed works including ITP and site supervision |

STATEMENT OF COMPREHENSIVE INCOME

| 2020/2021 FULL YEAR ACTUALS \$ | | 2021/2022 BUDGET \$ | 2021/2022 BUDGET REVIEW 1 \$ | 2021/2022 BUDGET REVIEW 2 \$ | 2021/2022 BUDGET REVIEW 3 \$ |
|---|---|------------------------------------|---|---|---|
| | INCOME | | | | |
| 196,235 | Subscriptions | 266,052 | 266,052 | 261,252 | 261,252 |
| 20,000 | Grants Subsidies and Contributions | - | - | 70,518 | 70,518 |
| 1,009 | Investment Income | 600 | 600 | 600 | 600 |
| 100 | Other | - | - | - | - |
| 217,344 | TOTAL REVENUES | 266,652 | 266,652 | 332,370 | 332,370 |
| | EXPENSES | | | | |
| 177,535 | Materials, Contracts and Other Expenses | 266,652 | 266,652 | 281,147 | 267,847 |
| - | Finance Costs | - | - | 10,500 | 10,500 |
| 321,163 | Depreciation, amortisation & impairment | 321,163 | 321,163 | 321,163 | 321,163 |
| 498,698 | Total Expenses | 587,815 | 587,815 | 612,810 | 599,510 |
| (281,354) | OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS | (321,163) | (321,163) | (280,440) | (267,140) |
| - | Net gain (loss) on disposal or revaluation of assets | - | - | - | - |
| - | Amounts specifically for new or upgraded assets | - | - | - | - |
| - | Physical resources received free of charge | - | - | - | - |
| (281,354) | TOTAL COMPREHENSIVE INCOME | (321,163) | (321,163) | (280,440) | (267,140) |

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED BUDGET 2021/2022 REVIEW 3**

CASH FLOW STATEMENT

| 2020/2021 FULL YEAR ACTUALS \$ | | 2021/2022 BUDGET \$ | 2021/2022 BUDGET REVIEW 1 \$ | 2021/2022 BUDGET REVIEW 2 \$ | 2021/2022 BUDGET REVIEW 3 \$ |
|---|---|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Inflows (Outflows) | | Inflows (Outflows) | Inflows (Outflows) | Inflows (Outflows) | Inflows (Outflows) |
| | CASHFLOWS FROM OPERATING ACTIVITIES | | | | |
| | RECEIPTS | | | | |
| 199,195 | Operating Receipts | 266,052 | 266,052 | 331,770 | 331,770 |
| 1,023 | Investment Receipts | 600 | 600 | 600 | 600 |
| | PAYMENTS | | | | |
| (182,638) | Operating payments to suppliers & employees | (266,652) | (266,652) | (317,714) | (304,414) |
| - | Finance Payments | - | - | (10,500) | (10,500) |
| 17,580 | Net Cash provided by (or used in) Operating Activities | - | - | 4,156 | 17,456 |
| | CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| | RECEIPTS | | | | |
| - | Grants specifically for new or upgraded assets | - | - | - | - |
| 0 | Sale of Assets | 0 | 0 | 0 | 0 |
| | PAYMENTS | | | | |
| - | Capital Expenditure on renewal/replacement of assets | - | - | (600,000) | (635,000) |
| - | Capital Expenditure on new/upgraded assets | - | - | - | - |
| - | Net Cash provided by (or used in) Investing Activities | - | - | (600,000) | (635,000) |
| | CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| | RECEIPTS | | | | |
| - | Proceeds from Borrowings | - | - | 600,000 | 635,000 |
| | PAYMENTS | | | | |
| - | Repayment of Borrowings | - | - | (59,500) | (59,500) |
| - | NET CASH USED IN FINANCING ACTIVITIES | - | - | 540,500 | 575,500 |
| 17,580 | NET INCREASE (DECREASE) IN CASH HELD | - | - | (55,344) | (42,044) |
| 151,764 | CASH AT BEGINNING OF YEAR | 71,248 | 169,344 | 169,344 | 169,344 |
| 169,344 | CASH AT END OF YEAR | 71,248 | 169,344 | 114,000 | 127,300 |

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED BUDGET 2021/2022 REVIEW 3**

BALANCE SHEET

| 2020/2021 FULL YEAR ACTUALS | | 2021/2022 BUDGET | 2021/2022 BUDGET REVIEW 1 | 2021/2022 BUDGET REVIEW 2 | 2021/2022 BUDGET REVIEW 3 |
|-----------------------------------|---|---------------------|---------------------------------|---------------------------------|---------------------------------|
| | ASSETS | | | | |
| | CURRENT ASSETS | | | | |
| \$ | | \$ | \$ | \$ | \$ |
| 169,344 | Cash and cash equivalents | 71,248 | 169,344 | 114,000 | 127,300 |
| 49,278 | Trade & other receivables | 1,612 | 49,278 | 49,278 | 49,278 |
| - | Inventories | - | - | - | - |
| 218,622 | TOTAL CURRENT ASSETS | 72,860 | 218,622 | 163,278 | 176,578 |
| | NON-CURRENT ASSETS | | | | |
| - | Financial Assets | - | - | - | - |
| 21,689,675 | Infrastructure, Property, Plant & Equipment | 21,368,512 | 21,368,512 | 21,968,512 | 22,003,512 |
| 21,689,675 | TOTAL NON-CURRENT ASSETS | 21,368,512 | 21,368,512 | 21,968,512 | 22,003,512 |
| 21,908,297 | TOTAL ASSETS | 21,441,372 | 21,587,134 | 22,131,790 | 22,180,090 |
| | LIABILITIES | | | | |
| | CURRENT LIABILITIES | | | | |
| 36,567 | Trade & Other Payables | - | 36,567 | - | - |
| - | Borrowings | - | - | - | - |
| - | Short-term Provisions | - | - | - | - |
| 36,567 | TOTAL CURRENT LIABILITIES | - | 36,567 | - | - |
| | NON-CURRENT LIABILITIES | | | | |
| - | Long-term Borrowings | - | - | 540,500 | 575,500 |
| - | Long-term Provisions | - | - | - | - |
| - | TOTAL NON-CURRENT LIABILITIES | - | - | 540,500 | 575,500 |
| 36,567 | TOTAL LIABILITIES | - | 36,567 | 540,500 | 575,500 |
| 21,871,730 | NET ASSETS | 21,441,372 | 21,550,567 | 21,591,290 | 21,604,590 |
| | EQUITY | | | | |
| 13,189,757 | Accumulated Surplus | 12,759,399 | 12,868,594 | 12,909,317 | 12,922,617 |
| 8,681,973 | Asset Revaluation | 8,681,973 | 8,681,973 | 8,681,973 | 8,681,973 |
| - | Other Reserves | - | - | - | - |
| 21,871,730 | TOTAL EQUITY | 21,441,372 | 21,550,567 | 21,591,290 | 21,604,590 |

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED BUDGET 2021/2022 REVIEW 3**

STATEMENT OF CHANGES IN EQUITY

| 2020/2021 FULL YEAR ACTUALS \$ | | 2021/2022 BUDGET \$ | 2021/2022 BUDGET REVIEW 1 \$ | 2021/2022 BUDGET REVIEW 2 \$ | 2021/2022 BUDGET REVIEW 3 \$ |
|---|--|------------------------------------|---|---|---|
| | ACCUMULATED SURPLUS | | | | |
| 13,471,111 | Balance at end of previous reporting period | 13,080,562 | 13,189,757 | 13,189,757 | 13,189,757 |
| (281,354) | Net Result for Year | (321,163) | (321,163) | (280,440) | (267,140) |
| 0 | Transfer From Reserves | 0 | 0 | 0 | 0 |
| 0 | Transfer To Reserves | 0 | 0 | 0 | 0 |
| 13,189,757 | BALANCE AT END OF PERIOD | 12,759,399 | 12,868,594 | 12,909,317 | 12,922,617 |
| | ASSET REVALUATION RESERVE | | | | |
| 8,681,973 | Balance at end of previous reporting period | 8,681,973 | 8,681,973 | 8,681,973 | 8,681,973 |
| 0.00 | Gain on revaluation of infrastructure, property, plant & equipment | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment | 0.00 | 0.00 | 0.00 | 0.00 |
| 8,681,973 | BALANCE AT END OF PERIOD | 8,681,973 | 8,681,973 | 8,681,973 | 8,681,973 |
| 21,871,730 | TOTAL EQUITY AT END OF REPORTING PERIOD | 21,441,372 | 22,043,187 | 21,918,290 | 21,604,590 |

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED BUDGET 2021/2022 REVIEW 3**

| UNIFORM PRESENTATION OF FINANCES | | | | |
|-----------------------------------|---|---------------------|---------------------|---------------------|
| 2020/2021 FULL YEAR ACTUALS | | 2021/2022 BUDGET | 2021/2022 BUDGET | 2021/2022 BUDGET |
| \$ | | \$ | \$ | \$ |
| 217,344 | Operating Revenues | 266,652 | 266,652 | 332,370 |
| (498,698) | less Operating Expenses | (587,815) | (587,815) | (599,510) |
| (281,354) | Operating Surplus / (Deficit) before Capital Amounts | (321,163) | (321,163) | (267,140) |
| | Less Net Outlays in Existing Assets | | | |
| - | Capital Expenditure on renewal and replacement of Existing Assets | - | - | 600,000 |
| (321,163) | less Depreciation, Amortisation and Impairment | (321,163) | (321,163) | (321,163) |
| - | less Proceeds from Sale of Replaced Assets | - | - | - |
| (321,163) | | (321,163) | (321,163) | 278,837 |
| | Less Net Outlays on New and Upgraded Assets | | | |
| - | Capital Expenditure on New and Upgraded Assets | - | - | - |
| - | less Amounts received specifically for New and Upgraded Assets | - | - | - |
| - | less Proceeds from Sale of Surplus Assets | - | - | - |
| 39,809 | Net Lending / (Borrowing) for Financial Year | - | - | (559,277) |
| | | | | (580,977) |

Profit & Loss [Budget Analysis]

July 2021 To June 2022

266 Seacombe Road
Seacliff Park SA 5049ABN: 12 925 534 861
Email: davidehitchcock@bigpond.com

| | Selected Period | Budgeted | \$ Difference |
|--|--------------------|--------------------|--------------------|
| Income | | | |
| Admin of GRFMA | | | |
| Member Subscriptions | \$176,052 | \$176,052 | \$0 |
| Interest LGFA | \$978 | \$600 | \$378 |
| Other | \$100 | \$0 | \$100 |
| Total Admin of GRFMA | \$177,130 | \$176,652 | \$478 |
| Operations Flood Mit Scheme | | | |
| Council Subscriptions | \$85,204 | \$85,200 | \$4 |
| State Grant | \$0 | \$70,518 | (\$70,518) |
| Other | \$0 | \$635,000 | (\$635,000) |
| Total Operations Flood Mit Scheme | \$85,204 | \$790,718 | (\$705,514) |
| Total Income | \$262,334 | \$967,370 | (\$705,036) |
| Gross Profit | \$262,334 | \$967,370 | (\$705,036) |
| Expenses | | | |
| Admin of GRFMA | | | |
| Executive Officer Contract | \$47,646 | \$55,000 | (\$7,354) |
| Adv, printing, stationery post | \$304 | \$1,200 | (\$896) |
| Travelling Expenses | \$146 | \$4,000 | (\$3,854) |
| Insurance PL & PI | \$6,733 | \$6,732 | \$1 |
| Audit Committee | \$1,950 | \$2,600 | (\$650) |
| Audit Fees | \$5,188 | \$5,500 | (\$312) |
| Bank Fees | \$46 | \$120 | (\$75) |
| Legal Fees | \$0 | \$2,000 | (\$2,000) |
| Honorarium - Chairperson | \$8,300 | \$10,000 | (\$1,700) |
| Other | \$6,008 | \$7,000 | (\$992) |
| Total Admin of GRFMA | \$76,320 | \$94,152 | (\$17,832) |
| Gawler River Scheme Mark 2 | | | |
| Consultancies | \$103,353 | \$158,495 | (\$55,142) |
| Total Gawler River Scheme Mark 2 | \$103,353 | \$158,495 | (\$55,142) |
| Maint Flood Mitigation Scheme | | | |
| BENPFM Dam repairs | \$570,626 | \$635,000 | (\$64,374) |
| Maintenance Contractors | \$4,975 | \$15,000 | (\$10,025) |
| Property Maintenance | \$60 | \$0 | \$60 |
| Rates & Levies | \$126 | \$200 | (\$74) |
| Total Maint Flood Mitigation Scheme | \$575,787 | \$650,200 | (\$74,413) |
| Depreciation | | | |
| Depreciation | \$0 | \$321,163 | (\$321,163) |
| Total Expenses | \$755,460 | \$1,224,010 | (\$468,550) |
| Operating Profit | (\$493,126) | (\$256,640) | (\$236,486) |
| Total Other Income | \$0 | \$0 | \$0 |
| Other Expenses | | | |
| Interest Expense | \$672 | \$10,500 | (\$9,828) |
| Other Expense | \$0 | \$59,500 | (\$59,500) |
| Total Other Expenses | \$672 | \$70,000 | (\$69,328) |
| Net Profit/(Loss) | (\$493,798) | (\$326,640) | (\$167,158) |