NORTHERN AREAS
COUNCIL



LONG TERM FINANCIAL PLAN

2024-25 to 2033-34

Executive Summary

Covering an area of 3,070km, Northern Areas Council straddles the southern parts of the Flinders Ranges and the northern Mount Lofty Ranges. Most of our 5,000 residents live in the major towns of Jamestown, Laura, Gladstone, Spalding and Georgetown, while many other towns and settlements are dotted across the region. Council is responsible for managing and maintaining community assets worth in excess of $105 million and making prudent investments on behalf of our ratepayers.

Under Section 122(1a)(a) of the *Local Government Act 1999*, Council is required to develop and adopt a Long Term Financial Plan (LTFP) for a period of at least 10 years, which forms part of its suite of Strategic Management Plans.

Under Section 122(4)(a) of Act, Council must also undertake a review of the LTFP on an annual basis.

This document has been developed to satisfy this requirement and to assist in determining the financial projections for Council from the 2024-25 to 2033-34 years, based on information available at the time.

The key objective of Council's LTFP is financial sustainability in the medium to long term, while still achieving Council's vision and objectives, as described in its Strategic Plan.

The LTFP has been developed based on a series of assumptions and information available, which includes:

- Council's 2024-2030 Strategic Plan in its draft form
- Council's Asset Management Plans (AMPs)
- Required current and future levels of service
- Projected rating strategies
- Various economic measures and forecasts

The following provides a financial overview of the Plan (from 2024-25 to 2033-34);

LTFP Averages (annual)	
Rate Increase	**3.30%**
Operating Income	16,571K
Operating Expenses	15,616K
Operating Surplus	**$955K**
Operating Surplus Ratio	8%
Net Financial Liabilities Ratio	26%
Asset Renewal Funding Ratio	104%
Total Borrowings	**$1.10M**
LTFP Totals	
Capital Replacement Expenditure	$61.9M
New Capital Expenditure	$3.7M
Total Capital Expenditure by Year 10 (2033-34)	**$65.6M**

Chief Executive Officer's Report on Financial Sustainability

The review of our LTFP indicates Northern Areas Council will maintain financial sustainability over the next 10 years, with an improvement in key financial areas.

Based on the assumptions listed in this report there will be an operating surplus for the entire plan from the 2025 year through to 2034. The surplus ratio range will be from 3% in 2025 to 11% in 2034. This indicates longer term there will be opportunities to increase capital renewal or debt repayment without significant impacts on our ratepayers.

Every year Council considers its long term rating position as part of reviewing its LTFP and setting its annual budget. Past rate increases and work carried out to address infrastructure renewal backlogs means it is possible to keep rate increases relatively low – or about at normal inflation. The introduction of the Essential Services Commission (ESCOSA) Local Government Advice scheme has confirmed the view that Council will remain sustainable with careful budgeting and constrained rate increases in line with inflation.

The LTFP also shows a continuing reduction in debt over the next 10 years.

These favourable financial positions are on the basis that Council's existing Strategic Plan and asset management plans guide expenditure over the next 10 years and there are no large, new and/or unforecast projects or services to be fully funded by Council. Should such projects arise, or new services be delivered, it will be important to ensure value for the community and – wherever possible – leverage external grant funding to support their delivery.

To maintain financial sustainability Council must continually review the services it provides to the community to ensure the efficiency and effectiveness of services is achieved, while the vision and plans of Council are met. The Council team continues to look for ways of delivering services more efficiently as we strive to deliver Council's plans.

Asset Management Plans have previously been completed for all areas of Council's asset classes and these are in the process of being reviewed. Once updated 10-year forecasts for expenditure on assets are confirmed, these will be included in the next LTFP review.

Capital Projects

The LTFP provides for a total capital investment of $65.6M over the 10 year period, split between Capital Renewal of $61.9M and New Capital of $3.7M.

Capital Renewal Expenditure

The following asset classes are covered by Council's key Asset Management Plans (AMPs):

- Roads (and related transport infrastructure)
- Buildings
- Bridges
- Stormwater
- Community wastewater management schemes (CWMS)

Asset management planning processes are ongoing and up to date information is incorporated each year as the AMPs are reviewed. Asset values, customer service levels and technical

service levels, forecast renewal expenditure, new expenditure and maintenance requirements are all detailed within these plans.

AMPs for all infrastructure and plant asset classifications were last adopted by Council through the 2016-17 financial year and these are now being updated with support from relevant consultants.

Updated valuation data has been obtained during the 2023 financial year and will be adopted by Council as part of the annual financial statements. Further valuation updated will also occur during 2024/25. The valuation data will feed into the updated AMPs, which are due to be completed by late 2024.

New Capital

The majority of Council's work in the infrastructure space relates to renewal and maintenance of assets on behalf of our community.

Over the life of this LTFP, most new capital relates to sealing of township unsealed streets and major stormwater projects, in particular Jamestown and Laura Flood Mitigation. New works will generally be funded via grants.



What is Financial Sustainability?

In 2005, an independent inquiry into the financial sustainability of local government was undertaken by the LGA. Following this inquiry, the following definition was adopted:

"Council'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."

This definition was subsequently adopted by the Australian Local Government Association at its National Assembly Meeting in December 2006.

In simple terms, the principle of financial sustainability is that each generation 'pays their way' for the services and assets they consume. This is also known as intergenerational equity and occurs when Council records a breakeven operating result (i.e. where day to day expenses are equal to day to day income).

Where Council records operating deficits, it means that future generations will be subsidising the current costs of services and will be responsible for addressing the issue of funding the replacement of worn out assets.

Maintaining Financial Sustainability

This plan maintains financial sustainability, by using the following indicators and targets:

Financial Indicator	Long term Target (to be reviewed)
Operating Surplus Ratio	Between 0% and 10%
Net Financial Liabilities Ratio	Between 0% and 50%
Asset Renewal Funding Ratio	Between 95% and 105%

The plan also considers the following:

- Maintaining existing service levels;
- Capital replacement should be in accordance with Council's Asset Management Plans.
- Council is making gradual improvements towards a financially sustainable operating position.
- New services may only be introduced through a service review process incorporated as part of the annual business planning process, or when such services are imposed on Council.
- New capital assets may only be considered through a justification process and if they form part of an adopted Council strategy.

The plan considers economic data from the following sources:

- Australian Bureau Statistics – Consumer Price Index (CPI);
- The Local Government Price Index (LGPI) ;
- Local Government Finance Authority; and
- Reserve Bank of Australia – Interest rate forecasts

Council has a number of other initiatives that help support financial sustainability. These include:

- Service / function efficiency reviews
- Shared service opportunities with other councils
- Asset Management Plans
- Treasury Management Policy

Long Term Financial Plan Assumptions & Comments

The following assumptions have been used in developing the Long Term Financial Plan (LTFP):

- Consistency with Council's Strategic Management Plan and Asset Management Plans
- Consideration of Council's Financial Indicator Targets
- No changes to operating service levels provided by Council
- Use of CPI, LGPI and interest rate forecasts
- The use of borrowings to fund infrastructure renewal and one-off capital projects
- Additional year of reseal program has been included
- Supplementary road funding – no allowance has been made for future years
- Ongoing resheeting savings / efficiency due to removal of State Government rubble royalty from 2019/20
- Investment income can offset Cash Advance Debenture (CAD) overdraft costs for when cash deficits exist

- The LTFP is reviewed yearly as part of the Annual Business Plan & Budget process. Annual review of the LTFP ensures the best available financial information and assumptions are incorporated into the plan. Despite this process there are obviously still risks associated with using estimates
- The LTFP is also reviewed by the Audit and Risk Committee as part of the Annual Business Plan & Budget process
- Strategic Plan project capital and operating allowances incorporated within the budget
- Increased asset management allowance for asset plan reviews.

Key Financial Ratios and Targets

Under the requirements of Regulation 5(c) of the *Local Government (Financial Management) Regulations 2011*, there is a requirement for the LTFP (as well as the Annual Financial Statements and Budget) to include:

1. an operating surplus ratio,
2. a Net Financial Liabilities ratio and
3. an Asset Renewal Funding ratio

presented in a manner consistent with the note in the "Model Financial Statements" titled "Financial Indicators".

Operating Surplus Ratio

The percentage by which income varies from day to day expenses.
A positive ratio indicates the percentage of income available to fund new capital expenditure, the provision of new services or to pay down existing debt.

A negative ratio for this target indicates the percentage that income would need to increase by to achieve a break even operating result.

How is this ratio calculated?

$$\frac{A}{B}$$

A= Operating Surplus
B = Total Operating Income

What is the LTFP Benchmark?

Between 0% and 10% of Operating Income

Commentary on Projected Performance
The continued improving trend will still see the Operating Surplus Ratio remain within the target range until later years of the plan.

Net Financial Liabilities Ratio

How significant the net amount owed by Council is compared with income.

An increase in this ratio indicates that Council requires more of its operating income to fund its financial obligations.

A drop in this ratio indicates that Council's capacity to meet its financial obligations from operating income is strengthening.

How is this ratio calculated?

$$\frac{A}{B}$$

A= Net Financial Liabilities
B = Total Operating Income

What is the LTFP Target?

Between 0% and 50% of Council's annual Operating Income

Commentary on Projected Performance

Council's net financial liabilities will peak at 43% of Council's annual operating income in 2024-25 before reducing over the remaining life of the LTFP as our cash position improves. The cash position improves as old loans are repaid and reliance on loan funding reduces.

Asset Renewal Funding Ratio

Are assets being replaced at the rate they are wearing out?

How is this ratio calculated?

$$\frac{A}{B}$$

A= Net Asset Renewals
B = AMP required expenditure

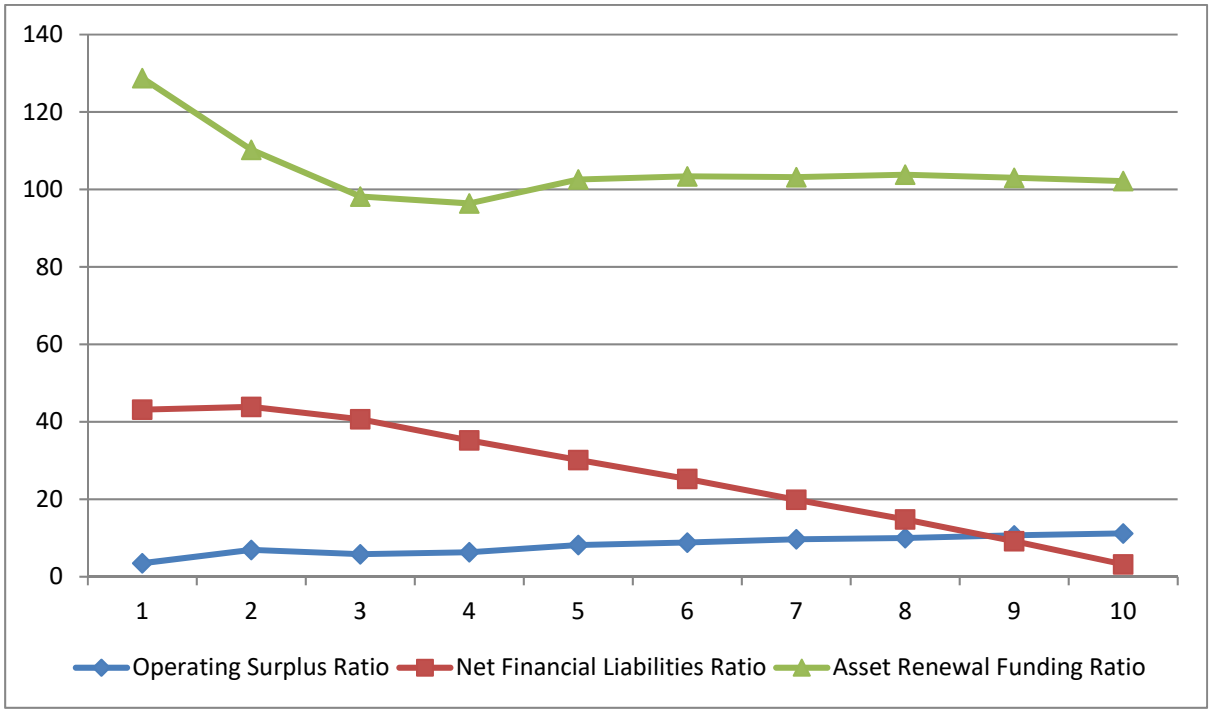
What is the LTFP Target?

95% to 105% of AMP desired capital spend

Commentary on Projected Performance

Expenditure of renewal and replacement of existing assets over the life of the current plan averages 104% which is within the target range. The AMP average desired capital spending totals have been included in the LTFP to provide a realistic picture of the financial position. The following graph plots the current LTFP 10 year trends of the ratios listed above.

Financial Indicators 2024/25 to 2033/34



Assumptions Table

Northern Areas Council - Long Term Financial Plan - Assumptions Table										
Year	Financial year	LGPI	CPI	ASU	AWU	CAD	Fixed Loan	Rate Increase	Rate Growth	Total Rate Increase
	2018-19	2.6	1.5	2.5	2.5	3.60	3.75	8.0	0.5	8.5
	2019-20	1.4	1.8	2.5	2.5	3.10	2.5	3.25	0.5	3.75
	2020-21	2.0	1.0	2.5	2.5	2.05	2.0	2.60	0.5	3.10
	2021-22	2.5	3.3	2.5	2.5	2.80	3.0	2.00	0.5	2.50
	2022-23	2.5	3.0	2.5	2.5		4.0	2.00		2.50
Base	2023-24	6.9	7.9	2.5	2.5	5.8	6.0	4.70		4.70
1	2024-25	4.8	4.3	4.0	5.0	6.0	6.0	4.80		4.80
2	2025-26	3.0	3.0	3.0	3.0		4.5	3.10		3.10
3	2026-27	3.0	3.0	3.0	3.0		4.5	3.10		3.10
4	2027-28	3.0	3.0	3.0	3.0			3.10		3.10
5	2028-29	3.0	3.0	3.0	3.0			3.10		3.10
6	2029-30	3.0	3.0	3.0	3.0			3.10		3.10
7	2030-31	3.0	3.0	3.0	3.0			3.10		3.10
8	2031-32	3.0	3.0	3.0	3.0			3.10		3.10
9	2032-33	3.0	3.0	3.0	3.0			3.10		3.10
10	2033-34	3.0	3.0	3.0	3.0			3.10		3.10

Economic Influences

Council's LTFP is affected by various external and internal influences for which assumptions have been made.

External

- LGPI = Local Government Price Index (12 months to Dec 23 4.8%)
- CPI = Consumer Price Index (Adelaide 12 months to Mar 24 4.3%)
- Regional Landscape Levy
- Utility costs
- Interest costs
- Workforce planning
- Increased compliance costs through new legislation
- Federal & State Government Policy
- Broader economic environment

Internal

- Enterprise Bargaining Agreements
- Treasury Management Policy and decisions on borrowings
- Service Improvement Review Projects
- Risk Management
- Asset Sustainability & Service levels
- Increase/decrease in Services

Overview of Key Assumptions

Operating Revenue

Rates
Rate revenue is the Council's main income source. Prudent financial management determines that the income raised must be equivalent to a high percentage of expenses incurred to maintain current services.

In previous years Council considered average rate increases well above CPI necessary to close the gap between Council's average residential rate and the State country average residential rate. The CPI historic budget figure is 3.0%.

In this LTFP Council has considered an average increase of LGPI which has been calculated in the order of 4.80% to maintain desired services and servicing of its proposed debt.

Rates Growth
Although this growth can no longer be factored into rate increases it is still expected that Capital Value growth over the life of the LTFP will be approximately 0.5%. This comprises new development activity which occurs predominately in the urban zone. In recent years the average number of new dwellings constructed has been approaching 10 per year. In addition there are always various commercial and primary production developments occurring.

Rates – CWMS
In recent years the annual CWMS separate rate for provision of a Community Wastewater Management Scheme has been increasing by CPI allowance of between 2 and 4%. This is

the increase currently factored into the LTFP. An Asset Management Plan for this class of asset was adopted by Council in 2016 and new draft is currently under review.

Rates - Waste
The annual separate rate for collection and disposal of waste is set at cost recovery levels. It is influenced by EPA waste levies and travel and disposal costs at licensed landfill sites outside of the Council area. The LTFP allows for an annual CPI increase of 3-5% but this may be modified if service level increases are required and Council seeks to recover costs for the provision of those additional services (e.g. green waste collection).

Regional Landscape Levy
Council acts as a collection agency for the State Government.
A 40% increase occurred over 5 years from 2016/17 to 2020/21. A decrease of 4% occurred in 2023/24 following a regional re-distribution, valuation changes will lead to a 23% increase in 2024/25. Future year increases assume 3% rises.

Operating Grants and Subsidies
Operating Grants and Contributions have been based on current funding levels with a projected increase of CPI, where applicable.

Roads to Recovery grants have been provided in the past as an overall total over 5 years, no annual increase has been assumed within this range. A new program will commence in 2024/25 with a yearly average of $407,754. This allowance is expected to increase when new information becomes available from the federal government.

Interest Received
Majority of interest earned is from community loans, some of which are in turn borrowed from the Local Government Finance Authority (when a large amount of funding is required – e.g. more than $100K).

Any other interest earned will be from short term investments when cash is not required to pay down the cash advance debenture facility.

Statutory Charges
Although statutory charges are not within Council control they tend to flow with level of development activity. The charges are determined by other legislation and regulations. An increase in line with CPI has been allowed.

User Charges
User charges are for the use of Council facilities or services in a fee for use type arrangement. These have been increased by CPI on the assumption that they should be covering any cost increases.

All other revenue
Reimbursements and other revenue increases have been increased by the CPI allowance.

Drought/Stimulus funding
No allowances have been made in the LTFP for recent drought/stimulus funding. Any funding received has resulted in an equal capital expenditure with a net zero cash effect.

Operating Expenditure

Finance Costs
Interest on existing loans are obtained from the current loan schedule. In addition financing costs of the proposed future loans to fund capital works are estimated at a rate of 6.0% in the short-term and 4.0% in the long-term.

The final component to finance costs relate to any interest charged on the Cash Advance Debenture during times of low cash flow or when variable rate borrowings are preferred by Council.

Employee Costs
In the short term employee costs are linked to the current ASU & AWU Enterprise Bargaining Agreements, both which schedule wage increases linked to the Fair Pay Commission national wage increase. At this stage a 4-5% increase per annum has been assumed but this is subject to negotiation.

Depreciation
Depreciation has been determined using the Annual Financial Statements which reflect the asset register and recent revaluations. It has been adjusted by CPI on an annual basis to reflect any increase in valuation plus new asset movements.

Materials, Contracts & Other Expenses
Materials, Contracts and Other Expenses have generally been tied to CPI to reflect the increased cost of external providers. Certain spend areas including Insurance, Electricity, Fuel and Waste management are reviewed closely each year as they can tend to vary above CPI levels.
Local Government Election costs have also been factored in every 4 years (next in year 2 of the LTFP).

Funding

Capital Grants
Capital Grants in early years of the plan are based on confirmed external funding levels. In later years a small allowance of $100,000 for capital grants has been assumed.

Capital Receipts
Amounts received for the trade-in of plant and equipment that are due to be replaced.

Capital Replacement
Council's Capital Works program in this draft LTFP have been based on information from Council's AMPs where available. In the case of key buildings such as town halls building inspections have been carried out to identify works required.

Re-sheeting savings/efficiencies have occurred due to the removal of State Government rubble royalty from 2019/20.

Loans & Borrowings
Repayment of existing loans is from the current loan schedule.
The LTFP indicates that funding through borrowings is required to meet new seals of $100K (year 8) and $500K for infrastructure renewal (Year 5 of 6). Any new capital commitments in the future may also require borrowings.

Council also has LGFA Cash Advance Debenture (CAD) Facilities available to meet unexpected cash flow requirements or for variable borrowings if preferred over a fixed term borrowing.

New Fixed Term Projected Loan Assumptions

- **Term of Loans** – Usually between 7 to 15 Years depending on expected life of loan purpose (i.e. plant or road re-seals)
- **Payments per Year** - 2
- **Rate of Interest** - 6.00% decreasing over time to 4.00%

Loan funding is an attractive method of funding important or urgent capital works.

Amounts Received Specifically for New Assets
Assumption - a small allowance of $100,000 for capital grants has been assumed from year 4.

Asset Sales
Currently no inclusions for sale of land or buildings.

NORTHERN AREAS COUNCIL
BUDGET INCOME STATEMENT
2025/2034

2023 Actual	2024 Original Budget		24/25 FY 2025 $	2026 $	2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $
		INCOME										
9,531,000	9,964,100	Rates	10,629,000	10,956,646	11,294,464	11,642,710	12,001,842	12,371,932	12,753,356	13,146,201	13,551,062	13,968,043
146,000	129,400	Statutory charges	129,400	133,400	137,400	141,600	145,800	150,200	154,700	159,400	164,300	169,100
194,000	200,700	User charges	202,100	209,000	215,400	221,800	228,400	235,300	242,500	249,900	257,300	264,700
3,582,000	2,569,100	Other grants, subsidies and contributions	2,858,900	2,929,200	3,001,500	3,076,300	3,212,676	3,314,017	3,397,359	3,483,055	3,570,999	3,661,294
86,000	61,100	Investment Income	84,100	57,100	55,400	53,800	52,000	51,400	51,200	51,000	50,800	50,500
150,000	229,200	Reimbursements	241,200	243,500	250,500	258,000	265,900	274,100	282,200	290,600	299,300	308,300
385,000	330,000	Other income	339,100	344,500	354,100	364,000	374,300	384,900	395,600	406,700	418,300	429,900
14,074,000	13,483,600	**Total Income**	14,483,800	14,873,346	15,308,764	15,758,210	16,280,918	16,781,849	17,276,915	17,786,856	18,312,061	18,851,837
		EXPENSES										
4,226,000	4,107,400	Employee costs	4,624,200	4,754,700	4,897,800	5,045,500	5,198,400	5,355,100	5,516,300	5,682,200	5,852,100	6,026,900
3,859,000	3,782,600	Materials, contracts & other expenses	4,366,300	3,977,900	4,193,000	4,313,000	4,359,600	4,508,000	4,561,200	4,691,900	4,825,900	4,988,400
166,000	286,900	Finance costs	245,600	267,500	257,600	221,000	184,100	146,300	106,900	65,200	22,900	(15,700)
4,784,000	4,920,500	Depreciation, amortisation & impairment	4,976,300	5,154,300	5,313,600	5,459,500	5,612,300	5,769,900	5,930,000	6,088,000	6,246,900	6,405,600
13,035,000	13,097,400	**Total Expenses**	14,212,400	14,154,400	14,662,000	15,039,000	15,354,400	15,779,300	16,114,400	16,527,300	16,947,800	17,405,200
1,039,000	386,200	**OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS**	271,400	718,946	646,764	719,210	926,518	1,002,549	1,162,515	1,259,556	1,364,261	1,446,637
(359,000)	100,000	Net Gain (loss) on disposal or revaluatior	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
0	0	Net Gain (loss) - joint ventures & associa	0	0	0	0	0	0	0	0	0	0
446,000	200,000	Amounts received specifically for new or	1,333,000	300,000	300,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
0	0	Physical resources received free of charg	0	0	0	0	0	0	0	0	0	0
1,126,000	686,200	**NET SURPLUS / (DEFICIT)**	1,704,400	1,118,946	1,046,764	919,210	1,126,518	1,202,549	1,362,515	1,459,556	1,564,261	1,646,637

			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
			Rate Increase									
2.5%	4.7%		4.8%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
		Operating Position	271,400	718,946	646,764	719,210	926,518	1,002,549	1,162,515	1,259,556	1,364,261	1,446,637
		Cash Position	(400,100)	(782,600)	(1,190,200)	(1,200,100)	(1,255,700)	(1,341,100)	(1,318,800)	(1,313,300)	(1,124,800)	(793,100)
	Average	Net Financial Liabilities	6,115,400	6,372,954	6,061,290	5,391,380	4,731,362	4,063,313	3,247,698	2,406,842	1,446,581	389,344
	8%	Operating Surplus Ratio 0-10%	3%	7%	6%	6%	8%	8%	9%	10%	10%	11%
	26%	Net Financial Liabilities Ratio 0-50%	43%	44%	41%	35%	30%	25%	19%	14%	8%	2%
	104%	Asset Renewal Funding Ratio 95-105%	130%	110%	98%	96%	100%	101%	101%	101%	101%	100%
		Yearly Loan amount	600,000	500,000	0	0	0	0	0	0	0	0
		AMP Capital Renewal	5,134,424	5,288,457	5,447,110	5,610,524	5,778,839	5,952,205	6,130,771	6,314,694	6,504,135	6,699,259
		Capital Total	7,887,000	6,530,800	6,048,700	5,708,800	6,078,800	6,304,400	6,476,900	6,706,700	6,850,900	6,995,000

NORTHERN AREAS COUNCIL
BUDGET BALANCE SHEET
2025/2034

2023 Actual	2024 Original Budget		2025 $	2026 $	2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $
		ASSETS										
		Current Assets										
6,243,000	2,177,000	Cash and cash equivalents	(400,100)	(782,600)	(1,190,200)	(1,200,100)	(1,255,700)	(1,341,100)	(1,318,800)	(1,313,300)	(1,124,800)	(793,100)
1,258,000	631,690	Trade & other receivables	1,844,134	1,886,332	1,933,418	1,981,286	2,043,672	2,121,968	2,202,584	2,285,572	2,370,976	2,459,047
0	0	Other financial assets	0	0	0	0	0	0	0	0	0	0
306,000	50,000	Inventories	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
7,807,000	2,858,690	**Total Current Assets**	1,494,034	1,153,732	793,218	831,186	837,972	830,868	933,784	1,022,272	1,296,176	1,715,947
		Non-current Assets										
209,000	168,300	Financial Assets	168,300	168,300	168,300	168,300	168,300	168,300	168,300	168,300	168,300	168,300
0	0	Equity accounted investments in Council businesses	0	0	0	0	0	0	0	0	0	0
0	0	Investment property	0	0	0	0	0	0	0	0	0	0
104,848,000	116,338,000	Infrastructure Property, Plant and Equipment	119,248,700	120,625,200	121,360,300	121,609,600	122,076,100	122,610,600	123,157,500	123,776,200	124,380,200	124,969,600
105,057,000	116,506,300	**Total Non-current assets**	119,417,000	120,793,500	121,528,600	121,777,900	122,244,400	122,778,900	123,325,800	123,944,500	124,548,500	125,137,900
112,864,000	119,364,990	**Total Assets**	120,911,034	121,947,232	122,321,818	122,609,086	123,082,372	123,609,768	124,259,584	124,966,772	125,844,676	126,853,847
		LIABILITES										
		Current Liabilities										
991,000	1,009,900	Trade & other payables	1,164,400	1,199,332	1,235,312	1,272,371	1,310,542	1,349,859	1,390,354	1,432,065	1,475,027	1,519,278
1,241,000	1,067,300	Borrowings	658,500	750,100	712,200	735,900	760,300	800,400	842,700	779,400	733,300	733,300
1,080,000	1,263,913	Short-term provisions	1,301,817	1,340,872	1,381,098	1,422,531	1,465,207	1,509,163	1,554,438	1,601,071	1,649,103	1,698,576
465,000	0	Other current liabilities	0	0	0	0	0	0	0	0	0	0
3,777,000	3,341,113	**Total Current Liabilities**	3,124,717	3,290,304	3,328,610	3,430,802	3,536,049	3,659,421	3,787,492	3,812,536	3,857,430	3,951,154
		Non-current Liabilities										
0	0	Trade & other payables	0	0	0	0	0	0	0	0	0	0
3,429,000	4,491,100	Long-term Borrowings	4,547,500	4,297,500	3,585,300	2,849,400	2,089,100	1,288,700	446,000	(333,400)	(1,066,700)	(1,800,000)
59,000	53,869	Long-term Provisions	55,517	57,183	58,898	60,665	62,485	64,359	66,290	68,279	70,327	72,437
0	0	Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
3,488,000	4,544,969	**Total Non-current Liabilities**	4,603,017	4,354,683	3,644,198	2,910,065	2,151,585	1,353,059	512,290	(265,121)	(996,373)	(1,727,563)
7,265,000	7,886,082	**Total Liabilities**	7,727,734	7,644,986	6,972,808	6,340,867	5,687,634	5,012,481	4,299,782	3,547,415	2,861,057	2,223,591
105,599,000	111,478,908	**NET ASSETS**	113,183,300	114,302,246	115,349,010	116,268,220	117,394,738	118,597,287	119,959,802	121,419,358	122,983,619	124,630,256
		EQUITY										
16,053,000	20,450,090	Accumulated Surplus	21,662,891	22,185,537	22,615,501	22,897,211	23,364,729	23,885,978	24,544,193	25,276,149	26,088,910	26,959,147
88,284,000	88,284,000	Asset Revaluation Reserve	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000
1,262,000	2,744,818	Other Reserves	3,236,409	3,832,709	4,449,509	5,087,009	5,746,009	6,427,309	7,131,609	7,859,209	8,610,709	9,387,109
105,599,000	111,478,908	**TOTAL EQUITY**	113,183,300	114,302,246	115,349,010	116,268,220	117,394,738	118,597,287	119,959,802	121,419,358	122,983,619	124,630,256

NORTHERN AREAS COUNCIL
BUDGET CHANGES IN EQUITY
2025/2034

2023 Actual	2024 Original Budget		2025 $	2026 $	2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $
		ACCUMULATED SURPLUS										
15,470,000	17,510,900	Balance at end of previous reporting period	20,450,100	21,662,891	22,185,537	22,615,501	22,897,211	23,364,729	23,885,978	24,544,193	25,276,149	26,088,910
1,126,000	3,327,108	Net Surplus / (Deficit) for Year	1,704,400	1,118,946	1,046,764	919,210	1,126,518	1,202,549	1,362,515	1,459,556	1,564,261	1,646,637
(330,000)	(387,918)	Transfers to Other Reserves	(491,609)	(596,300)	(616,800)	(637,500)	(659,000)	(681,300)	(704,300)	(727,600)	(751,500)	(776,400)
		Transfers from Other Reserves	0	0	0	0	0	0	0	0	0	0
16,266,000	20,450,090	**Balance at end of period**	21,662,891	22,185,537	22,615,501	22,897,211	23,364,729	23,885,978	24,544,193	25,276,149	26,088,910	26,959,147
		ASSET REVALUATION RESERVE										
88,284,000	88,284,000	Balance at end of previous reporting period	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000
	0	Gain on revaluation of infrastructure, property, plant & equipment										
	0	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment										
88,284,000	88,284,000	**Balance at end of period**	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000	88,284,000
		OTHER RESERVES										
719,000	2,356,900	Balance at end of previous reporting period	2,744,800	3,236,409	3,832,709	4,449,509	5,087,009	5,746,009	6,427,309	7,131,609	7,859,209	8,610,709
	0	Transfers to Accumulated Surplus	0	0	0	0	0	0	0	0	0	0
330,000	387,918	Transfers from Accumulated Surplus	491,609	596,300	616,800	637,500	659,000	681,300	704,300	727,600	751,500	776,400
1,049,000	2,744,818	**Balance at end of period**	3,236,409	3,832,709	4,449,509	5,087,009	5,746,009	6,427,309	7,131,609	7,859,209	8,610,709	9,387,109
105,599,000	**111,478,908**	**TOTAL EQUITY AT END OF REPORTING PERIOD**	**113,183,300**	**114,302,246**	**115,349,010**	**116,268,220**	**117,394,738**	**118,597,287**	**119,959,802**	**121,419,358**	**122,983,619**	**124,630,256**

NORTHERN AREAS COUNCIL

BUDGET STATEMENT OF CASH FLOWS
2025/2034

2023 Actual	2024 Original Budget		2025 $	2026 $	2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $
		CASHFLOWS FROM OPERATING ACTIVITIES										
		Receipts										
14,258,000	13,422,500	Operating receipts	14,399,700	14,816,200	15,253,400	15,704,400	16,228,900	16,730,400	17,225,700	17,735,900	18,261,300	18,801,300
86,000	61,100	Investment receipts	84,100	57,100	55,400	53,800	52,000	51,400	51,200	51,000	50,800	50,500
		Payments										
(4,207,000)	(4,107,400)	Employee costs	(4,624,200)	(4,754,700)	(4,897,800)	(5,045,500)	(5,198,400)	(5,355,100)	(5,516,300)	(5,682,200)	(5,852,100)	(6,026,900)
(5,347,000)	(3,782,600)	Materials, contracts & other services	(4,366,300)	(3,977,900)	(4,193,000)	(4,313,000)	(4,359,600)	(4,508,000)	(4,561,200)	(4,691,900)	(4,825,900)	(4,988,400)
(117,000)	(286,900)	Finance costs	(245,600)	(267,500)	(257,600)	(221,000)	(184,100)	(146,300)	(106,900)	(65,200)	(22,900)	15,700
4,673,000	5,306,700	**Net Cash provided by (or used in) Operating Activities**	5,247,700	5,873,200	5,960,400	6,178,700	6,538,800	6,772,400	7,092,500	7,347,600	7,611,200	7,852,200
		CASH FLOWS FROM INVESTING ACTIVITIES										
		Receipts										
480,000	200,000	Amounts specifically for new or upgraded assets	1,333,000	300,000	300,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
46,000	100,000	Sale of replaced assets	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
0		Sale of surplus assets										
0		Sale of investment property										
0		Net disposal of investment securities										
0		Sale of real estate developments										
76,000	37,800	Repayments of loans by community groups	36000	33500	30800	32400	20300	6900	7100	7300	7600	7800
0		Distributions received from associated entities										
		Payments										
(3,188,000)	(5,838,700)	Expenditure on renewal/replacement of assets	(6,776,000)	(5,930,800)	(5,448,700)	(5,508,800)	(5,878,800)	(6,104,400)	(6,276,900)	(6,506,700)	(6,650,900)	(6,795,000)
(870,000)	(470,000)	Expenditure on new/upgraded assets	(1,111,000)	(600,000)	(600,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
0	0	Purchase of investment property										
0	0	Net purchase of investment securities										
0	0	Development of real estate for sale										
0	0	Loans made to community groups										
0	0	Capital contributed to associated entities										
(3,456,000)	(5,970,900)	**Net Cash provided by (or used in) Investing Activities**	(6,418,000)	(6,097,300)	(5,617,900)	(5,476,400)	(5,858,500)	(6,097,500)	(6,269,800)	(6,499,400)	(6,643,300)	(6,787,200)
		CASH FLOWS FROM FINANCING ACTIVITIES										
		Receipts										
200,000	650,000	Proceeds from Borrowings	600,000	500,000	0	0	0	0				
0		Proceeds from of Aged Care Facility deposits										
		Payments										
(1,157,000)	(1,202,000)	Repayments of Borrowings	(952,400)	(658,400)	(750,100)	(712,200)	(735,900)	(760,300)	(800,400)	(842,700)	(779,400)	(733,300)
0	0	Repayment of Finance Lease Liabilities										
0	0	Repayment of Aged Care Facility deposits										
(957,000)	(552,000)	**Net Cash provided by (or used in) Financing Activities**	(352,400)	(158,400)	(750,100)	(712,200)	(735,900)	(760,300)	(800,400)	(842,700)	(779,400)	(733,300)
260,000	(1,216,200)	**Net Increase / (Decrease) in cash held**	(1,522,700)	(382,500)	(407,600)	(9,900)	(55,600)	(85,400)	22,300	5,500	188,500	331,700
6,217,000	2,177,000	Cash & cash equivalents at beginning of period	1,122,600	(400,100)	(782,600)	(1,190,200)	(1,200,100)	(1,255,700)	(1,341,100)	(1,318,800)	(1,313,300)	(1,124,800)
6,477,000	960,800	**Cash & cash equivalents at end of period**	(400,100)	(782,600)	(1,190,200)	(1,200,100)	(1,255,700)	(1,341,100)	(1,318,800)	(1,313,300)	(1,124,800)	(793,100)

NORTHERN AREAS COUNCIL
BUDGET UNIFORM PRESENTATION OF FINANCES
2025/2034

	2025 $	2026 $	2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $
Operating Revenues	14,483,800	14,873,346	15,308,764	15,758,210	16,280,918	16,781,849	17,276,915	17,786,856	18,312,061	18,851,837
less Operating Expenses	(14,212,400)	(14,154,400)	(14,662,000)	(15,039,000)	(15,354,400)	(15,779,300)	(16,114,400)	(16,527,300)	(16,947,800)	(17,405,200)
Adjusted Operating Surplus / (Deficit) before Capital Amounts	271,400	718,946	646,764	719,210	926,518	1,002,549	1,162,515	1,259,556	1,364,261	1,446,637
***less* Net Outlays on Existing Assets**										
Capital Expenditure on renewal and replacement of Existing Assets	6,776,000	5,930,800	5,448,700	5,508,800	5,878,800	6,104,400	6,276,900	6,506,700	6,650,900	6,795,000
less Depreciation, Amortisation and Impairment	(4,976,300)	(5,154,300)	(5,313,600)	(5,459,500)	(5,612,300)	(5,769,900)	(5,930,000)	(6,088,000)	(6,246,900)	(6,405,600)
less Proceeds from Sale of Replaced Assets	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
	1,699,700	676,500	35,100	(50,700)	166,500	234,500	246,900	318,700	304,000	289,400
***less* Net Outlays on New and Upgraded Assets**										
Capital Expenditure on New and Upgraded Assets	1,111,000	600,000	600,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
less Amounts received specifically for New and Upgraded Assets	(1,333,000)	(300,000)	(300,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
less Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
	(222,000)	300,000	300,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Net Lending / (Borrowing) for Financial Year	**(1,206,300)**	**(257,554)**	**311,664**	**669,910**	**660,018**	**668,049**	**815,615**	**840,856**	**960,261**	**1,057,237**

NORTHERN AREAS COUNCIL
BUDGET FINANCIAL INDICATORS
2025/2034

	TARGET	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operating Surplus (Deficit) before Capital Revenues	**achieve operating breakeven**	**271,400**	**718,946**	**646,764**	**719,210**	**926,518**	**1,002,549**	**1,162,515**	**1,259,556**	**1,364,261**	**1,446,637**
Operating Surplus Ratio *(=Adjusted Operating Surplus / Rates General & Other)*	**0% - 10%**	**3%**	**7%**	**6%**	**6%**	**8%**	**8%**	**9%**	**10%**	**10%**	**11%**
Net Financial Liabilities *(=Financial Liabilities - Financial Assets)*	**No more than annual operating revenue**	**6,115,400**	**6,372,954**	**6,061,290**	**5,391,380**	**4,731,362**	**4,063,313**	**3,247,698**	**2,406,842**	**1,446,581**	**389,344**
Net Financial Liabilities Ratio *(=Net Financial Liabilities / Total Operating Revenue)*	**0% - 50%**	**43%**	**44%**	**41%**	**35%**	**30%**	**25%**	**19%**	**14%**	**8%**	**2%**
Net Financial Liabilities Ratio excl CWMS *(=Net Financial Liabilities excl CWMS / Total Operating Revenue excl CWMS)*	**0% - 50%**	**29%**	**31%**	**30%**	**25%**	**21%**	**17%**	**13%**	**9%**	**4%**	**(1%)**
Interest Cover Ratio *(=Net Interest Expense / Total Operating Revenue)*	**0% - 10%**	**1.1%**	**1.5%**	**1.4%**	**1.1%**	**0.8%**	**0.6%**	**0.3%**	**0.1%**	**(0.2%)**	**(0.4%)**
Asset Renewal Funding Ratio *(=Net Asset Renewals / Depreciation Expense)*	**95% - 105% of AMP**	**130%**	**110%**	**98%**	**96%**	**100%**	**101%**	**101%**	**101%**	**101%**	**100%**