

Long Term Financial Plan 2023-24 to 2032-33



CHIEF EXECUTIVE OFFICER'S STATEMENT OF FINANCIAL SUSTAINABILITY

At present, the financial situation of the District Council of Coober Pedy is challenging, and we need to take decisive actions to secure our future.

Based upon our current projections we will start the ten years of this long-term financial plan with a positive cash position of \$867,660, an EDL debt of \$3.47 million, and borrowings of \$7.7 million with the Local Government Finance Authority (LGFA). We anticipate that at the end of the 2022/23 financial year, we will have recorded an underlying deficit of \$1.4 million. We do not have the funds or access to borrowings to renew our failing infrastructure assets.

Based on this information, DCCP is financially unsustainable in the short and long term.

The Council will implement several measures in the 2023/24 Annual budget to set a course towards financial sustainability. These measures aim to return the District Council of Coober Pedy to a financially stable position. They include increasing general rate revenue by 20%, reducing annual operating costs by approximately \$1.0 million, and increasing water charges by 30%.

While these measures may appear drastic, they are necessary to ensure we can adequately fund our services in the 2023/24 financial year. Given our lack of available cash and limited access to additional borrowings, these actions are crucial to keeping our organisation operational.

However, our financial situation remains challenging even with these measures in place. By the end of the 2023/24 financial year, we anticipate a negative cash balance of \$0.92 million, which falls short of our target working capital of \$0.5 million. Our EDL debt is projected to be maintained at \$3.3 million, and we will still owe \$7.7 million to the LGFA.

Looking ahead, we must continue controlling costs to ensure long-term financial stability. We will need to increase general rate revenue at a rate higher than inflation in the coming years to address outstanding EDL arrears, renew aging infrastructure assets and critical plant, and reduce our loans with the LGFA.

While the road to financial sustainability may be challenging, we are committed to taking the necessary actions to ensure the long-term viability of the District Council of Coober Pedy. By implementing prudent financial strategies, closely monitoring our expenditures, and exploring opportunities for revenue generation, including grants from other levels of government, we aim to overcome our current financial difficulties and build a sustainable future for our community.

THE PURPOSE OF THE PLAN

Long-term financial planning is a process to help ensure that Council can deliver its services and fund planned capital expenditure. It is a vital link between Council's Strategic Plan, Infrastructure and Asset Management Plan and Annual Business Plan.

This Long-term financial (LTFP) has its foundation in the recent financial history of the District Council of Coober Pedy (DCCP). We have experienced ongoing operating deficits, reducing cash balances, increasing unpaid debts to our electricity provider and no access to additional borrowings. This has resulted in reduced services to our community.

Following the appointment of the new Administrator Team in March 2023, they have implemented a significant undertaking to find a path forward for the District Council of Coober Pedy to eradicate its ongoing deficits, reduce debt and renew its large stock of infrastructure and vital plant and equipment assets. This Long-Term financial plan attempts to map out that path.

While the Council understands the importance of having a current and relevant Strategic Plan and Infrastructure Management Plan(IAMP)—Council's current strategic plan was developed in 2013 and its IAMP in 2020—to underpin a fully informed LTFP, its current financial precarity must take precedence. This LTFP effectively sets the 'goalposts' we must stay within to achieve ongoing financial sustainability. It will allow us to determine what we can afford when developing our new Strategic Plan and IAMPs.

ASSUMPTIONS

We have prepared the 10-year LTFP using several assumptions that reflect an assessment of the economic climate and predictions on variables that will impact Council operations. In addition to external variables, the LTFP reflects several policy and service delivery changes. The LTFP is derived from our "best guess" estimate of future performance and economic conditions. Therefore, actual results are likely to vary from the LTFP. At times, these variations could be material.

This plan has been prepared on a real basis such that the effects of inflation have been removed for ease of understanding by the key stakeholders in interpreting the data.

Table 1: Change in Indices Applied in LTFP

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
Salaries and Wages increases	Actual and anticipated Enterprise Bargaining	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Other Operating Expenses	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Financial Assistance Grants	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Interest on CAD (real)		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest on cash (real)		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Interest on O/S Creditor (real)		4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Capital Expenditure	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

Generally, Council endeavours to keep a cash balance of \$0.5 M, as it cannot access additional borrowings or working capital. While this situation is anticipated into the medium-longer term, the assumption has been retained.

The Infrastructure Asset Management Plan (IAMP)

The DCCP’s current IAMP was adopted in 2020, and was developed when several of its water assets failed. Since then, some operational issues have been addressed, reducing the instances of pipe failures and providing a different assessment of the useful life of those assets.

Legislatively we are required to report an asset renewal funding ratio that compares our spending on the renewal and replacement of physical assets to the amount set out in our IAMP. We have done this; however, we have also provided a comparison against our more recent valuation data, including the assessment of useful lives.

Table 2: Comparison of Asset Renewal and Replacement Amounts

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
Adopted IAMP	1,400,000	5,947,000	6,286,000	701,000	836,000	706,000	-	-	-	-
Calculated required expenditure	1,445,019	713,969	1,564,648	742,003	956,596	1,366,184	875,764	1,600,444	1,140,168	949,775

“EDL LEASE “ TRANSACTIONS

Council has a long-term contract with a third party for electricity supply. The Council takes this electricity and distributes it to electricity consumers within Coober Pedy. The electricity supply contract has fixed and variable payment components. Before July 2019 Council recorded all the electricity supply payments as an operating expense.

In the 2019/2020 financial year Council adopted a new Accounting Standard which changed how it accounted for the contractual obligations for the provision of electricity and leased plant. The variable component of the electricity contract continues to be treated as an operating expense, whilst the fixed component has been treated as if it were a lease payment. The new accounting treatment added \$86.7M in new assets to Council's balance sheet and a lease liability of \$87.8M. In addition, interest, depreciation, material & contractual expenses were significantly changed, affecting the Operating Surplus by approximately \$1.9M.

The following two tables illustrate the value of transactions excluded from the LTFP financial statements. These figures rely on a present value calculation and will change when current and future interest rates change.

Table 3 - Impact on Income Statement of Electricity Lease

	For the year ended 30/6/24	For the year ended 30/6/33
Reduction in Operating expenditure – removal of the fixed component of lease payments	5,508,519	5,508,519
Increase in Operating expenditure – lease finance charges	(1,787,266)	(1,011,707)
Increase in Operating expenditure – depreciation of lease assets	(4,365,279)	(4,365,279)
Increase /(Decrease) in Operating Surplus / Deficit	(644,026)	131,533

Table 4 - Impact on Statement of Financial Position of Electricity Lease

	30/6/23	30/6/33
Fair Value of Asset	83,185,665	83,185,665
Accumulated Depreciation	(18,083,840)	(54,251,520)
Closing Written Down Value	61,485,057	28,934,144
Lease Liability	70,881,388	37,395,672

Including these "lease" transactions distorts the underlying financial position of Council. The method used to calculate lease liabilities and the annual update of calculations results in the impact of these accounting entries changing every year, making year-on-year comparisons difficult.

UNDERLYING OPERATING SURPLUS / (DEFICIT)

The financial statements use a measure titled "Underlying Operating Surplus" to present the undistorted financial performance of Council. This measure adjusts the Operating Surplus for items such as large non-recurring items (e.g. flood damage grants and related income), grants received in one period but related to another period (e.g. Financial Assistance Grants), and grants of a capital nature reported in operating income.

FINANCIAL STRATEGY

Our Current Situation

At the time of preparing this LTFP, we anticipated that on 1 July 2023 (the opening position), we would have

- a positive cash position of \$867,660 mainly due to the prepayment of the 2023/24 financial assistance grants.
- an EDL debt of \$3.5 M
- borrowings with the LGFA of \$7.7 M

In the 2022/23 financial year, we would have achieved an underlying deficit of \$1.4 M.

Our Future Path

In the 2023/24 Annual budget, the Council has begun the process of returning DCCP to a financially sustainable position. This includes;

- increasing general rate revenue by 20%
- reducing annual operating costs by approximately \$1.0 M
- increase water charges by 30%

Each of these measures, while drastic, ensures that we can pay for the services we will deliver in the 2023/24 financial year. As we do not have any cash remaining and cannot access any additional borrowings, this is the only course of action to keep our doors open.

Even by doing this, we will, at the end of 2023/24 have

- a negative cash balance of \$ 0.92 M (we try to maintain a cash balance of \$0.5 M as working capital)
- an EDL debt of \$3.32 M
- borrowings with the LFGA of \$7.7 M

In the years following, if we continue to keep costs down, we will still need to increase general rate revenue higher than inflation so we can

- pay our EDL arrears as soon as possible
- begin to renew our aging infrastructure assets and critical plant
- reduce our loans with the Local Government Financial Authority.

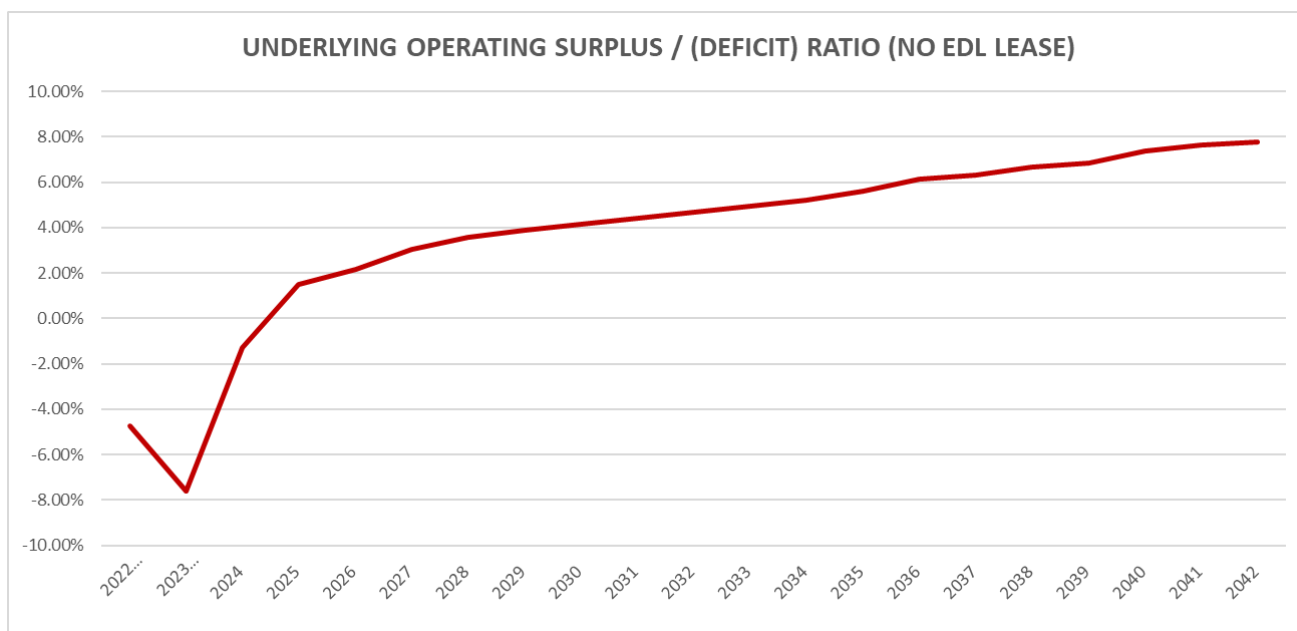
The general rate revenue increases over the life of the LTFP to achieve financial sustainability are as follows.

Table 5: Projected General Rate Revenue Increases above Inflation

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
General Rate Revenue Increase	20.00%	5.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Cumulative	20.00%	26.62%	31.90%	38.49%	41.26%	44.09%	46.97%	49.91%	52.91%	55.97%

Over the life of the plan, the Council would achieve an underlying small surplus in 2025, continuing to rise slightly as finance costs reduce from the extinguishment of outstanding EDL amounts and reduced borrowing with the LGFA.

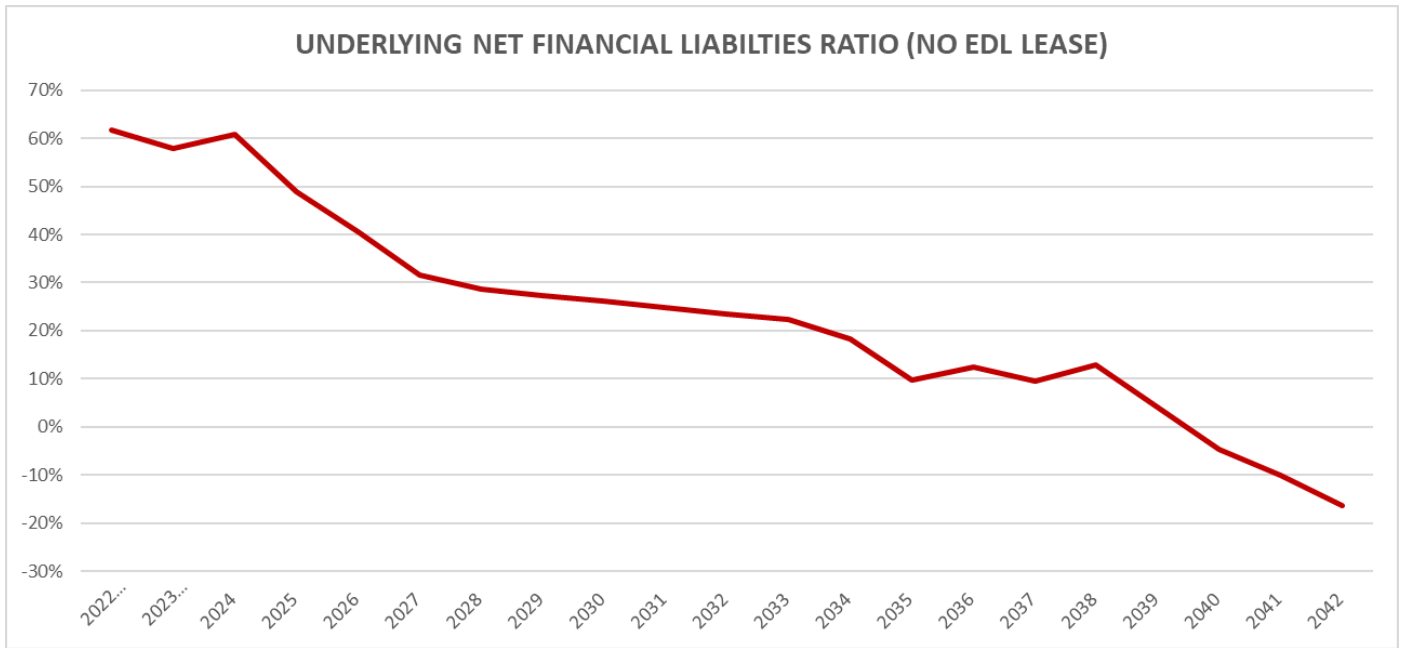
Graph 1: Underlying Surplus / (Deficit) Ratio not including EDL Lease



As Council achieves a small operating surplus, the cash raised for non-cash items (such as depreciation) will be applied to the immediate reduction of arrears owing to EDL. Once fully paid, all remaining cash will be applied to the backlog of assets requiring renewal and regular principal payments to the LGFA.

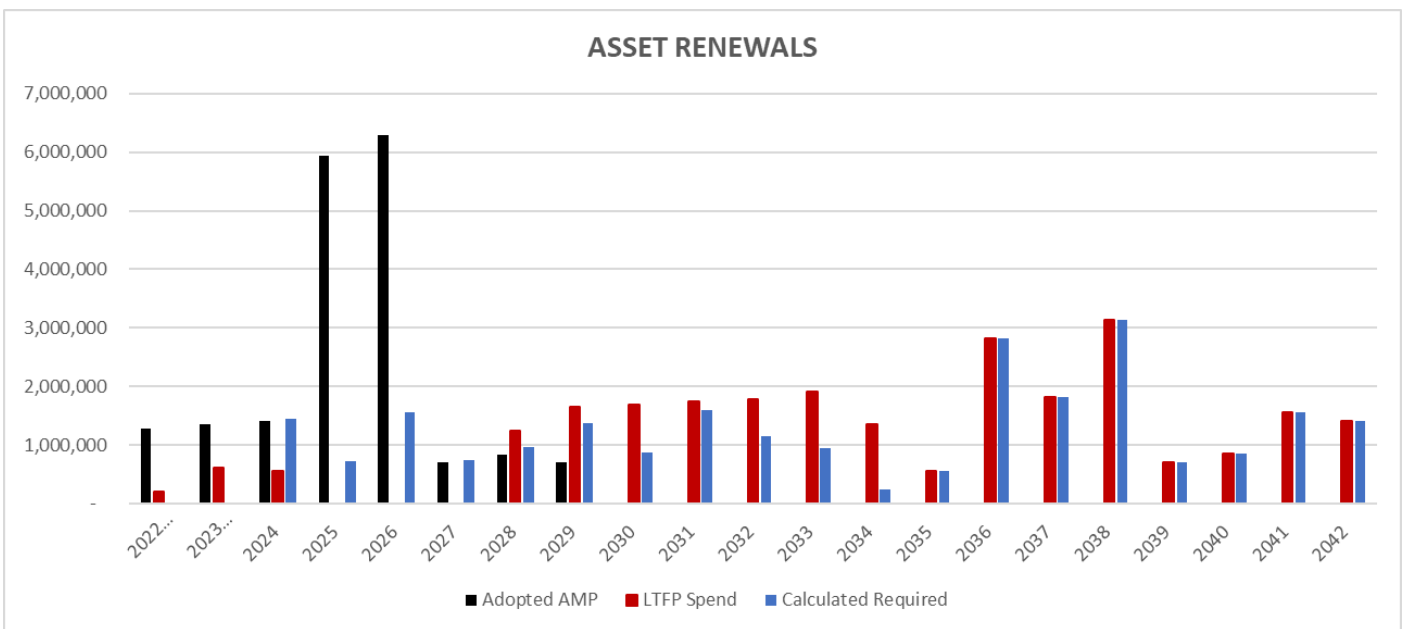
The effect of generating small ongoing operating surpluses on our net financial liabilities is shown in Graph 2 below. The graph also highlights that net financial liabilities rise again from 2036 to 2038 with the significant replacement of water infrastructure assets. However, it is kept at a reasonable level.

Graph 2: Net Financial Liabilities Ratio not including EDL Lease



Graph 3 illustrates that due to the limited cash available after paying any outstanding EDL amounts, Council cannot undertake any asset renewal until the 2026/27 financial year unless additional external funding can be sourced. In the following years, Council will apply any cash generated to address the backlog of assets until it catches up in the 2034/35 financial year.

Graph 3 : Asset Renewal Funding



Statement of Comprehensive Income.

(For the period ending 30 June)

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
INCOME										
Rates	2,925,639	3,026,259	3,131,910	3,242,844	3,289,436	3,336,960	3,385,434	3,434,878	3,485,311	3,536,752
Statutory charges	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
User charges	7,151,978	7,151,979	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978
Grants, subsidies and contributions	7,235,012	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826
Investment income	2,040	(11,746)	7,901	9,540	9,540	9,540	9,540	9,540	9,540	9,540
Reimbursements	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381
Other income	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200
Total Income	17,655,250	19,129,899	19,255,196	19,367,769	19,414,361	19,461,885	19,510,359	19,559,803	19,610,236	19,661,677
EXPENSES										
Employee costs (inc. oncosts)	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082	5,042,082
Materials, contracts & other expenses	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299	12,328,299
Power – fixed payments	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)	(5,508,519)
Depreciation	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277	1,115,277
Power – Asset Depreciation	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279	4,365,279
Finance costs	471,900	357,350	355,472	293,845	225,886	220,313	215,612	209,977	204,178	198,430
Power – Lease interest	1,787,266	1,685,551	1,607,180	1,527,203	1,445,586	1,362,295	1,277,298	1,190,558	1,102,040	1,011,707
Internal Charges	(24,620)	-	-	-	-	-	-	-	-	-
Total Expenses	19,576,964	19,385,319	19,305,070	19,163,466	19,013,890	18,925,026	18,835,328	18,742,953	18,648,636	18,552,555
OPERATING SURPLUS / (DEFICIT)	(1,921,714)	(255,420)	(49,874)	204,302	400,471	536,858	675,031	816,850	961,600	1,109,123
Amounts specifically received for new or upgraded assets	337,814	-	-	-	-	-	-	-	-	-
Physical resources received free of charge	-	-	-	-	-	-	-	-	-	-
NET SURPLUS/(DEFICIT) transferred to Equity Statement	(1,583,900)	(255,420)	(49,874)	204,302	400,471	536,858	675,031	816,850	961,600	1,109,123
Other Comprehensive Income										
TOTAL COMPREHENSIVE INCOME	(1,583,900)	(255,420)	(49,874)	204,302	400,471	536,858	675,031	816,850	961,600	1,109,123
UNDERLYING OPERATING SURPLUS/(DEFICIT)	(227,688)	286,891	414,066	588,265	702,817	755,913	809,089	864,168	920,400	977,590

Statement of Financial Position

as of 30 June

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
ASSETS										
Current Assets										
Cash and cash equivalents	(919,086)	390,728	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Trade & other receivables	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596	2,995,596
Inventories	275,118	275,118	275,118	275,118	275,118	275,118	275,118	275,118	275,118	275,118
Total Current Assets	2,351,628	3,661,442	3,770,714	3,770,714	3,770,714	3,770,714	3,770,714	3,770,714	3,770,714	3,770,714
Non-current Assets										
Infrastructure, property, plant & equipment	107,208,251	101,727,695	96,247,139	90,850,989	86,949,100	83,127,742	79,326,775	75,573,707	71,876,799	68,317,446
Total Non-Current Assets	107,208,251	101,727,695	96,247,139	90,850,989	86,949,100	83,127,742	79,326,775	75,573,707	71,876,799	68,317,446
TOTAL ASSETS	109,559,879	105,389,137	100,017,853	94,621,703	90,719,814	86,898,456	83,097,489	79,344,421	75,647,513	72,088,160
LIABILITIES										
Current Liabilities										
Trade & other payables	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730	1,170,730
EDL Creditor	3,316,036	3,316,036	1,946,558	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Current Borrowings	7,824,576	7,700,000	7,700,000	7,529,532	7,343,781	7,187,072	6,999,239	6,805,934	6,567,605	6,395,941
EDL Lease Current	3,822,968	3,901,338	3,981,315	4,062,932	4,146,223	4,231,220	4,317,960	4,406,478	4,496,811	4,588,996
Current Provisions	146,828	146,828	146,828	146,828	146,828	146,828	146,828	146,828	146,828	146,828
Total Current Liabilities	16,281,138	16,234,932	14,945,431	13,460,023	13,357,562	13,285,851	13,184,757	13,079,970	12,931,974	12,852,495
Non-current Liabilities										
Non-current Borrowings	308,733	340,957	290,364	238,253	184,578	129,294	72,350	13,699	-	-
Non-current Provisions	78,399,029	74,497,690	70,516,374	66,453,441	62,307,217	58,075,996	53,758,035	49,351,556	44,854,744	40,265,747
EDL Lease Non-current	65,162	65,162	65,162	65,162	65,162	65,162	65,162	65,162	65,162	65,162
Total Non-current Liabilities	78,772,924	74,903,809	70,871,900	66,756,856	62,556,957	58,270,452	53,895,547	49,430,417	44,919,906	40,330,909
TOTAL LIABILITIES	95,054,062	91,138,741	85,817,331	80,216,878	75,914,519	71,556,302	67,080,305	62,510,387	57,851,880	53,183,404
NET ASSETS	14,505,817	14,250,396	14,200,522	14,404,825	14,805,295	15,342,153	16,017,184	16,834,034	17,795,633	18,904,756
EQUITY										
Accumulated Surplus	(930,462)	(1,185,882)	(1,235,756)	(1,031,454)	(630,986)	(94,128)	580,903	1,397,753	2,359,352	3,468,475
Asset Revaluation Reserves	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634
Other Reserves	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648
TOTAL EQUITY	14,505,819	14,250,399	14,200,525	14,404,828	14,805,296	15,342,154	16,017,185	16,834,034	17,795,634	18,904,756

Statement of Cash Flows

as of 30 June

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates - general & other	2,925,639	3,026,259	3,131,910	3,242,844	3,289,436	3,336,960	3,385,434	3,434,878	3,485,311	3,536,752
Fees & other charges	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
User charges	7,151,979	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978	7,151,978
Investment receipts	6,800,636	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826	8,622,826
Grants utilised for operating purposes	2,040	(11,746)	7,901	9,540	9,540	9,540	9,540	9,540	9,540	9,540
Reimbursements	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381	231,381
Other revenues	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200	100,200
Payments										
Employee costs	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)	(5,042,082)
Materials, contracts & other expenses	(7,539,859)	(6,819,780)	(8,189,258)	(8,216,338)	(6,819,780)	(6,819,780)	(6,819,780)	(6,819,780)	(6,819,780)	(6,819,780)
Finance payments	(2,259,166)	(2,042,901)	(1,962,652)	(1,821,048)	(1,671,472)	(1,582,608)	(1,492,910)	(1,400,535)	(1,306,218)	(1,210,137)
Net Cash provided by (or used in) Operating Activities	2,379,768	5,225,135	4,061,205	4,288,300	5,881,027	6,017,414	6,155,587	6,297,406	6,442,156	6,589,679
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Amounts specifically for new or upgraded assets	337,814	-	-	-	-	-	-	-	-	-
Payments										
Expenditure on renewal/replacement of assets	(547,802)	-	-	(84,406)	(1,578,667)	(1,659,197)	(1,679,589)	(1,727,488)	(1,783,649)	(1,921,203)
Expenditure on new/upgraded assets	(79,980)	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(289,968)	-	-	(84,406)	(1,578,667)	(1,659,197)	(1,679,589)	(1,727,488)	(1,783,649)	(1,921,203)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowings	(72,374)	(92,352)	(50,593)	(222,579)	(239,426)	(211,993)	(244,777)	(251,957)	(252,028)	(171,664)
Repayment of finance lease liabilities	(3,804,172)	(3,822,969)	(3,901,339)	(3,981,316)	(4,062,933)	(4,146,224)	(4,231,221)	(4,317,961)	(4,406,479)	(4,496,812)
Net Cash provided by (or used in) Financing Activities	(3,876,546)	(3,915,321)	(3,951,932)	(4,203,895)	(4,302,359)	(4,358,217)	(4,475,998)	(4,569,918)	(4,658,507)	(4,668,476)
NET INCREASE (DECREASE) IN CASH HELD	(1,786,746)	1,309,814	109,272	-	-	-	-	-	-	-
Cash & cash equivalents at beginning of period	867,660	(919,086)	390,728	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Cash & cash equivalents at end of period	(919,086)	390,728	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Statement of Changes in Equity

as of 30 June

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
ACCUMULATED SURPLUS										
Balance at end of previous reporting period	653,438	(930,462)	(1,185,882)	(1,235,756)	(1,031,457)	(630,986)	(94,128)	580,903	1,397,753	2,359,352
Net Surplus / (Deficit)	(1,583,900)	(255,420)	(49,874)	204,302	400,471	536,858	675,031	816,850	961,600	1,109,123
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	(930,462)	(1,185,882)	(1,235,756)	(1,031,454)	(630,986)	(94,128)	580,903	1,397,753	2,359,352	3,468,475
ASSET REVALUATION RESERVE										
Balance at end of previous reporting period	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634	15,411,634
OTHER RESERVES										
Balance at end of previous reporting period	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648
Net Result for the year	-	-	-	-	-	-	-	-	-	-
Transfer to and (from) retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at end of period	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648	24,648
TOTAL EQUITY	14,505,819	14,250,399	14,200,525	14,404,828	14,805,296	15,342,154	16,017,185	16,834,034	17,795,634	18,904,756

Uniform Presentation of Finances

For the period ending 30 June

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
Income	17,655,250	19,129,899	19,255,196	19,367,769	19,414,361	19,461,885	19,510,359	19,559,803	19,610,236	19,661,677
Less Expenses	19,576,964	19,385,319	19,305,070	19,163,466	19,013,890	18,925,026	18,835,328	18,742,953	18,648,636	18,552,555
Operating Surplus / (Deficit)	(1,921,714)	(255,420)	(49,874)	204,302	400,471	536,858	675,031	816,850	961,600	1,109,123
Net Outlays on Existing Assets										
Capital Expenditure on renewal and replacement of Existing Assets	(547,802)	-	-	(84,406)	(1,578,667)	(1,659,197)	(1,679,589)	(1,727,488)	(1,783,649)	(1,921,203)
Depreciation, Amortisation and Impairment	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556	5,480,556
Proceeds from Sale of Replaced Assets	-	-	-	-	-	-	-	-	-	-
	4,932,754	5,480,556	5,480,556	5,396,150	3,901,889	3,821,359	3,800,967	3,753,068	3,696,907	3,559,353
Net Outlays on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets	(79,980)	-	-	-	-	-	-	-	-	-
Amounts received specifically for New and Upgraded Assets	337,814	-	-	-	-	-	-	-	-	-
	257,834	-	-	-	-	-	-	-	-	-
Net Lending / (Borrowing) for Financial Year	3,268,874	5,225,136	5,430,682	5,600,453	4,302,359	4,358,217	4,475,998	4,569,918	4,658,507	4,668,476

Financial Indicators
for the period ending 30 June

	2024 Budget \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$
OPERATING SURPLUS RATIO	-10.88%	-1.34%	-0.26%	1.05%	2.06%	2.76%	3.46%	4.18%	4.90%	5.64%
Operating Surplus	(1,921,714)	(255,420)	(49,874)	204,302	400,471	536,858	675,031	816,850	961,600	1,109,123
Total Operating Income	17,655,250	19,129,899	19,255,196	19,367,769	19,414,361	19,461,885	19,510,359	19,559,803	19,610,236	19,661,677

This ratio expresses the operating surplus as a percentage of total operating revenue.

UNDERLYING OPERATING SURPLUS RATIO	-1.29%	1.50%	2.15%	3.04%	3.62%	3.88%	4.15%	4.42%	4.69%	4.97%
Operating Surplus	(227,688)	286,891	414,066	588,265	702,817	755,913	809,089	864,168	920,400	977,590
Total Operating Income	17,655,250	19,129,899	19,255,196	19,367,769	19,414,361	19,461,885	19,510,359	19,559,803	19,610,236	19,661,677

This ratio expresses the normalised operating surplus as a percentage of total operating revenue.

NET FINANCIAL LIABILITIES RATIO	527%	459%	428%	396%	373%	350%	326%	302%	277%	253%
Net Financial Liabilities	92,977,552	87,752,417	82,321,735	76,721,282	72,418,923	68,060,706	63,584,709	59,014,791	54,356,284	49,687,808
Total Operating Income	17,655,250	19,129,899	19,255,196	19,367,769	19,414,361	19,461,885	19,510,359	19,559,803	19,610,236	19,661,677

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

UNDERLYING NET FINANCIAL LIABILITIES RATIO	61%	49%	41%	32%	31%	30%	28%	27%	26%	25%
Net Financial Liabilities	10,755,555	9,353,389	7,824,046	6,204,909	5,965,483	5,753,490	5,508,714	5,256,757	5,004,729	4,833,065
Total Operating Income	17,655,250	19,129,899	19,255,196	19,367,769	19,414,361	19,461,885	19,510,359	19,559,803	19,610,236	19,661,677

Underlying Net Financial Liabilities are defined as total liabilities (not including EDL lease) less financial assets. These are expressed as a percentage of total operating revenue.

ASSET RENEWAL FUNDING RATIO (adopted IAMP)	39%	0%	0%	12%	189%	235%	0%	0%	0%	0%
Net Asset Renewals	547,802	-	-	84,406	1,578,667	1,659,197	1,679,589	1,727,488	1,783,649	1,921,203
IAMP required expenditure	1,400,000	5,947,000	6,286,000	701,000	836,000	706,000				

Net asset renewal expenditure is defined as net capital expenditure on the renewal and replacement of existing assets and excludes new capital expenditure on acquiring additional assets.

ASSET RENEWAL FUNDING RATIO (calculated useful life)	38%	0%	0%	11%	165%	121%	192%	108%	156%	202%
Net Asset Renewals	547,802	-	-	84,406	1,578,667	1,659,197	1,679,589	1,727,488	1,783,649	1,921,203
Calculated required expenditure	1,445,019	713,969	1,564,648	742,003	956,596	1,366,184	875,764	1,600,444	1,140,168	949,775

Net asset renewal expenditure is defined as net capital expenditure on the renewal and replacement of existing assets and excludes new capital expenditure on acquiring additional assets. It has been calculated using useful lives based on DCCP's current asset register.