LITCHFIELD COUNCIL

LONG TERM FINANCIAL PLAN

2020-21 to 2029-30

Contents

Executive Summary

This Long Term Financial Plan is designed to ensure that the financial sustainability of Litchfield Council continues to improve over the next 10 Years by supporting sound financial decision making.

Sustainability in the context of Litchfield means the community has well maintained facilities and infrastructure and receives good quality services at an affordable level of property rates both now and into the future.

Council currently has strong cash reserves and no debt which provides a good foundation in the short term. In the long term however, Council faces several challenges including:

- operating deficits due to depreciation;
- dependency of external funding due to insufficient own-source revenue; and
- inadequate funding for capital expenditure to maintain the existing asset base.

These challenges are not easily resolved and can only be addressed through a long term, disciplined approach to the allocation of financial resources.

The Long Term Financial Plan is based on the following strategies:

- Constrain growth in operating costs;
- Advocate strongly for grants from other levels of Government;
- Improve the approach to Asset Management;
- Use discretionary Reserves to increase capital spend in the short term; and
- Increase rate income to fund sustainable capital spend.

The combination of these strategies will improve the sustainability of Litchfield gradually over time with the key objective of increasing the level of capital expenditure which is currently inadequate.

A ten year Operating Statement, Cash Flow Statement and Balance Sheet has been prepared based on a series of assumptions about the movement of each income and expenditure type. This ten-year view provides the context for the annual Municipal Plan and budget process and reports against the financial Key Performance Indicators of the Strategic Plan.

The necessity of having a Long Term Financial Plan

The Local Government Act requires Council to prepare and maintain a Long Term Financial Plan (LTFP). The Plan must cover a minimum period of four years however, many of the decisions that Council makes have impacts that go well beyond this time horizon. Litchfield Council has therefore developed a ten-year plan to ensure that the decisions made today are truly sustainable in the long term.

A long-term financial plan provides a framework to consider:

- The level of funding required to deliver services for the community.
- The funding of new or upgraded assets.
- What income sources are available and how can these be maximised?
- What property rating strategy should be adopted?

The goal of the LTFP is to ensure financial sustainability which can be defined as:

'…a government's ability to manage its finances so it can meet its spending commitments, both now and in the future. It ensures future generations of taxpayers do not face an unmanageable bill for government services provided to the current generation.' (Commonwealth Government, Intergenerational Report, May 2002)

Sustainability in the context of Litchfield means the community has well maintained facilities and infrastructure and receives good quality services at an affordable level of property rates both now and into the future.

The directions of the LTFP are informed by Council's Strategic Plan and Asset Management Plans. The LTFP also provides the context and financial limits that need to be considered in the development of long term plans and the management of expectations about what can be achieved.

The LTFP is developed using a series of assumptions about future growth in income and expenses. These assumptions have been based on the best available information and will be reviewed on an annual basis in conjunction with the development of the Municipal Plan. The strategies contained in the LTFP will help set the parameters for the development of the annual budget.

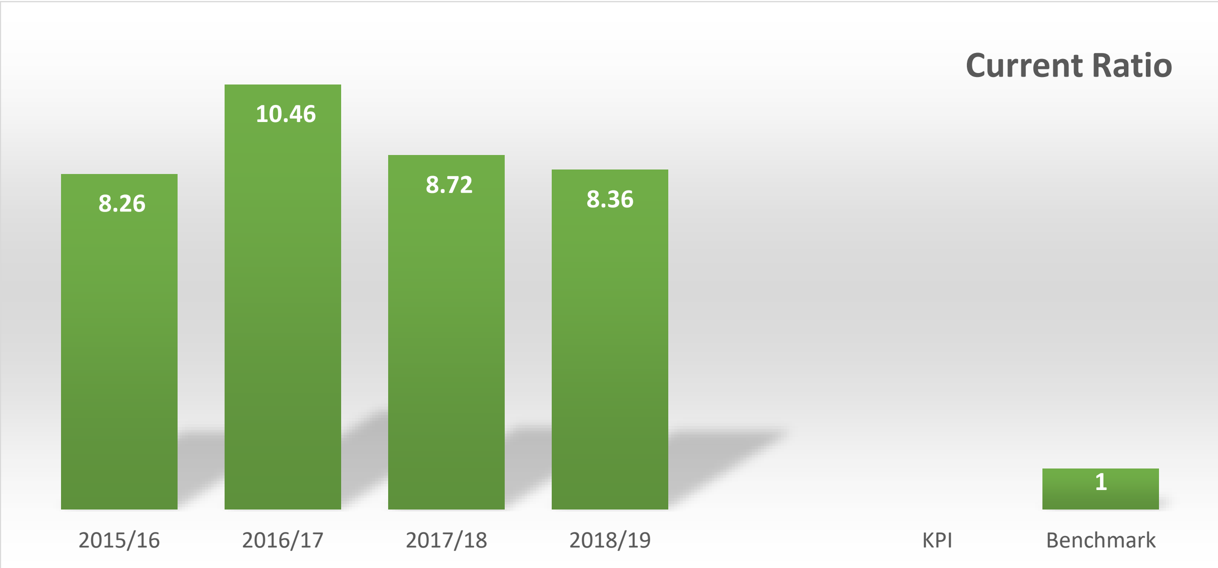
Current Financial Position

The following section of the Plan provides analysis of Council's current financial situation based on a set of criteria that are generally accepted measures of sustainability.

Current Ratio

The current ratio compares current assets to current liabilities and is an indicator of Council's capacity to meet its short term financial obligations. The ratio should be greater than 1 to provide assurance that Council has sufficient funds to meet short term debts.

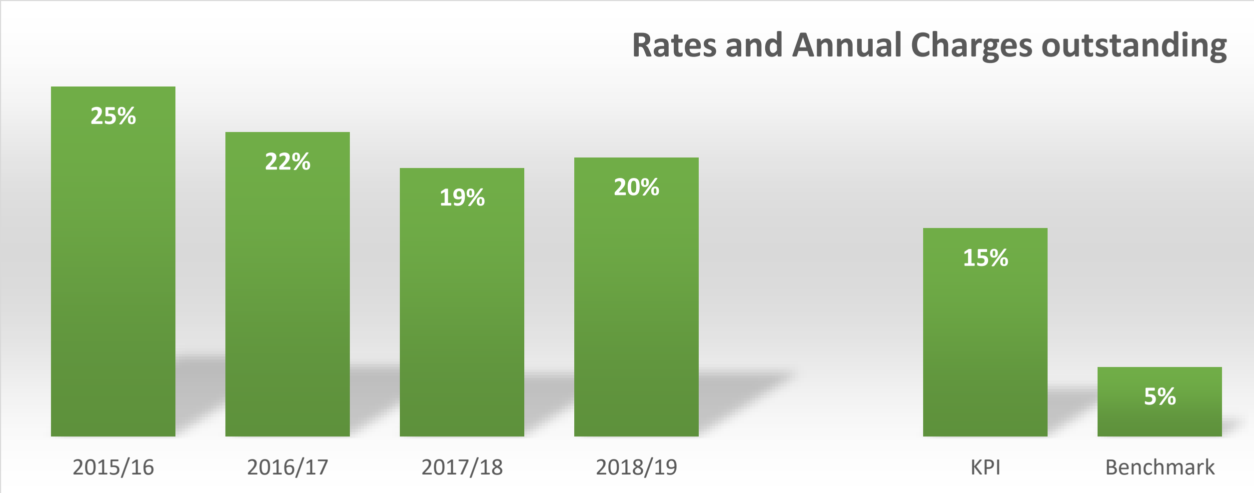
Council has strong cash reserves and minimal short term liabilities, which provides Council with a strong ratio, well above local government benchmark as shown below. As this ratio is strong for Council, it is not a current KPI within Council's 2018-2022 Strategic Plan.



Rates and Annual Charges Outstanding Ratio

A Local Government indicator for the success of Council's collection of debt is the Rates and Annual Charges Outstanding ratio. This measure gives the percentage of Rates and Charges outstanding over Rates and Charges Income of the relevant year. Historically Council has had difficulty with debt collection, but with recent efforts to recover these debts, the ratio had improved in prior years. In 2018/19 the ratio has increased again slightly although efforts for debt collection have increased. This could be due to the current economic climate.

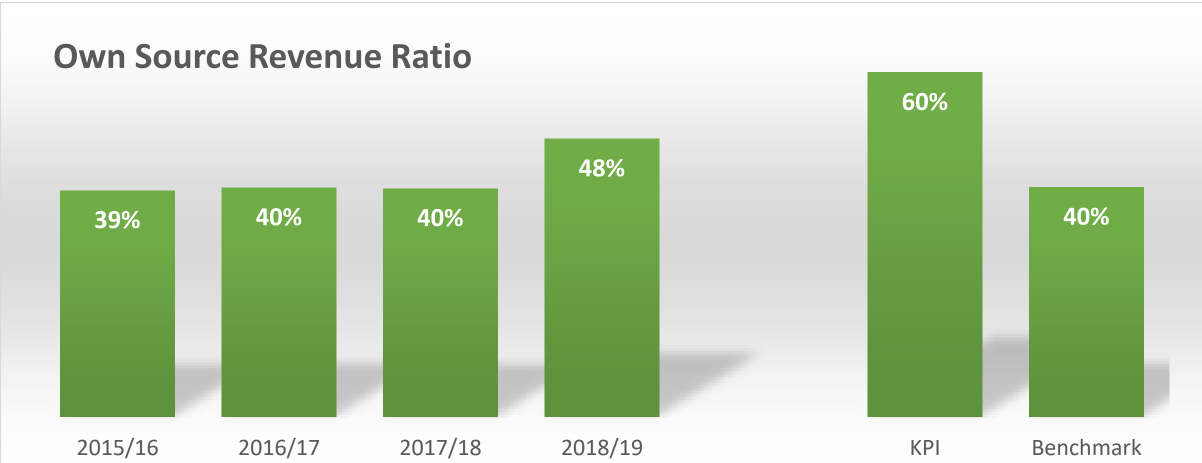
Council continues to work through these legacy issues and recognises that it is not realistic to achieve the local government benchmark of 5% within the current Strategic Plan timeframe and has set the KPI at 15%.



Whilst Council's debt is above the local government benchmark this indicator does not raise concerns of financial unsustainability as Council remains to have a strong cash positions highlighted in the current ratio. This ratio does clearly identify though, that Council needs to remain focussed on debt collection over the coming years.

Own Source Revenue Ratio

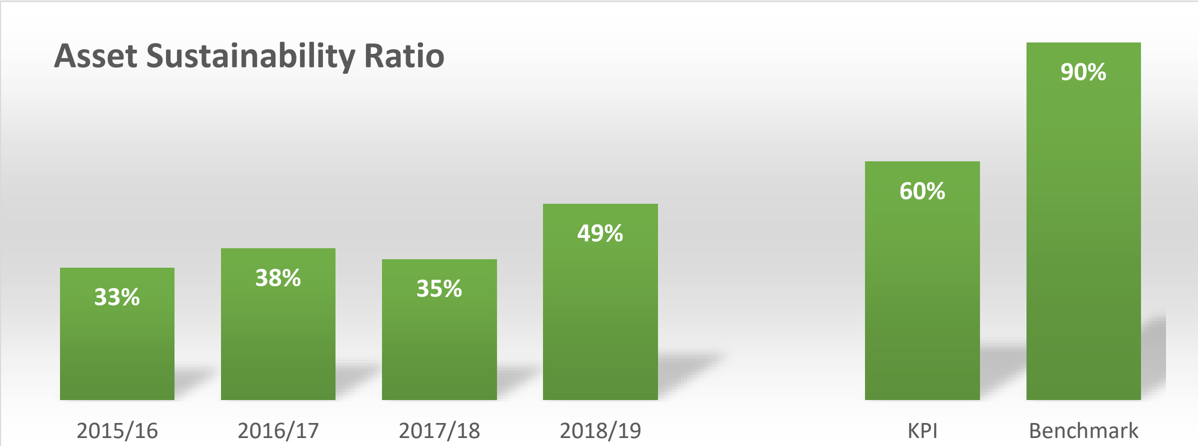
The Own Source Revenue Ratio indicates Council's ability to fund operational expenditures through funding sourced by its own revenue-raising efforts, being rates and charges and other revenue, but excluding grants and subsidies received. The higher the percentage, the more self-reliant Council is and the lower the risk is of external impacts on Council's financial sustainability. A ratio of greater than 40% is considered a basic local government standard and low risk. With almost stagnate ongoing federal assistance funding over the past years and limited opportunities for territory funding, Council set its KPI at the intermediate local government benchmark of 60% to reduce the risk of essential services being reliant on external funding.



The ratio is sitting at 48% as per the 2018/19 annual report which indicates that Council is quite dependent on external sources of revenue, mainly government grants. This does present some risks to Council if the territory or federal Governments reduce or freeze grants.

Asset Sustainability Ratio

This ratio indicates Council's performance in replacing assets as they reach the end of their useful life to ensure that services continue to be delivered at agreed levels. The Asset Sustainability Ratio compares the level of capital works expenditure on renewals to depreciation. A ratio of greater than 100% means that Council is increasing the value of its asset base and delivering above the set service level. A ratio of less than 100% means that Council's asset stock is losing value as it is deteriorating more quickly than it is being renewed and the service level may not be achieved.



Council is spending substantially less on capital works than the depreciation expense with a sustainability ratio of 49% in 2018/19. If the ratio is any lower than the benchmark of 90% Council is not fulfilling the service levels set for assets or the service level is unrealistic for the financial capacity of the Council. Council recognises its gap and has set a KPI to achieve 60% by 2022. Without a significant increase in income Council cannot increase the asset sustainability ratio.

Summary of Financial Position

Litchfield Council has strong cash reserves and no debt which means in the short term it will be able to continue to deliver services and a limited amount of capital works to its community.

In the long term however, Litchfield faces several challenges including very large operating deficits and inadequate funding for capital expenditure to maintain the existing asset base.

Emerging Issues

The Impact of Growth

Litchfield municipality has experienced substantial growth in population over the last 10 years with the addition of 5,137 estimated resident population (ABS 2011 to 2016) a growth of over 25%.

Population growth can impact on the financial position of Council in a number of ways. Additional properties provide more income to Council through property rates and waste management charges. Whilst pressure on existing services and infrastructure increase. Another impact of growth noted over the past years is increasing community expectations for an expanded range and quality of services, for example library services or an aquatic facility. Managing these expectations can be challenging as funding new service standards may be beyond the financial capacity of Council with rate income generated through additional properties not increasing proportionally. Council has struggled with this disproportional growth of residents to rateable properties for several years.

For the purposes of the long-term financial planning no growth in rateable properties has been assumed as the development of properties has decreased over the past years.

Asset Management

Council has an extensive network of infrastructure assets with a current replacement value of $498 million. Maintaining these assets in good order and renewing them as they approach the end of their useful life requires substantial expenditure each year.

Depreciation provides an estimate of the value of assets consumed during each financial year. The Asset Sustainability Ratio mentioned above highlighted Council's inability to fund the usage of infrastructure assets annually. This means Council is not replacing assets as they are due for renewal in line with current service levels.

Over the past years Council has developed Asset Management Plans for major asset groups like roads. For roads assets alone Council has identified an annual funding gap of $4.7 million that will create long term sustainability challenges for Litchfield Council and financial pressure for future ratepayers.

Other Potential Pressures

The financial performance of **Thorak Regional Cemetery** is dependent on income from cremations, burials, and other charges relevant to the cemetery.,. On the current trajectory, the Cemetery will become a financial burden for Litchfield ratepayers as assets reach the end of their useful life, as current income is meeting operational costs only, and not ongoing capital costs. Ongoing advocacy to the Northern Territory Government and neighbouring councils is being undertaken to ensure a more equitable funding model for the cemetery given the majority of burials and cremations are for people from outside the Litchfield municipality. The LTFP continues to include the cost for Thorak Regional Cemetery whilst on an annual basis Council is reporting on the cemetery cost separately as well.

The Way Ahead – Improving Long Term Sustainability

As indicated in the section of this Long Term Financial Plan relating to the current financial position, Council has strong cash reserves and no debt which means in the short term it will be able to continue to deliver services and a limited amount of capital works to its community.

In the long term however, Litchfield Council faces several challenges including very large operating deficits and inadequate funding for capital expenditure required to maintain its existing asset base. These long term challenges will require a concerted and disciplined approach to the management of financial resources so that sustainability can be improved.

The aim of the Long Term Financial Plan is to improve sustainability by:

1. Decreasing the size of the operating deficit
2. Increasing the funding available for capital expenditure

The following strategies are designed to address both of these challenges.

Constrain Growth in Operating Costs

The major expenditure categories to which this strategy applies are Employee costs, Contractors and Materials. The Northern Territory is experiencing very low inflation and the LTFP assumptions reflect these trends. The growth in operating costs are expected to be much lower in the coming years than has historically been the case. Council is currently negotiating a new Enterprise Agreement and will ensure that the growth in employee costs is constrained, assumptions of the LTFP do not allow for additional staffing.

The LTFP provides for a small pool of New Initiative funds to be allocated to high priority one-off projects and activities each year. Whilst the amount is modest, it does provide a small amount of flexibility in what will otherwise be a constrained budget. Recurrent increases in operating expenditure must be funded from matching income sources or reductions in expenditure in another part of the budget.

Advocate Strongly for Grants from other levels of Government

Council has received substantial grants for one-off capital projects in recent years and continues to advocate strongly for grants relating to works on the road network and recreation reserves. The Mango Strategic Road Project is a successful advocacy program that resulted in the contribution of $18 million from NT and federal Government into local roads upgrades.

Given the uncertainty about the allocation of grant funding, the LTFP has taken a conservative approach to forecasting future grant income. However, advocacy efforts and grant applications will be stepped-up to ensure that any available funding that is consistent with meeting Council's strategic objectives is targeted.

As mentioned under Current Financial Position in this plan, Council is focussing on the set KPI to increase the Own Source Revenue Ratio to ensure the dependency on grant funding is lowered and will not become a greater risk to Council.

Improve the Approach to Asset Management

Council has an extensive network of infrastructure assets and the ongoing maintenance and renewal of these assets is one of its biggest challenges. To ensure that decisions about the allocation of funding to infrastructure works is sustainable, ongoing work will continue to improve the data and analysis of asset condition, valuation and useful life.

Council continues to work on the development and implementation of Asset Management Plans which will in future provide more reliable data for projection of costs. Asset Management Plans for roads and the cemetery have been adopted by Council with other plans in draft form. The current LTFP makes assumptions on asset renewal for some asset classes and includes the cost for major new and upgraded assets based on the financial capacity of Council.

Use Discretionary Reserves to Increase Capital Spend in the Short Term

Council has very strong cash reserves made up of a number of specific purpose reserves. These reserves provide a short term opportunity to deliver a higher level of capital works but do not represent a long term solution. Council has had this strategy in place since 2016 and will need to review this approach once all Asset Management Plans are adopted. Whilst Council will use reserves to fund renewal of assets, it will not draw down on the reserves completely to ensure financial long term sustainability.

Increase Rate Income to fund Increased Levels of Capital Expenditure

Rates and the waste management charge provide approximately 55% of the total revenue for Council and is the most stable and predictable source of revenue for Council.

The current level of rates is insufficient to fund the level of capital expenditure required to maintain the condition of existing assets and over time this will lead to either noticeable deterioration of infrastructure assets or the need to considerably review the level of rates imposed on properties.

In 2020 Council has concluded a comprehensive review of the Rating Policy and listened to the community in retaining the fixed rate for Rural Residential, Urban Residential and Horticulture/Agriculture properties. This decision has decreased the option of Council to spread future rates burden in an equitable way and will see Council to have to continue with consistent rate increases across all properties in the future.

The LTFP has been based on an annual increase in Rates income of 5%. Due to the above-mentioned decision to retain the fixed charge, this will likely impact residential properties directly. The waste charge has been indexed to reflect the full recovery of the costs of maintaining waste management services now and into the future.

Assumptions

The LTFP has been prepared on the assumption that Council will continue to provide services that are currently in place and has made the following specific assumptions.

Operating income and expenditures

ITEM	Increment (Annual)
INCOME	
Rates Income	5.0%
Waste Charge	3.0%
Statutory Charges	2.0%
User Charges	5.0%
Grants, Subsidies and Contributions	1.0%
EXPENSES	
Employee Costs	2.9%
Elected Member Expenses	2.5%
Election Expenses	10% every four years
Energy	2.0%
Insurance	2.0%
Other expenses	1.5%

Capital Income and Expenditures

Assumptions of capital works have been made in lieu of detailed Asset Management Plans for some asset classes of Council. Furthermore, capital grants have been predicted for the development of new assets.

ITEM	Increment (Annual)
CAPITAL INCOME	
2021 - 2024	$1.5m annual funding (R2R and Blackspot funding), FY 2021 $300,000 Fred's Pass Grant Funding.
2025 to 2030	$398,000 annually (Blackspot funding)
2025	$5m for Aquatic Facility
2026	$5m for Aquatic Facility $7m for Community and Business Hub
CAPITAL WORKS	
Thorak Regional Cemetery	Annual renewal $80,000
Council Buildings	Annual renewal $50,000
Sealing of roads	Annual upgrade $500,000
Seal/Pavement renewal	2021 $1,430,000 plus 5% increase annually
Other roads and drainage upgrades	Annual upgrade $1,617,000
Motor Vehicles and Plant	Annual renewal $300,000
Public Lighting	2021 to 2023 annual upgrade $70,000 2024 to 2029 annual upgrade $30,000
Waste Management Plant and Equipment	Annual renewal $35,000
Reserve Playground Renewal	$12,000 Annually
Mira Square Development	$40k in 2023, $100k in 2025 and $150k in 2027
Major once off Capital Works	
2026	$7m Establishment of Community and Business Hub
2027 and 2028	$1.8m Waste Management Recycling Centre
2025 and 2026	$5m each year Aquatic Facility

10 Year Income Statement

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
$'000's	Actual	Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Income from Continuing Operations												
Revenue:												
Rates & annual charges	10,431	10,739	11,050	11,544	12,060	12,601	13,167	13,759	14,379	15,027	15,706	16,417
Rates	7,577	7,798	8,109	8,514	8,940	9,387	9,856	10,349	10,866	11,409	11,980	12,579
Waste	2,854	2,941	2,942	3,030	3,121	3,214	3,311	3,410	3,513	3,618	3,726	3,838
Statutory Charges	155	112	125	125	125	125	125	125	125	125	125	125
User charges & fees	1,612	1,208	1,245	1,307	1,373	1,441	1,513	1,589	1,669	1,752	1,840	1,932
Interest & investment revenue	816	694	668	515	478	424	400	358	345	288	240	228
Reimbursements	22	-	-	-	-	-	-	-	-	-	-	-
Other revenues	137	71	70	71	73	74	76	77	79	80	82	84
Grants & contributions for operating purposes	4,942	4,701	3,581	3,617	3,653	3,689	3,726	3,764	3,801	3,839	3,878	3,916
TOTAL INCOME FROM CONTINUING OPERATIONS	**18,116**	**17,525**	**16,739**	**17,179**	**17,761**	**18,355**	**19,007**	**19,672**	**20,397**	**21,112**	**21,871**	**22,702**
Expenses from Continuing Operations												
Employee benefits & costs	6,646	6,761	6,932	7,133	7,340	7,553	7,772	7,997	8,229	8,468	8,713	8,966
Borrowing costs	-	3	-	-	-	-	-	-	-	-	-	-
Materials, contracts and other expenses	7,637	7,888	7,809	8,263	8,248	8,372	8,498	8,763	8,754	8,886	9,019	9,154
New Initiatives		341	217	200	200	200	200	200	200	200	200	200
Depreciation, amortisation & Impairment	12,921	11,558	11,744	11,838	11,904	11,968	12,032	12,170	12,409	12,491	12,574	12,644
TOTAL EXPENSES FROM CONTINUING OPERATIONS	**27,205**	**26,551**	**26,702**	**27,434**	**27,693**	**28,092**	**28,502**	**29,130**	**29,592**	**30,045**	**30,506**	**30,964**
OPERATING RESULT FOR THE YEAR	**(9,089)**	**(9,026)**	**(9,963)**	**(10,255)**	**(9,931)**	**(9,737)**	**(9,495)**	**(9,458)**	**(9,195)**	**(8,933)**	**(8,636)**	**(8,262)**
OPERATING RESULT FOR THE YEAR excluding Depreciation	**3,832**	**2,528**	**1,781**	**1,585**	**1,975**	**2,232**	**2,539**	**2,714**	**3,215**	**3,560**	**3,940**	**4,383**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
$'000's	Actual	Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Changes in Revaluation Surplus - I,P,P& E	-	-	-	-	-	-	-	-	-	-	-	-
Asset Disposal & Fair Value Adjustments	(103)	-	-	-	-	-	-	-	-	-	-	-
Amounts received specifically for new or upgraded assets	4,064	6,398	1,821	1,183	1,183	1,183	5,398	12,398	398	398	398	398
Physical resources received free of charge	1,011	-	-									
TOTAL COMPREHENSIVE INCOME / (LOSS)	**(4,117)**	**(2,628)**	**(8,142)**	**(9,071)**	**(8,748)**	**(8,554)**	**(4,097)**	**2,940**	**(8,797)**	**(8,535)**	**(8,238)**	**(7,864)**

10 Year Statement of Cash Flows

$ '000	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Budget based on Actual 2019	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash Flows from Operating Activities												
Receipts:												
Rates & annual charges	10,228	10,846	11,050	11,602	12,060	12,727	13,299	13,897	14,379	15,027	15,706	16,417
User charges & fees	1,923	1,307	1,356	1,418	1,483	1,551	1,622	1,697	1,776	1,858	1,945	2,036
Investment & interest revenue received	783	614	607	515	478	424	400	358	345	288	240	228
Grants & contributions	4,433	4,701	3,581	3,617	3,653	3,689	3,726	3,764	3,801	3,839	3,878	3,916
Other	351	70	69	71	72	74	75	77	78	80	81	83
Payments:												
Employee benefits & costs	(6,059)	(6,761)	(6,932)	(7,133)	(7,340)	(7,553)	(7,772)	(7,997)	(8,229)	(8,468)	(8,713)	(8,966)
Materials, contracts & other expenses	(8,434)	(7,888)	(7,809)	(8,263)	(8,248)	(8,372)	(8,498)	(8,763)	(8,754)	(8,886)	(9,019)	(9,154)
Finance Payments	-	(3)	-	-	-	-	-	-	-	-	-	-
Other operating payments	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH PROVIDED (OR USED IN) OPERATING ACTIVITIES	**3,132**	**2,886**	**1,922**	**1,827**	**2,158**	**2,541**	**2,852**	**3,033**	**3,396**	**3,738**	**4,117**	**4,561**
Cash Flows from Investing Activities												
Receipts:												
Sale of investment securities	-	2,800	3,500	3,000	2,000	2,000	1,500	-	-	-	-	-
Sale of infrastructure, property, plant & equipment	59	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors receipts	-	-	-	-	-	-	-	-	-	-	-	-
Amounts specifically for new or upgraded assets	4,064	6,398	1,821	1,183	1,183	1,183	5,398	12,398	398	398	398	398
Payments:												

$ '000	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Budget based on Actual 2019	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Purchase of investment securities	(784)		-	-	-	-	-			-	-	-
Purchase of infrastructure, property, plant & equipment	(6,381)	(13,037)	(6,565)	(4,641)	(4,431)	(4,534)	(9,642)	(16,704)	(5,770)	(5,791)	(4,917)	(5,097)
NET CASH PROVIDED (OR USED IN) INVESTING ACTIVITIES	**(3,042)**	**(3,839)**	**(1,244)**	**(457)**	**(1,247)**	**(1,351)**	**(2,744)**	**(4,306)**	**(5,372)**	**(5,393)**	**(4,519)**	**(4,699)**
Cash Flows from Financing Activities												
Receipts:												
Proceeds from borrowings & advances	-	1,000	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of borrowings & advances	-	(4)	-	-	-	-	-	-	-	-	-	-
NET CASH PROVIDED (OR USED IN) FINANCING ACTIVITIES	**-**	**996**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**90**	**43**	**677**	**1,369**	**910**	**1,190**	**108**	**(1,274)**	**(1,976)**	**(1,655)**	**(402)**	**(139)**
plus: CASH & CASH EQUIVALENTS - beginning of year	2,215	2,305	2,348	3,025	4,395	5,305	6,495	6,603	5,329	3,353	1,698	1,297
plus: INVESTMENTS ON HAND - end of year	21,371	18,571	15,071	12,071	10,071	8,071	6,571	6,571	6,571	6,571	6,571	6,571
CASH & CASH EQUIVALENTS & INVESTMENTS - end of year	**23,677**	**20,920**	**18,097**	**16,466**	**15,377**	**14,566**	**13,174**	**11,901**	**9,925**	**8,270**	**7,868**	**7,730**

10 Year Statement of Financial Position

$ '000	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Budget **based on Actual 2019**	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Assets												
Current Assets:												
Cash & cash equivalents	2,306	2,348	3,026	4,395	5,305	6,495	6,603	5,330	3,354	1,699	1,297	1,159
Investments	21,371	18,571	15,071	12,071	10,071	8,071	6,571	6,571	6,571	6,571	6,571	6,571
Receivables – Rates and Charges	2,101	2,007	2,021	1,978	1,993	1,882	1,767	1,646	1,663	1,682	1,702	1,723
Receivables - other	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227
TOTAL CURRENT ASSETS	**27,004**	**24,153**	**21,345**	**19,670**	**18,596**	**17,675**	**16,168**	**14,773**	**12,815**	**11,179**	**10,798**	**10,680**
Non-Current Assets:												
Infrastructure, property, plant & equipment	309,112	310,591	305,412	298,214	290,740	283,307	280,917	285,451	278,812	272,112	264,455	256,908
Work in progress	3,739	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT ASSETS	**312,851**	**310,591**	**305,412**	**298,214**	**290,740**	**283,307**	**280,917**	**285,451**	**278,812**	**272,112**	**264,455**	**256,908**
TOTAL ASSETS	**339,855**	**334,744**	**326,756**	**317,885**	**309,336**	**300,983**	**297,085**	**300,224**	**291,627**	**283,291**	**275,253**	**267,588**
Liabilities												
Current Liabilities:												
Payables	2,652	2,805	3,613	3,685	3,759	3,834	3,910	3,989	4,068	4,150	4,233	4,317
Provisions	576	576	593	610	628	646	665	684	704	725	746	767
TOTAL CURRENT LIABILITIES	**3,229**	**3,382**	**4,206**	**4,295**	**4,387**	**4,480**	**4,575**	**4,673**	**4,772**	**4,874**	**4,978**	**5,084**

$ '000	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual	Budget based on Actual 2019	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Non-Current Liabilities:												
Borrowings	-	996	-	-	-	-	-	-	-	-	-	-
Provisions	474	474	487	502	516	531	546	562	579	595	613	630
TOTAL NON-CURRENT LIABILITIES	**474**	**1,470**	**487**	**502**	**516**	**531**	**546**	**562**	**579**	**595**	**613**	**630**
TOTAL LIABILITIES	**3,702**	**4,851**	**4,693**	**4,797**	**4,903**	**5,011**	**5,122**	**5,235**	**5,351**	**5,470**	**5,591**	**5,715**
NET ASSETS	**336,153**	**329,893**	**322,063**	**313,088**	**304,434**	**295,972**	**291,963**	**294,989**	**286,276**	**277,822**	**269,662**	**261,873**
Equity												
Retained earnings/(accumulated deficit)	17,012	13,261	9,064	1,853	(5,636)	(13,084)	(15,489)	(10,971)	(17,626)	(24,343)	(32,017)	(39,582)
Other Reserves	23,281	20,771	17,139	15,375	14,209	13,195	11,592	10,100	8,041	6,304	5,819	5,594
Revaluation reserves	295,860	295,860	295,860	295,860	295,860	295,860	295,860	295,860	295,860	295,860	295,860	295,860
Council equity interest	**336,153**	**329,893**	**322,063**	**313,088**	**304,434**	**295,972**	**291,963**	**294,989**	**286,276**	**277,822**	**269,662**	**261,873**
TOTAL EQUITY	**336,153**	**329,893**	**322,063**	**313,088**	**304,434**	**295,972**	**291,963**	**294,989**	**286,276**	**277,822**	**269,662**	**261,873**

Financial Ratios

	2019 Actual	2020 Budget based on Actual 2018	2021 Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Current Ratio	8.36	7.14	5.08	4.58	4.24	3.95	3.53	3.16	2.68	2.29	2.17	2.10

This ratio represents Council's ability to meet debt payments as they fall due. It should be noted that Council's externally restricted assets will not be available as operating funds and as such can significantly impact Council's ability to meet its liabilities.

Benchmark - Greater than 1.0

current assets / current liabilities

Asset Sustainability Ratio	49%	47%	47%	38%	35%	36%	34%	35%	36%	36%	38%	39%

This ratio indicates the extent to which Council is replacing its existing asset base with capital renewals of existing assets.

Benchmark - Greater than 90% *Strategic Plan 2018-2022 KPI - Greater than 60%*

annual capital expenditure on renewals / annual depreciation

Rates and Annual Charges Outstanding	20.1%	18.7%	18.3%	17.1%	16.5%	14.9%	13.4%	12.0%	11.6%	11.2%	10.8%	10.5%

This measure gives the percentage of Rates and Charges outstanding over the Rates and Charges Income.

Benchmark - Smaller than 5% *Strategic Plan 2018-2022 KPI - Smaller than 15%*

Rates and Annual Charges collected/Total Rates and Annual Charges raised

Own Source Revenue Coverage Ratio	48%	48%	49%	49%	51%	52%	54%	55%	56%	57%	59%	61%

Indicates Council's ability to fund operational expenditures through funding sourced by its own revenue-raising efforts.

Benchmark - Greater than 40% *Strategic Plan 2018-2022 KPI - Greater than 60%*

Total own source revenue/total operating expenditure including depreciation