



**NORTHERN AREAS  
COUNCIL**



# **LONG TERM FINANCIAL PLAN**

**2023-24 to 2032-33**

## 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 \$106 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 2023-24 to 2032-33 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 2020-2027.

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

- Council's Strategic Plan (2020-2027)
- 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 2023-24 to 2032-33);

### LTFP Averages (annual)

<b>Rate Increase</b>	<b>3.30%</b>
Operating Income	15,208K
Operating Expenses	14,184K
<b>Operating Surplus</b>	<b>\$1,024K</b>
Operating Surplus Ratio	9%
Net Financial Liabilities Ratio	33%
Asset Renewal Funding Ratio	102%
<b>Total Borrowings</b>	<b>\$1.65M</b>
 <b><u>LTFP Totals</u></b>	
Capital Replacement Expenditure	\$58.9M
New Capital Expenditure	\$2.0M
<b>Total Capital Expenditure by Year 10 (2032-33)</b>	<b>\$60.9M</b>

## 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 2024 year through to 2033. The surplus ratio range will be from 4% in 2024 to 13% in 2033. 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) rate oversight scheme is expected to confirm the view that Council will remain sustainable with 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 Plans and asset management plans guide expenditure over the next 10 years and there are no large, new and/or un-forecast 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 \$60.9M over the 10 year period, split between Capital Renewal of \$58.9M and New Capital of \$2.0M.

### Capital Renewal Expenditure

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

- Roads (and related transport infrastructure)
- Buildings
- Bridges
- Stormwater
- Community wastewater management schemes (CWMS)
- Public open space
- Plant and equipment

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 provided by Tonkin Consulting during the 2020/21 financial year and adopted by Council as part of the annual financial statements. The valuation data will feed into the updated AMPs, which are due to be completed by late 2023.

### 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 Flood Mitigation. New works will generally be supported or delivered by accessing 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 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:

- 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.
- Borrowing for Plant Replacement ended in 2020/21 (no borrowing from 22/23 onwards)
- Additional year of re-seal program has been included
- Supplementary road funding – no allowance has been made for future years.



- Ongoing Re-sheeting savings/efficiency due to removal of State government rubble royalty from 2019/20.
- Increased Information Technology allowances to allow for recommendations of a recent Strategic Information Technology review.
- 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 totalling 100k per year have been included
- Increased Asset Management allowance for AMP 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 57% of Council's annual operating income in 2023-24 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

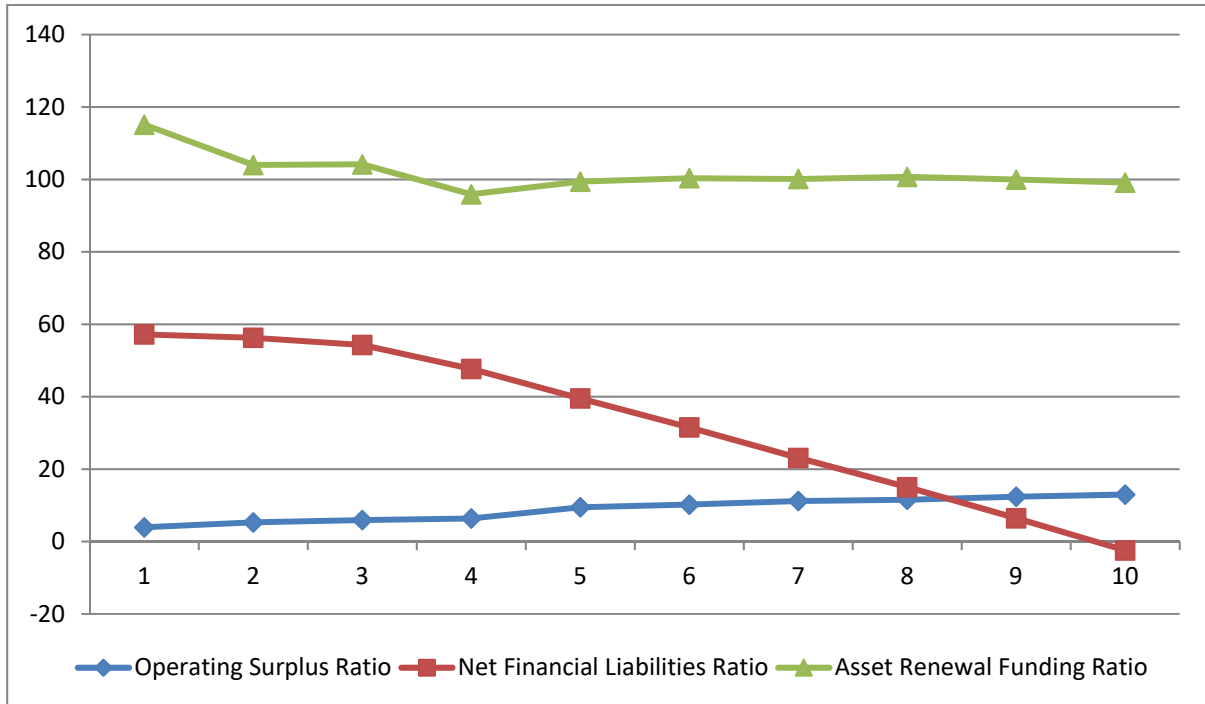
### What is the LTFP Target?

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 102% 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 2023/24 to 2032/33



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
Base	2022-23	6.9	7.9	2.5	2.5	5.80	5.0	2.50		2.50
1	2023-24	2.5	3.0	3.0	3.0		5.0	4.70		4.70
2	2024-25	3.0	3.0	3.0	3.0		4.0	3.10		3.10
3	2025-26	3.0	3.0	3.0	3.0		4.5	3.10		3.10
4	2026-27	3.0	3.0	3.0	3.0		4.5	3.10		3.10
5	2027-28	3.0	3.0	3.0	3.0			3.10		3.10
6	2028-29	3.0	3.0	3.0	3.0			3.10		3.10
7	2029-30	3.0	3.0	3.0	3.0			3.10		3.10
8	2030-31	3.0	3.0	3.0	3.0			3.10		3.10
9	2031-32	3.0	3.0	3.0	3.0			3.10		3.10
10	2032-33	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'22 6.9%)
- CPI = Consumer Price Index (Adelaide 12 months to Mar'23 7.9%)
- 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 of CPI + 3% 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 3.00% to maintain desired services and servicing of its proposed debt.

No adjustment has been made for any transfer of SA Housing Trust properties to housing associations. This process is not expected to significantly impact on Northern Areas Council.

#### 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 3%. 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 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% will occur in 2023/24 following a regional re-distribution, future year increases assume a 3% rise.

**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. The new program commenced in 2019/20 with a yearly average of \$407,754.

**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 5.0% 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 3% 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 4 of the LTFP).

## **Funding**

### **Capital Grants**

Capital Grants are based on confirmed external funding levels. As a result no capital grants beyond 2026-27 have 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 \$150K (Year 7 of program) and \$500K for infrastructure renewal (Year 4 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** - 5.00% 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 - No income forecast from Year 5 onwards.

**Asset Sales**

Currently no inclusions for sale of land or buildings.



**NORTHERN AREAS COUNCIL  
BUDGET INCOME STATEMENT**

**2024/2033**

2022 Actual	2023 Original Budget		23/24 FY	2025	2026	2027	2028	2029	2030	2031	2032	2033
			2024	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>												
9,279,000	9,480,300	Rates	9,964,100	10,233,372	10,530,127	10,835,107	11,150,060	11,493,443	11,847,520	12,212,364	12,588,556	12,975,985
133,000	120,200	Statutory charges	129,400	130,700	133,400	136,100	138,700	143,000	147,100	151,700	156,200	160,800
191,000	194,600	User charges	200,700	203,400	207,500	211,600	215,800	222,200	229,100	235,800	242,800	250,100
4,118,000	2,654,500	Other grants, subsidies and contributions	2,569,100	2,588,800	2,630,500	2,672,100	2,764,685	2,851,896	2,920,802	2,991,853	3,064,746	3,139,684
40,000	27,500	Investment Income	61,100	39,100	37,100	35,400	33,800	32,000	31,400	31,200	31,000	30,800
153,000	239,800	Reimbursements	229,200	226,500	231,100	235,500	240,400	247,500	255,100	262,300	270,300	278,600
358,000	349,600	Other income	330,000	328,800	335,000	340,900	347,700	357,200	367,300	377,300	387,800	398,600
<b>14,272,000</b>	<b>13,066,500</b>	<b>Total Income</b>	<b>13,483,600</b>	<b>13,750,672</b>	<b>14,104,727</b>	<b>14,466,707</b>	<b>14,891,145</b>	<b>15,347,239</b>	<b>15,798,322</b>	<b>16,262,517</b>	<b>16,741,402</b>	<b>17,234,569</b>
<b>EXPENSES</b>												
3,770,000	3,785,100	Employee costs	4,107,400	4,139,300	4,222,800	4,306,100	4,393,800	4,525,100	4,660,500	4,800,000	4,942,900	5,090,600
3,478,000	3,582,000	Materials, contracts & other expenses	3,782,600	3,691,800	3,711,000	3,804,100	3,702,900	3,803,700	3,858,500	3,991,100	4,076,900	4,190,600
183,000	318,900	Finance costs	286,900	301,000	305,300	284,500	222,900	185,800	148,000	109,000	66,000	27,200
4,801,000	5,022,300	Depreciation, amortisation & impairment	4,920,500	5,085,200	5,251,900	5,394,000	5,537,300	5,684,900	5,834,500	5,982,400	6,131,500	6,281,100
<b>12,232,000</b>	<b>12,708,300</b>	<b>Total Expenses</b>	<b>13,097,400</b>	<b>13,217,300</b>	<b>13,491,000</b>	<b>13,788,700</b>	<b>13,856,900</b>	<b>14,199,500</b>	<b>14,501,500</b>	<b>14,882,500</b>	<b>15,217,300</b>	<b>15,589,500</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>												
2,040,000	358,200	<b>BEFORE CAPITAL AMOUNTS</b>	386,200	533,372	613,727	678,007	1,034,245	1,147,739	1,296,822	1,380,017	1,524,102	1,645,069
(700,000)	100,000	Net Gain (loss) on disposal or revaluation	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
880,000	3,128,896	Amounts received specifically for new or	200,000	300,000	275,000	100,000	0	0	0	0	0	0
0	0	Physical resources received free of charg	0	0	0	0	0	0	0	0	0	0
<b>2,220,000</b>	<b>3,587,096</b>	<b>NET SURPLUS / (DEFICIT)</b>	<b>686,200</b>	<b>933,372</b>	<b>988,727</b>	<b>878,007</b>	<b>1,134,245</b>	<b>1,247,739</b>	<b>1,396,822</b>	<b>1,480,017</b>	<b>1,624,102</b>	<b>1,745,069</b>
			<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>
			Rate Increase									
1.031	1.025		1.047	1.031	1.031	1.031	1.031	1.031	1.031	1.031	1.031	1.031
Operating Position			386,200	533,372	613,727	678,007	1,034,245	1,147,739	1,296,822	1,380,017	1,524,102	1,645,069
Cash Position			(463,908)	(1,016,108)	(1,170,708)	(1,284,408)	(980,608)	(674,208)	(268,008)	59,492	613,392	1,350,592
Average	Net Financial Liabilities		7,550,000	7,570,928	7,488,800	6,740,793	5,745,448	4,711,808	3,540,486	2,352,869	1,010,567	(468,702)
9%	Operating Surplus Ratio 0-10%		4%	5%	6%	6%	10%	10%	11%	12%	12%	13%
33%	Net Financial Liabilities Ratio 0-50%		57%	56%	54%	48%	39%	31%	23%	15%	6%	(3%)
102%	Asset Renewal Funding Ratio 95-105%		115%	104%	104%	96%	99%	100%	100%	101%	100%	99%
Yearly Loan amount			650,000	500,000	500,000	0	0	0	0	0	0	0
AMP Capital Renewal			4,984,878	5,134,424	5,288,457	5,447,111	5,610,524	5,778,840	5,952,205	6,130,771	6,314,694	6,504,135
Capital Total			6,308,700	6,039,500	6,158,500	5,524,000	5,676,200	5,899,000	6,060,000	6,274,800	6,413,300	6,546,900



**NORTHERN AREAS COUNCIL  
BUDGET BALANCE SHEET  
2024/2033**

2022 Actual	2023 Original Budget		2024 \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
<b>ASSETS</b>												
<b>Current Assets</b>												
6,217,000	395,796	Cash and cash equivalents	(463,908)	(1,016,108)	(1,170,708)	(1,284,408)	(980,608)	(674,208)	(268,008)	59,492	613,392	1,350,592
910,000	833,166	Trade & other receivables	631,690	665,493	703,945	747,236	791,187	849,521	923,596	999,894	1,078,479	1,159,307
0	0	Other financial assets	0	0	0	0	0	0	0	0	0	0
153,000	50,000	Inventories	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
7,280,000	1,278,962	<b>Total Current Assets</b>	217,782	(300,615)	(416,763)	(487,172)	(139,421)	225,313	705,588	1,109,386	1,741,871	2,559,899
<b>Non-current Assets</b>												
266,000	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
105,979,000	114,949,800	Infrastructure Property, Plant and Equipment	116,338,000	117,292,300	118,198,900	118,328,900	118,467,800	118,681,900	118,907,400	119,199,800	119,481,600	119,747,400
106,245,000	115,118,100	<b>Total Non-current assets</b>	116,506,300	117,460,600	118,367,200	118,497,200	118,636,100	118,850,200	119,075,700	119,368,100	119,649,900	119,915,700
113,525,000	116,397,062	<b>Total Assets</b>	116,724,082	117,159,985	117,950,437	118,010,028	118,496,679	119,075,513	119,781,288	120,477,486	121,391,771	122,475,599
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
1,582,000	855,400	Trade & other payables	1,009,900	1,040,197	1,071,403	1,103,545	1,136,651	1,170,751	1,205,873	1,242,050	1,279,311	1,317,690
2,348,000	1,100,900	Borrowings	1,067,300	770,200	892,500	723,900	747,500	772,000	867,200	795,700	749,700	749,700
1,167,000	1,227,142	Short-term provisions	1,263,913	1,301,830	1,340,885	1,381,112	1,422,545	1,465,222	1,509,178	1,554,454	1,601,087	1,649,120
455,000	0	Other current liabilities	0	0	0	0	0	0	0	0	0	0
5,552,000	3,183,442	<b>Total Current Liabilities</b>	3,341,113	3,112,227	3,304,788	3,208,557	3,306,697	3,407,972	3,582,252	3,592,203	3,630,098	3,716,510
<b>Non-current Liabilities</b>												
0	0	Trade & other payables	0	0	0	0	0	0	0	0	0	0
3,479,000	5,009,500	Long-term Borrowings	4,491,100	4,220,900	3,828,400	3,104,500	2,357,000	1,585,000	717,800	(77,900)	(827,600)	(1,577,300)
21,000	52,324	Long-term Provisions	53,869	55,485	57,150	58,864	60,630	62,449	64,322	66,252	68,240	70,287
0	0	Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
3,500,000	5,061,824	<b>Total Non-current Liabilities</b>	4,544,969	4,276,385	3,885,550	3,163,364	2,417,630	1,647,449	782,122	(11,648)	(759,360)	(1,507,013)
9,052,000	8,245,266	<b>Total Liabilities</b>	7,886,082	7,388,612	7,190,338	6,371,921	5,724,327	5,055,421	4,364,374	3,580,555	2,870,738	2,209,497
104,473,000	108,151,796	<b>NET ASSETS</b>	108,838,000	109,771,372	110,760,100	111,638,107	112,772,352	114,020,092	115,416,914	116,896,931	118,521,033	120,266,102
<b>EQUITY</b>												
14,517,000	17,510,878	Accumulated Surplus	17,809,182	18,263,845	18,676,072	18,965,080	19,497,025	20,122,064	20,875,387	21,690,404	22,627,406	23,662,575
89,024,000	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
932,000	2,356,918	Other Reserves	2,744,818	3,223,527	3,800,027	4,389,027	4,991,327	5,614,027	6,257,527	6,922,527	7,609,627	8,319,527
104,473,000	108,151,796	<b>TOTAL EQUITY</b>	108,838,000	109,771,372	110,760,100	111,638,107	112,772,352	114,020,092	115,416,914	116,896,931	118,521,033	120,266,102





**2022**  
**Actual**

**2023**  
**Original**  
**Budget**

**NORTHERN AREAS COUNCIL**  
**BUDGET CHANGES IN EQUITY**  
**2024/2033**

**2024**      **2025**      **2026**      **2027**      **2028**      **2029**      **2030**      **2031**      **2032**      **2033**  
**\$**            **\$**            **\$**            **\$**            **\$**            **\$**            **\$**            **\$**            **\$**

**ACCUMULATED SURPLUS**

12,510,000	14,219,500	Balance at end of previous reporting period	17,510,900	17,809,182	18,263,845	18,676,072	18,965,080	19,497,025	20,122,064	20,875,387	21,690,404	22,627,406
2,220,000	3,587,096	Net Surplus / (Deficit) for Year	686,200	933,372	988,727	878,007	1,134,245	1,247,739	1,396,822	1,480,017	1,624,102	1,745,069
(213,000)	(295,718)	Transfers to Other Reserves	(387,918)	(478,709)	(576,500)	(589,000)	(602,300)	(622,700)	(643,500)	(665,000)	(687,100)	(709,900)
		Transfers from Other Reserves	0	0	0	0	0	0	0	0	0	0
<b>14,517,000</b>	<b>17,510,878</b>	<b>Balance at end of period</b>	<b>17,809,182</b>	<b>18,263,845</b>	<b>18,676,072</b>	<b>18,965,080</b>	<b>19,497,025</b>	<b>20,122,064</b>	<b>20,875,387</b>	<b>21,690,404</b>	<b>22,627,406</b>	<b>23,662,575</b>

**ASSET REVALUATION RESERVE**

89,024,000	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										
<b>89,024,000</b>	<b>88,284,000</b>	<b>Balance at end of period</b>	<b>88,284,000</b>	<b>88,284,000</b>	<b>88,284,000</b>	<b>88,284,000</b>	<b>88,284,000</b>	<b>88,284,000</b>	<b>88,284,000</b>	<b>88,284,000</b>	<b>88,284,000</b>	<b>88,284,000</b>

**OTHER RESERVES**

719,000	2,061,200	Balance at end of previous reporting period	2,356,900	2,744,818	3,223,527	3,800,027	4,389,027	4,991,327	5,614,027	6,257,527	6,922,527	7,609,627
	0	Transfers to Accumulated Surplus	0	0	0	0	0	0	0	0	0	0
213,000	295,718	Transfers from Accumulated Surplus	387,918	478,709	576,500	589,000	602,300	622,700	643,500	665,000	687,100	709,900
<b>932,000</b>	<b>2,356,918</b>	<b>Balance at end of period</b>	<b>2,744,818</b>	<b>3,223,527</b>	<b>3,800,027</b>	<b>4,389,027</b>	<b>4,991,327</b>	<b>5,614,027</b>	<b>6,257,527</b>	<b>6,922,527</b>	<b>7,609,627</b>	<b>8,319,527</b>

**TOTAL EQUITY AT END OF REPORTING PERIOD**

<b>104,473,000</b>	<b>108,151,796</b>		<b>108,838,000</b>	<b>109,771,372</b>	<b>110,760,100</b>	<b>111,638,107</b>	<b>112,772,352</b>	<b>114,020,092</b>	<b>115,416,914</b>	<b>116,896,931</b>	<b>118,521,033</b>	<b>120,266,102</b>
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**NORTHERN AREAS COUNCIL**

**BUDGET STATEMENT OF CASH FLOWS**  
**2024/2033**

<b>2022 Actual</b>	<b>2023 Original Budget</b>		<b>2024 \$</b>	<b>2025 \$</b>	<b>2026 \$</b>	<b>2027 \$</b>	<b>2028 \$</b>	<b>2029 \$</b>	<b>2030 \$</b>	<b>2031 \$</b>	<b>2032 \$</b>	<b>2033 \$</b>
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>												
<u>Receipts</u>												
13,765,000	13,039,000	Operating receipts	13,422,500	13,711,600	14,067,600	14,431,300	14,857,300	15,315,200	15,766,900	16,231,300	16,710,400	17,203,800
40,000	27,500	Investment receipts	61,100	39,100	37,100	35,400	33,800	32,000	31,400	31,200	31,000	30,800
<u>Payments</u>												
(3,749,000)	(3,785,100)	Employee costs	(4,107,400)	(4,139,300)	(4,222,800)	(4,306,100)	(4,393,800)	(4,525,100)	(4,660,500)	(4,800,000)	(4,942,900)	(5,090,600)
(2,937,000)	(3,582,000)	Materials, contracts & other services	(3,782,600)	(3,691,800)	(3,711,000)	(3,804,100)	(3,702,900)	(3,803,700)	(3,858,500)	(3,991,100)	(4,076,900)	(4,190,600)
(186,000)	(318,900)	Finance costs	(286,900)	(301,000)	(305,300)	(284,500)	(222,900)	(185,800)	(148,000)	(109,000)	(66,000)	(27,200)
6,933,000	5,380,500	<b>Net Cash provided by (or used in) Operating Activities</b>	5,306,700	5,618,600	5,865,600	6,072,000	6,571,500	6,832,600	7,131,300	7,362,400	7,655,600	7,926,200
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<u>Receipts</u>												
880,000	3,128,896	Amounts specifically for new or upgraded assets	200,000	300,000	275,000	100,000	0	0	0	0	0	0
102,000	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
62,000		Sale of surplus assets										
0		Sale of investment property										
0		Net disposal of investment securities										
0		Sale of real estate developments										
59,000	48,300	Repayments of loans by community groups	37800	36000	33500	30800	32400	20300	6900	7100	7300	7600
0		Distributions received from associated entities										
<u>Payments</u>												
(5,809,000)	(8,117,192)	Expenditure on renewal/replacement of assets	(5,838,700)	(5,439,500)	(5,608,500)	(5,324,000)	(5,676,200)	(5,899,000)	(6,060,000)	(6,274,800)	(6,413,300)	(6,546,900)
(1,599,000)	(1,025,808)	Expenditure on new/upgraded assets	(470,000)	(600,000)	(550,000)	(200,000)	0	0	0	0	0	0
0	0	Purchase of investment property										
163,000	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										
(6,142,000)	(5,865,804)	<b>Net Cash provided by (or used in) Investing Activities</b>	(5,970,900)	(5,603,500)	(5,750,000)	(5,293,200)	(5,543,800)	(5,778,700)	(5,953,100)	(6,167,700)	(6,306,000)	(6,439,300)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<u>Receipts</u>												
1,121,000	650,000	Proceeds from Borrowings	650,000	500,000	500,000	0	0	0				
0		Proceeds from of Aged Care Facility deposits										
<u>Payments</u>												
(1,328,000)	(1,238,300)	Repayments of Borrowings	(1,202,000)	(1,067,300)	(770,200)	(892,500)	(723,900)	(747,500)	(772,000)	(867,200)	(795,700)	(749,700)
0	0	Repayment of Finance Lease Liabilities										
0	0	Repayment of Aged Care Facility deposits										
(207,000)	(588,300)	<b>Net Cash provided by (or used in) Financing Activities</b>	(552,000)	(567,300)	(270,200)	(892,500)	(723,900)	(747,500)	(772,000)	(867,200)	(795,700)	(749,700)
584,000	(1,073,604)	<b>Net Increase / (Decrease) in cash held</b>	(1,216,200)	(552,200)	(154,600)	(113,700)	303,800	306,400	406,200	327,500	553,900	737,200
5,633,000	1,504,000	Cash & cash equivalents at beginning of period	752,292	(463,908)	(1,016,108)	(1,170,708)	(1,284,408)	(980,608)	(674,208)	(268,008)	59,492	613,392
6,217,000	430,396	<b>Cash &amp; cash equivalents at end of period</b>	(463,908)	(1,016,108)	(1,170,708)	(1,284,408)	(980,608)	(674,208)	(268,008)	59,492	613,392	1,350,592



**NORTHERN AREAS COUNCIL  
BUDGET UNIFORM PRESENTATION OF FINANCES  
2024/2033**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Revenues	13,483,600	13,750,672	14,104,727	14,466,707	14,891,145	15,347,239	15,798,322	16,262,517	16,741,402	17,234,569
<i>less</i> Operating Expenses	(13,097,400)	(13,217,300)	(13,491,000)	(13,788,700)	(13,856,900)	(14,199,500)	(14,501,500)	(14,882,500)	(15,217,300)	(15,589,500)
Adjusted Operating Surplus / (Deficit) before Capital Amounts	386,200	533,372	613,727	678,007	1,034,245	1,147,739	1,296,822	1,380,017	1,524,102	1,645,069
<b><i>less</i> Net Outlays on Existing Assets</b>										
Capital Expenditure on renewal and replacement of Existing Assets	5,838,700	5,439,500	5,608,500	5,324,000	5,676,200	5,899,000	6,060,000	6,274,800	6,413,300	6,546,900
<i>less</i> Depreciation, Amortisation and Impairment	(4,920,500)	(5,085,200)	(5,251,900)	(5,394,000)	(5,537,300)	(5,684,900)	(5,834,500)	(5,982,400)	(6,131,500)	(6,281,100)
<i>less</i> 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)
	818,200	254,300	256,600	(170,000)	38,900	114,100	125,500	192,400	181,800	165,800
<b><i>less</i> Net Outlays on New and Upgraded Assets</b>										
Capital Expenditure on New and Upgraded Assets	470,000	600,000	550,000	200,000	-	-	-	-	-	-
<i>less</i> Amounts received specifically for New and Upgraded Assets	(200,000)	(300,000)	(275,000)	(100,000)	-	-	-	-	-	-
<i>less</i> Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
	270,000	300,000	275,000	100,000	-	-	-	-	-	-
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(702,000)</b>	<b>(20,928)</b>	<b>82,127</b>	<b>748,007</b>	<b>995,345</b>	<b>1,033,639</b>	<b>1,171,322</b>	<b>1,187,617</b>	<b>1,342,302</b>	<b>1,479,269</b>



**NORTHERN AREAS COUNCIL  
BUDGET FINANCIAL INDICATORS  
2024/2033**

	TARGET	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Operating Surplus (Deficit) before Capital Revenues</b>	achieve operating breakeven	386,200	533,372	613,727	678,007	1,034,245	1,147,739	1,296,822	1,380,017	1,524,102	1,645,069
<b>Operating Surplus Ratio</b> <i>(=Adjusted Operating Surplus / Rates General &amp; Other)</i>	0% - 10%	4%	5%	6%	6%	10%	10%	11%	12%	12%	13%
<b>Net Financial Liabilities</b> <i>(=Financial Liabilities - Financial Assets)</i>	No more than annual operating revenue	7,550,000	7,570,928	7,488,800	6,740,793	5,745,448	4,711,808	3,540,486	2,352,869	1,010,567	(468,702)
<b>Net Financial Liabilities Ratio</b> <i>(=Net Financial Liabilities / Total Operating Revenue)</i>	0% - 50%	57%	56%	54%	48%	39%	31%	23%	15%	6%	(3%)
<b>Net Financial Liabilities Ratio excl CWMS</b> <i>(=Net Financial Liabilities excl CWMS / Total Operating Revenue excl CWMS)</i>	0% - 50%	43%	44%	43%	37%	31%	24%	16%	9%	2%	(6%)
<b>Interest Cover Ratio</b> <i>(=Net Interest Expense / Total Operating Revenue)</i>	0% - 10%	1.7%	1.9%	1.9%	1.8%	1.3%	1.0%	0.8%	0.5%	0.2%	(0.0%)
<b>Asset Renewal Funding Ratio</b> <i>(=Net Asset Renewals / Depreciation Expense)</i>	95% - 105% of AMP	115%	104%	104%	96%	99%	100%	100%	101%	100%	99%