ATTACHMENT "C"

NORTHERN AREAS
COUNCIL



LONG TERM FINANCIAL PLAN

2025-26 to 2034-35

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 2025-26 to 2034-35 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
- 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 2025-26 to 2034-35);

LTFP Averages (annual)	
Rate Increase	**3.10%**
Operating Income	17,391K
Operating Expenses	16,794K
Operating Surplus	**$597K**
Operating Surplus Ratio	5%
Net Financial Liabilities Ratio	21%
Asset Renewal Funding Ratio	101%
Total Borrowings	**$600K**
LTFP Totals	
Capital Replacement Expenditure	$61.8M
New Capital Expenditure	$3.4M
Total Capital Expenditure by Year 10 (2034-35)	**$65.2M**

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 2026 year through to 2035. The surplus ratio range will be from 1% in 2026 to 5% in 2035. 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 unforecasted 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 currently 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 $65.2M over the 10 year period, split between Capital Renewal of $61.8M and New Capital of $3.4M.

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. AMPs for Stormwater and CWMS are currently undergoing consultation.

Updated valuation data has been obtained during the 2023/24 financial year and has been adopted by Council as part of the annual financial statements. Further valuation updates have occurred during 2024/25. The valuation data will feed into the updated AMPs, which are due to be completed by mid 2025.

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
- 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 39% of Council's annual operating income in 2025-26 before reducing over the remaining life of the LTFP as our net 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

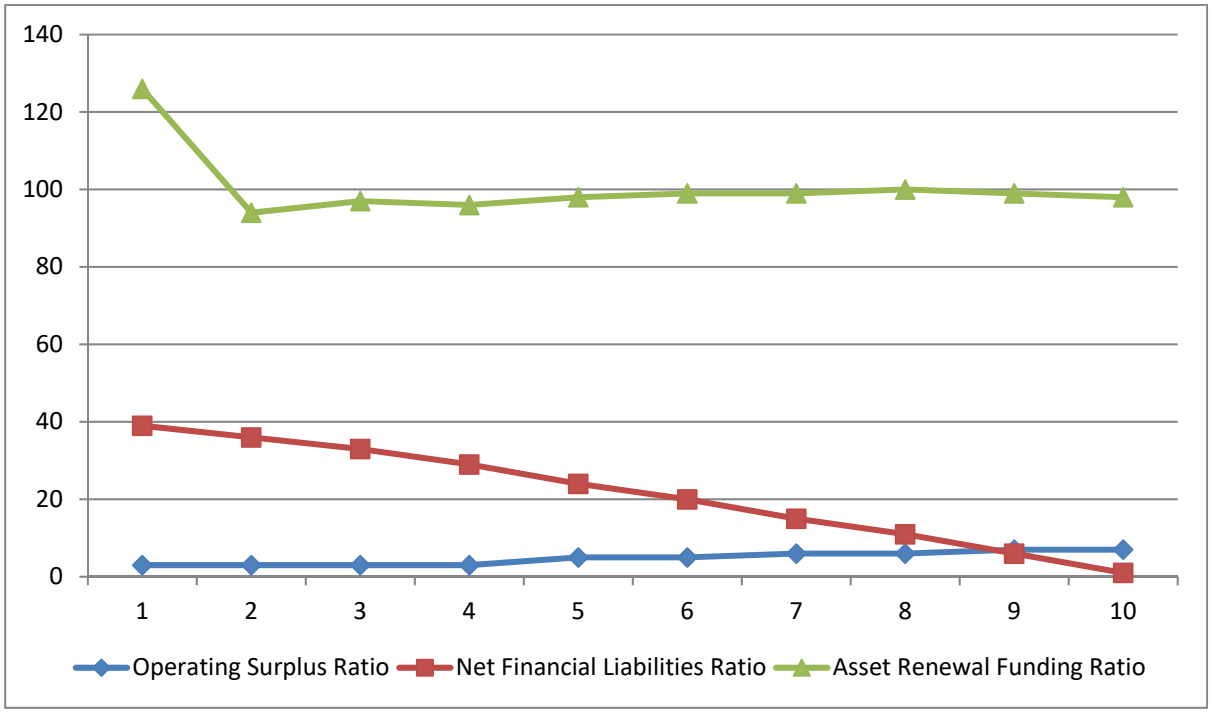
What is the LTFP Target?

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 101% 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 2025/26 to 2034/35



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
	2023-24	6.9	7.9	2.5	5.0	5.8	6.0	4.70		4.70
Base	2024-25	4.8	4.3	5.0	4.0	6.0	6.0	4.80		4.80
1	2025-26	2.5	2.2	4.0	3.5		4.5	3.10		3.10
2	2026-27	3.0	3.0	3.5	3.0		4.5	3.10		3.10
3	2027-28	3.0	3.0	3.0	3.0			3.10		3.10
4	2028-29	3.0	3.0	3.0	3.0			3.10		3.10
5	2029-30	3.0	3.0	3.0	3.0			3.10		3.10
6	2030-31	3.0	3.0	3.0	3.0			3.10		3.10
7	2031-32	3.0	3.0	3.0	3.0			3.10		3.10
8	2032-33	3.0	3.0	3.0	3.0			3.10		3.10
9	2033-34	3.0	3.0	3.0	3.0			3.10		3.10
10	2034-35	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 24 2.4%)
- CPI = Consumer Price Index (Adelaide 12 months to Mar 25 2.2%)
- 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 3.10% 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 consultation.

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 lead to a 23% increase in 2024/25 and a 3.8% increase in 2025/26. 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 with a yearly average of $407,754. over a 5 year program. A new Roads to Recovery program commenced in 2024/25 with increased allowances. Year 1 was $530,000, year 2 will be $652,000.

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.

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 9) and $500K for infrastructure renewal (Year 6 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
2026/2035

2024 Actual	2025 Original Budget		25/26 FY 2026 $	2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $	2035 $
		INCOME										
9,999,000	10,629,000	Rates	10,905,400	11,293,075	11,641,159	12,000,214	12,370,307	12,751,717	13,144,728	13,549,736	13,966,944	14,396,765
136,000	129,400	Statutory charges	129,400	133,400	137,400	141,600	145,800	150,200	154,700	159,400	164,300	169,100
221,000	202,100	User charges	228,900	236,600	243,900	251,100	258,500	266,500	274,600	283,000	291,300	299,700
1,464,000	2,858,900	Other grants, subsidies and contributions	3,166,100	3,238,300	3,312,600	3,389,400	3,528,964	3,644,791	3,730,269	3,818,201	3,908,484	4,001,221
149,000	84,100	Investment Income	155,600	77,400	74,200	70,700	68,300	66,100	63,900	61,700	59,900	58,100
169,000	241,200	Reimbursements	243,600	239,300	246,600	254,100	261,500	269,600	277,700	285,900	294,700	303,200
334,000	339,100	Other income	407,800	415,100	427,000	439,000	451,600	464,500	477,600	491,200	505,400	519,500
12,472,000	14,483,800	**Total Income**	15,236,800	15,633,175	16,082,859	16,546,114	17,084,971	17,613,408	18,123,497	18,649,137	19,191,028	19,747,586
		EXPENSES										
4,546,000	4,624,200	Employee costs	4,751,800	4,885,800	5,032,900	5,185,300	5,341,400	5,503,200	5,668,500	5,838,900	6,013,900	6,193,200
4,538,000	4,366,300	Materials, contracts & other expenses	4,616,300	4,729,300	4,847,200	4,987,700	5,047,900	5,217,800	5,291,700	5,444,400	5,601,000	5,787,100
224,000	245,600	Finance costs	234,000	239,300	197,300	172,800	139,200	110,100	87,700	67,800	52,200	40,700
4,506,000	4,976,300	Depreciation, amortisation & impairment	5,358,400	5,500,500	5,666,500	5,815,900	5,972,300	6,132,400	6,303,500	6,460,200	6,621,800	6,779,800
13,814,000	14,212,400	**Total Expenses**	14,960,500	15,354,900	15,743,900	16,161,700	16,500,800	16,963,500	17,351,400	17,811,300	18,288,900	18,800,800
(1,342,000)	271,400	**OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS**	276,300	278,275	338,959	384,414	584,171	649,908	772,097	837,837	902,128	946,786
(292,000)	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
1,691,000	1,333,000	Amounts received specifically for new or	840,000	285,000	285,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
0	0	Physical resources received free of charg	0	0	0	0	0	0	0	0	0	0
57,000	1,704,400	**NET SURPLUS / (DEFICIT)**	1,216,300	663,275	723,959	569,414	769,171	834,908	957,097	1,022,837	1,087,128	1,131,786

			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
			Rate Increase									
4.7%	4.8%		3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
		Operating Position	276,300	278,275	338,959	384,414	584,171	649,908	772,097	837,837	902,128	946,786
		Cash Position	316,100	42,700	(191,200)	(219,300)	(155,400)	(64,600)	290,800	649,200	1,222,200	1,841,500
	Average	Net Financial Liabilities	5,868,200	5,514,925	5,213,566	4,628,952	4,014,781	3,401,573	2,669,676	1,946,339	1,142,611	282,426
	5%	Operating Surplus Ratio 0-10%	3%	3%	3%	3%	5%	5%	6%	6%	7%	7%
	21%	Net Financial Liabilities Ratio 0-50%	39%	36%	33%	29%	24%	20%	15%	11%	6%	1%
	101%	Asset Renewal Funding Ratio 95-105%	126%	94%	97%	96%	98%	99%	99%	100%	99%	98%
		Yearly Loan amount	600,000	0	0	0	0	0	0	0	0	0
		AMP Capital Renewal	5,288,457	5,447,111	5,610,524	5,778,840	5,952,205	6,130,771	6,314,694	6,504,135	6,699,259	6,900,237
		Capital Total	7,863,500	5,810,500	6,089,100	5,800,700	6,127,300	6,354,100	6,528,700	6,759,700	6,905,200	7,051,400

NORTHERN AREAS COUNCIL
BUDGET BALANCE SHEET
2026/2035

2024 Actual	2025 Original Budget		2026 $	2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $	2035 $
		ASSETS										
		Current Assets										
3,492,000	1,135,900	Cash and cash equivalents	316,100	42,700	(191,200)	(219,300)	(155,400)	(64,600)	290,800	649,200	1,222,200	1,841,500
939,000	1,844,134	Trade & other receivables	1,583,219	1,606,901	1,629,713	1,665,598	1,715,535	1,765,980	1,816,967	1,881,428	1,947,100	2,013,837
0	0	Other financial assets	0	0	0	0	0	0	0	0	0	0
221,000	50,000	Inventories	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
4,652,000	3,030,034	**Total Current Assets**	1,949,319	1,699,601	1,488,513	1,496,298	1,610,135	1,751,380	2,157,767	2,580,628	3,219,300	3,905,337
		Non-current Assets										
570,000	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
113,347,000	119,045,700	Infrastructure Property, Plant and Equipment	121,550,800	121,860,800	122,283,400	122,268,200	122,423,200	122,644,900	122,870,100	123,169,600	123,453,000	123,724,600
113,917,000	119,214,000	**Total Non-current assets**	121,719,100	122,029,100	122,451,700	122,436,500	122,591,500	122,813,200	123,038,400	123,337,900	123,621,300	123,892,900
118,569,000	122,244,034	**Total Assets**	123,668,419	123,728,701	123,940,213	123,932,798	124,201,635	124,564,580	125,196,167	125,918,528	126,840,600	127,798,237
		LIABILITES										
		Current Liabilities										
1,414,000	1,164,400	Trade & other payables	1,318,900	1,358,467	1,399,221	1,441,198	1,484,434	1,528,967	1,574,836	1,622,081	1,670,743	1,720,865
7,283,000	658,500	Borrowings	684,500	596,400	663,300	589,400	563,700	420,000	397,800	265,300	277,400	277,400
1,059,000	1,301,817	Short-term provisions	1,340,854	1,381,080	1,422,512	1,465,187	1,509,143	1,554,417	1,601,050	1,649,081	1,698,554	1,749,510
490,000	0	Other current liabilities	0	0	0	0	0	0	0	0	0	0
10,246,000	3,124,717	**Total Current Liabilities**	3,344,254	3,335,947	3,485,033	3,495,785	3,557,277	3,503,384	3,573,685	3,536,462	3,646,697	3,747,776
		Non-current Liabilities										
0	0	Trade & other payables	0	0	0	0	0	0	0	0	0	0
384,000	4,547,500	Long-term Borrowings	4,534,400	3,938,000	3,274,700	2,685,300	2,121,600	1,701,600	1,303,800	1,038,500	761,100	483,700
113,000	55,517	Long-term Provisions	57,165	58,880	60,646	62,466	64,340	66,270	68,258	70,306	72,415	74,587
0	0	Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
497,000	4,603,017	**Total Non-current Liabilities**	4,591,565	3,996,880	3,335,346	2,747,766	2,185,940	1,767,870	1,372,058	1,108,806	833,515	558,287
10,743,000	7,727,734	**Total Liabilities**	7,935,819	7,332,827	6,820,379	6,243,551	5,743,216	5,271,254	4,945,743	4,645,268	4,480,212	4,306,063
107,826,000	114,516,300	**NET ASSETS**	115,732,600	116,395,875	117,119,834	117,689,248	118,458,419	119,293,327	120,250,424	121,273,261	122,360,389	123,492,174
		EQUITY										
15,756,000	20,825,891	Accumulated Surplus	21,644,500	22,031,374	22,468,078	22,739,489	23,199,126	23,713,094	24,336,783	25,013,988	25,743,118	26,503,905
90,454,000	90,454,000	Asset Revaluation Reserve	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000
1,616,000	3,236,409	Other Reserves	3,634,100	3,910,500	4,197,756	4,495,759	4,805,293	5,126,232	5,459,641	5,805,272	6,163,271	6,534,269
107,826,000	114,516,300	**TOTAL EQUITY**	115,732,600	116,395,875	117,119,834	117,689,248	118,458,419	119,293,327	120,250,424	121,273,261	122,360,389	123,492,174

NORTHERN AREAS COUNCIL
BUDGET CHANGES IN EQUITY
2026/2035

2024 Actual	2025 Original Budget		2026 $	2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $	2035 $
		ACCUMULATED SURPLUS										
16,053,000	20,450,100	Balance at end of previous reporting period	20,825,900	21,644,500	22,031,374	22,468,078	22,739,489	23,199,126	23,713,094	24,336,783	25,013,988	25,743,118
57,000	867,400	Net Surplus / (Deficit) for Year	1,216,300	663,275	723,959	569,414	769,171	834,908	957,097	1,022,837	1,087,128	1,131,786
(354,000)	(491,609)	Transfers to Other Reserves	(397,700)	(276,400)	(287,255)	(298,003)	(309,534)	(320,939)	(333,408)	(345,632)	(357,999)	(370,999)
		Transfers from Other Reserves	0	0	0	0	0	0	0	0	0	0
15,756,000	20,825,891	**Balance at end of period**	21,644,500	22,031,374	22,468,078	22,739,489	23,199,126	23,713,094	24,336,783	25,013,988	25,743,118	26,503,905
		ASSET REVALUATION RESERVE										
88,284,000	90,454,000	Balance at end of previous reporting period	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000
2,170,000	0	Gain on revaluation of infrastructure, property, plant & equipment										
	0	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment										
90,454,000	90,454,000	**Balance at end of period**	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000
		OTHER RESERVES										
1,262,000	2,744,800	Balance at end of previous reporting period	3,236,400	3,634,100	3,910,500	4,197,756	4,495,759	4,805,293	5,126,232	5,459,641	5,805,272	6,163,271
	0	Transfers to Accumulated Surplus	0	0	0	0	0	0	0	0	0	0
354,000	491,609	Transfers from Accumulated Surplus	397,700	276,400	287,255	298,003	309,534	320,939	333,408	345,632	357,999	370,999
1,616,000	3,236,409	**Balance at end of period**	3,634,100	3,910,500	4,197,756	4,495,759	4,805,293	5,126,232	5,459,641	5,805,272	6,163,271	6,534,269
107,826,000	**114,516,300**	**TOTAL EQUITY AT END OF REPORTING PERIOD**	**115,732,600**	**116,395,875**	**117,119,834**	**117,689,248**	**118,458,419**	**119,293,327**	**120,250,424**	**121,273,261**	**122,360,389**	**123,492,174**

NORTHERN AREAS COUNCIL

BUDGET STATEMENT OF CASH FLOWS
2026/2035

2024 Actual	2025 Original Budget		2026 $	2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $	2035 $
		CASHFLOWS FROM OPERATING ACTIVITIES										
		Receipts										
14,769,000	14,399,700	Operating receipts	15,081,200	15,555,800	16,008,700	16,475,400	17,016,700	17,547,300	18,059,600	18,587,400	19,131,100	19,689,500
149,000	84,100	Investment receipts	155,600	77,400	74,200	70,700	68,300	66,100	63,900	61,700	59,900	58,100
		Payments										
(4,509,000)	(4,624,200)	Employee costs	(4,751,800)	(4,885,800)	(5,032,900)	(5,185,300)	(5,341,400)	(5,503,200)	(5,668,500)	(5,838,900)	(6,013,900)	(6,193,200)
(6,184,000)	(4,366,300)	Materials, contracts & other services	(4,616,300)	(4,729,300)	(4,847,200)	(4,987,700)	(5,047,900)	(5,217,800)	(5,291,700)	(5,444,400)	(5,601,000)	(5,787,100)
(155,000)	(245,600)	Finance costs	(234,000)	(239,300)	(197,300)	(172,800)	(139,200)	(110,100)	(87,700)	(67,800)	(52,200)	(40,700)
4,070,000	5,247,700	**Net Cash provided by (or used in) Operating Activities**	5,634,700	5,778,800	6,005,500	6,200,300	6,556,500	6,782,300	7,075,600	7,298,000	7,523,900	7,726,600
		CASH FLOWS FROM INVESTING ACTIVITIES										
		Receipts										
1,691,000	1,333,000	Amounts specifically for new or upgraded assets	840,000	285,000	285,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
276,000	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										
58,000	36,000	Repayments of loans by community groups	54700	57800	61100	50600	39100	41300	43500	32900	34600	36500
0		Distributions received from associated entities										
		Payments										
(9,967,000)	(6,776,000)	Expenditure on renewal/replacement of assets	(6,752,500)	(5,240,500)	(5,519,100)	(5,630,700)	(5,957,300)	(6,184,100)	(6,358,700)	(6,589,700)	(6,735,200)	(6,881,400)
(1,436,000)	(1,111,000)	Expenditure on new/upgraded assets	(1,111,000)	(570,000)	(570,000)	(170,000)	(170,000)	(170,000)	(170,000)	(170,000)	(170,000)	(170,000)
0	0	Purchase of investment property										
0	0	Net purchase of investment securities										
0	0	Development of real estate for sale										
(440,000)	0	Loans made to community groups										
0	0	Capital contributed to associated entities										
(9,818,000)	(6,418,000)	**Net Cash provided by (or used in) Investing Activities**	(6,868,800)	(5,367,700)	(5,643,000)	(5,565,100)	(5,903,200)	(6,127,800)	(6,300,200)	(6,541,800)	(6,685,600)	(6,829,900)
		CASH FLOWS FROM FINANCING ACTIVITIES										
		Receipts										
3,881,000	600,000	Proceeds from Borrowings	600,000	0	0	0	0	0				
0		Proceeds from of Aged Care Facility deposits										
		Payments										
(884,000)	(952,400)	Repayments of Borrowings	(587,100)	(684,500)	(596,400)	(663,300)	(589,400)	(563,700)	(420,000)	(397,800)	(265,300)	(277,400)
0	0	Repayment of Finance Lease Liabilities										
0	0	Repayment of Aged Care Facility deposits										
2,997,000	(352,400)	**Net Cash provided by (or used in) Financing Activities**	12,900	(684,500)	(596,400)	(663,300)	(589,400)	(563,700)	(420,000)	(397,800)	(265,300)	(277,400)
(2,751,000)	(1,522,700)	**Net Increase / (Decrease) in cash held**	(1,221,200)	(273,400)	(233,900)	(28,100)	63,900	90,800	355,400	358,400	573,000	619,300
6,243,000	1,699,000	Cash & cash equivalents at beginning of period	1,537,300	316,100	42,700	(191,200)	(219,300)	(155,400)	(64,600)	290,800	649,200	1,222,200
3,492,000	176,300	**Cash & cash equivalents at end of period**	316,100	42,700	(191,200)	(219,300)	(155,400)	(64,600)	290,800	649,200	1,222,200	1,841,500

NORTHERN AREAS COUNCIL
BUDGET UNIFORM PRESENTATION OF FINANCES
2026/2035

	2026 $	2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $	2035 $
Operating Revenues	15,236,800	15,633,175	16,082,859	16,546,114	17,084,971	17,613,408	18,123,497	18,649,137	19,191,028	19,747,586
less Operating Expenses	(14,960,500)	(15,354,900)	(15,743,900)	(16,161,700)	(16,500,800)	(16,963,500)	(17,351,400)	(17,811,300)	(18,288,900)	(18,800,800)
Adjusted Operating Surplus / (Deficit) before Capital Amounts	276,300	278,275	338,959	384,414	584,171	649,908	772,097	837,837	902,128	946,786
***less* Net Outlays on Existing Assets**										
Capital Expenditure on renewal and replacement of Existing Assets	6,752,500	5,240,500	5,519,100	5,630,700	5,957,300	6,184,100	6,358,700	6,589,700	6,735,200	6,881,400
less Depreciation, Amortisation and Impairment	(5,358,400)	(5,500,500)	(5,666,500)	(5,815,900)	(5,972,300)	(6,132,400)	(6,303,500)	(6,460,200)	(6,621,800)	(6,779,800)
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)
	1,294,100	(360,000)	(247,400)	(285,200)	(115,000)	(48,300)	(44,800)	29,500	13,400	1,600
***less* Net Outlays on New and Upgraded Assets**										
Capital Expenditure on New and Upgraded Assets	1,111,000	570,000	570,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
less Amounts received specifically for New and Upgraded Assets	(840,000)	(285,000)	(285,000)	(85,000)	(85,000)	(85,000)	(85,000)	(85,000)	(85,000)	(85,000)
less Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
	271,000	285,000	285,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Net Lending / (Borrowing) for Financial Year	**(1,288,800)**	**353,275**	**301,359**	**584,614**	**614,171**	**613,208**	**731,897**	**723,337**	**803,728**	**860,186**

NORTHERN AREAS COUNCIL
BUDGET FINANCIAL INDICATORS
2026/2035

	TARGET	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Surplus (Deficit) before Capital Revenues	**achieve operating breakeven**	**276,300**	**278,275**	**338,959**	**384,414**	**584,171**	**649,908**	**772,097**	**837,837**	**902,128**	**946,786**
Operating Surplus Ratio *(=Adjusted Operating Surplus / Rates General & Other)*	**0% - 10%**	**3%**	**3%**	**3%**	**3%**	**5%**	**5%**	**6%**	**6%**	**7%**	**7%**
Net Financial Liabilities *(=Financial Liabilities - Financial Assets)*	**No more than annual operating revenue**	**5,868,200**	**5,514,925**	**5,213,566**	**4,628,952**	**4,014,781**	**3,401,573**	**2,669,676**	**1,946,339**	**1,142,611**	**282,426**
Net Financial Liabilities Ratio *(=Net Financial Liabilities / Total Operating Revenue)*	**0% - 50%**	**39%**	**36%**	**33%**	**29%**	**24%**	**20%**	**15%**	**11%**	**6%**	**1%**
Asset Renewal Funding Ratio *(=Net Asset Renewals / Depreciation Expense)*	**95% - 105% of AMP**	**126%**	**94%**	**97%**	**96%**	**98%**	**99%**	**99%**	**100%**	**99%**	**98%**