

# **LONG TERM FINANCIAL PLAN**

## **PROPOSED BUDGET**

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## Preamble

Extracts from the 'Integrated Planning and Reporting Manual for local government in NSW – Planning a sustainable future' issued by NSW Office of Local Government in March 2013 are included below to provide some context to this document:

"Show councillors and the community how the council will achieve financial sustainability over the long term.....  
The Long Term Financial Plan is an important part of council's strategic planning process. This is the point where long term community aspirations and goals are tested against financial realities."

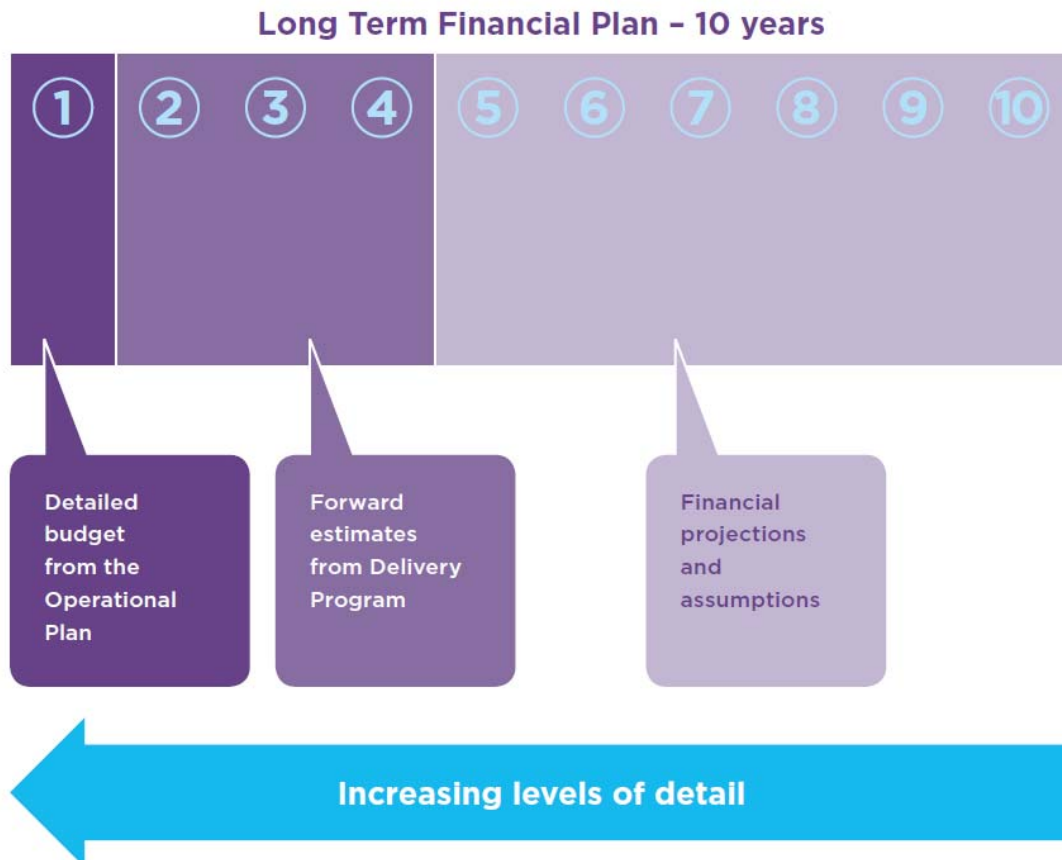
In other words:

"Can we afford what the community wants?"

"The Long Term Financial Plan is a decision-making and problem-solving tool. It is not intended that the Long Term Financial Plan is set in concrete – it is a guide for future action. The modelling that occurs as part of the plan will help councils to weather unexpected events. It will also provide an opportunity for the council to identify financial issues at an earlier stage and gauge the effect of these issues in the longer term.

The longer the planning horizon, the more general the plan will be in the later years. For example, it is not expected that the 10th year of a 10 year plan will include specific detail.

As decisions are made, more detail can be added to the Long Term Financial Plan. For example, as the council finalises its Delivery Program, the first four years of the Long Term Financial Plan will become firmer. As the Operational Plan is completed, the detailed budget will form the first year of the Long Term Financial Plan. The diagram following shows the relationships."



Some further cautionary comments regarding the limitations and use of the Long Term Financial Plan (LTFP) seem appropriate.

The LTFP is not designed to give accurate predictions out to ten years or more. There are many factors that influence how accurate the results turn out to be, including inflation forecasts, accuracy of cost estimates, local, state, federal and global economy performance, as well as unforeseen legislation and impacts of funding programs by other levels of government.

The LTFP is best used to provide an indication of trends and broad outcomes based upon a set of assumptions and the effects different choices can make on long term outcomes.

Most of the commentary provided in this document will be limited to General Fund performance, as each of the other funds has the freedom to set charges to provide appropriate outcomes and current projections are acceptable for those funds.

Further, the commentary will be limited to the 'Business As Usual' and the proposed '30% Special Rate Variation' scenario. There will be one additional scenario in the final plans adopted – a scenario that brings General Fund to a sustainable position with no Special Rate variation.

The other funds (Water, Sewer & Waste) hold some very expensive, but long lived assets and/or rehabilitation liabilities. The current ten year plans highlight neither the replacement nor maintenance of these long lived assets effectively, as some costs would occur less frequently than the 10 year period covered. These factors do however need to be born in mind in setting appropriate levels of revenue in the current planning period. This is one reason why in any ten year period revenues, operating results and cash reserves may seem unnecessarily high, while renewal ratios will be low in these funds.

The consolidated result is not simply a sum of all of the different funds – under accounting rules internal transactions, for example are excluded from consolidated results. Given the proportional size however of the General Fund component, the consolidated results tend to mimic General Fund results.

The General Fund has some unique challenges. The main thrust of recent Integrated Planning and Reporting legislation and supporting framework is to assist councils achieve long term financial sustainability.

It is quite clear however that continuing on as it has in the past is simply not an option. The attached Business as Usual scenario, which was prepared current using projections of revenues and expenditure to maintain the current levels of service, without speculative sources of revenues for example asset sales. These results show significant shortfalls in General Fund cash and is simply not acceptable and/or sustainable.

Gwydir Shire Council (GSC), like all NSW councils exists solely at the discretion of the NSW State Government. The framework for council operations currently exist in the form of The Local Government Act 1993 (the Act) and associated Local Government Regulations.

The Integrated Planning and Reporting guidelines (IP&R) have now been included within the Act. The key objective related to the Long Term Financial Plan (LTFP) and all related budgets is the

requirement that councils work towards financial sustainability as noted in IPR Top Tips – the LTFP will “Show councillors and the community how the council will achieve financial sustainability over the long term”. This is supported by the NSW State Government’s initiative, Fit For the Future which is requiring councils to show how they are or can become sustainable.

From an LTFP perspective, this means that GSC needs to work towards attaining a balanced budget. This is a significant challenge and involves many complex issues. Certainly funding shortfalls and associated service level shortfalls remain very important issues that need discussion and lobbying – it is just that these need to be removed from proposed budgets, which need to deal with the reality of current funding limitations.

Vertical fiscal imbalance is one such area – whereas local government has by far the highest level of assets, it has the lowest levels of taxation revenues. This inverse relationship applies to the other levels of government – the federal government has the highest level of taxation revenues, yet has relatively minor levels of assets.

There are several initiatives that the councillors of GSC (Council) have approved recently to start down the path of improved budget results, including service level reviews, some redundancies and a Special Rate Variation application.

All of GSC’s operations are being reviewed to determine whether the ongoing provision of the service has ongoing relevance, the level of service that should be provided (and associated budget allocations) and if appropriate, fees for service are set at the right level.

Depending on how you classify them, GSC potentially has over 80 individual service units (let’s call them business units). These business units cover an extraordinary range of services covering areas such as social services (preschools to aged care), environmental services (environmental protection, education and weed control), infrastructure services (buildings, roads etc.), regulatory services (building control, food shop inspections etc.), tourism and economic development as well as the services considered more traditional of local government including libraries, water, sewer and waste collection to name a few. Each business unit has its own peculiarities in terms of needs, services, budget requirements and often the legislated framework it operates in (on top of the local government framework).

General Revenues is one of the complex areas subject to much debate by Council. Unlike other funds (Water, Sewer etc.) General Fund has many restrictions placed upon it, for example Rate Pegging, which sets limits on the increase General Rates may be increased each year – this has been in place for many years and has often been set below the rate of cost increases. Any increase above the Rate Peg limit requires a time consuming and difficult application process that is costly – which may in the end not be approved by the State Government. The number of significant (double digit) SRV applications by many councils over the past few years indicates a failure of the rate pegging system.

Further, some other fees are regulated – Council may not charge in excess of the regulated fee, even if costs exceed the associated revenue.

To bring the above into perspective, there are two issues that will briefly be covered to bring these issues into focus.

The first is roads – the single biggest cost centre of GSC and without doubt a subject of focus for the community and Council. Maintaining current levels of service, as well as meeting the requirements of Road to Recovery grant conditions (discussed below) is a contributing factor to the current tough times experience by General Fund operations (GF). The high levels of depreciation in GF are a major impediment in achieving a balanced budget, with road depreciation representing approximately 80% of this amount.

Road depreciation and associated levels of service, has been the subject of intensive work to review methodologies along with improved data and modelling. As a result and in line with road revaluation processes undertaken as at 30 June 2015, depreciation for road infrastructure has decreased from approximately \$8m to \$3.5m p.a.

Unfortunately, both the State and Federal Governments have, in the past, commenced funding programs that are initially beneficial to local government but over time become liabilities as the initial requirements are modified by the funding body. Roads to Recovery is an example of this type of bureaucratic creep that always seems, in the long run, to the disadvantage of local government. The compliance requirements of the Roads to Recovery are generally high compared to other programs.

Extending these issues across all GSC GF operations, Council is faced with many difficult decisions regarding ongoing viability and funding levels. Whilst the major thrust of the above discussion relates to financial sustainability, Council should take an arm's length view and consider all costs and benefits in relation to service level provision decisions. For example discussions on cost in addition to financial cost should also weigh the other important cost components of social, environmental and even opportunity cost. Opportunity cost relates to opportunities foregone i.e. if \$1,000 is not spent in area x then what could be achieved in area y, which may have even greater benefit.

One further issue that must be factored in and could potentially cloud any issue under discussion and must not be underestimated is the support that staff give to the various services they provide. Services are provided for a reason and the Council's staff are passionate and committed about the jobs they do, as you would expect from professionals. In some cases this commitment, although understandable, may be detrimental to undertaking an objective evaluation of the issue at hand.

The above commentary is not designed to push any particular agenda other than financial sustainability. The focus on roads is only provided because roads are the most significant cost centre of GSC. Hopefully the above commentary highlights the difficult task Council faces in trying to determine the best path to take in working towards financial sustainability and engenders open discussion regarding alternative courses of action.

This also does not mean that the Council and community should necessarily remain satisfied with below acceptable levels of service. While Council needs to head towards balanced short and long term budgets that need to reflect the harsh reality of what we can afford with the current revenues, there are many other avenues where the issues should be raised. The Community Strategic Plan, Asset Management Plans, community consultation and Council workshops to name a few where it is appropriate to raise discussions and develop action plans to raise below par service levels to a level that is deemed acceptable by the Council and community are appropriate places to raise these

issues, which should be backed by hard evidence. It is likely that at least some grant funding will be tied to this approach.

There are 2 main options available to Council:

- 1) Increase revenues through increased rates (by special variation above the approved rate pegging limit) and charges and/or
- 2) Through reduced service levels. Reduced service levels in terms of assets (including our road network) may mean longer effective lives and lower average quality standards as a result of lower maintenance and renewal levels.

Investigations are being undertaken regarding service levels and appropriate levels, in conjunction with appropriate levels of fees and charges where they are at the discretion of Council.

Although Gwydir Shire has a low population density (one of the main contributing factors to revenue problems), it covers a significant area and controls significant assets in terms of size and cost.

Depreciation is seen by many as a nonsense book entry amount that should be disregarded when looking at results, however this is one expenditure item (and associated assumption and related service levels) that significantly affects many sustainability ratios.

A simple explanation of depreciation is the spread of cost of an asset over time in relation to its use – each accounting period is meant to reflect the expired cost of the asset. That is, as an asset is used up (worn out if you like), then how much is used over that time period should be shown as the depreciation dollar value amount for that same period.

Depreciation is the best guide we currently have as to the amounts that should be set aside or used to maintain and renew assets at an acceptable or agreed level of serviceability.

Improved results can be achieved by improved data collection as well as more relevant depreciation methods. For example Water and Sewer funds had significant improvements in depreciation costs.

Council and the Community now face difficult choices for Gwydir to achieve a sustainable position and become 'fit for the future'.

IPART approved a temporary rate increase of 15% for the 2015-2016 financial year, which expires on 30 June 2015, meaning rate revenues will decrease by \$718,783 prior to the approved rate peg increase of 1.8% is applied (which is below many of our cost increases). Council is proposing a permanent Special Rate Variation of 30% effective in the 2016-2017 financial year – this represents retaining the allowable 2015/16 increase and then adding an additional 15%. Effectively this means on average (based on current rate valuations) that ratepayers would pay an average 15% more in general rates than they are in the current financial year.

Even with a 30% rate increase, this will not make General Fund sustainable without an associated reeducation in some service areas. On an operating result basis, General Fund is required to improve in excess of \$355k in 2017-2018 up to an improvement of \$2,318k in 2025-2026. We should really be aiming for moderate surplus results. On a cash basis even larger improvements should become the objective. Given the fragile cash position of General Fund, a net increase in General Fund cash of \$500k per annum would not be seen as unreasonable until such time that

General Fund cash reserves are satisfactory, providing a sufficient buffer for unexpected events and reserves for asset renewals.



## Executive Overview

We are currently in challenging times where Council must take a fresh look at how it operates if it is to become 'Fit for the Future'.

It is certainly not an option to continue to battle on as it has for the last few years – the current mix of revenues and service levels are certainly not sustainable – even for the short term, as evidenced by the General Fund cash flow issues and unsatisfactory General Fund cash holdings.

It should also be noted that regardless of any other outcome, which because of the relatively low rate base compared to major urban centers and the inverse proportion of assets to ratepayers, Council will remain heavily reliant on grants as a significant source of funding for ongoing operations.

Ideally it will be a mix of solutions that will end up seeing Council as a significantly more robust organization at the end of the day – improvements in revenues (specifically Rates and User Fees and Charges) as well as full reviews of service levels so that ongoing services are funded *within current available resources/revenues*.

Can Council become financially sustainable – certainly? Provided there is the will to do so.

Will this be an easy task? Not at all – there are many difficult and painful decisions that need to be made if Council wishes to meet the majority if not all the benchmarks set by the State Government – or at least show significant improvement towards achieving those benchmarks.

The outcomes outlined in the Special Rate Variation scenario certainly highlight that a lot can be (and has been) achieved, but there is certainly further work required in fine tuning longer term outcomes.

Will this mean that everyone loses out?

No – there may be some services that are no longer deemed fit for purpose or remain linked with the Council's future direction and may be terminated, while some others may be reduced. Other services may remain much the same while others may provide improved services for the same net cost due to efficiencies identified during the review process. In some few areas there may be room to expand expenditures (within the bounds of available funding) to achieve better results.

At the end of the day though, one of the highest priorities will be achieving a small, but consistent General Fund operating surplus i.e. achieving balanced budgets, with some room to spare – as shown in the other fund results.

## **Service Level Revenues and Improvement Strategies**

### **Service reviews**

In the past, there have been service reviews undertaken on an ad hoc basis. Examples include the medical centres, caravan parks, telecommunications, pools and waste collection.

The above reviews have all provided some degree of improved services along with improvements in bottom line results.

Service reviews over the past 2 years have provided significant savings to date, which include:

- Over \$1m in savings in employee costs due to a number of positions being made redundant and/or not being filled after being vacated
- Over \$100k savings in annual plant depreciation due to disposal of plant items deemed surplus to current requirements
- Approximately \$1m in operational savings due to service reviews for example medical centres, waste collection and telecommunications contracts.

### **The Special Rate Variation**

One of the most topical strategies - approval of a Special Rate Variation plays a very important part in Council working towards financial sustainability and maintaining service levels at a level that will be considered appropriate. Without approval, services will need to be cut by significant amounts across Council's operation.

### **Fees and annual charges**

Fees and charges that Council has discretion in setting (there are many that are regulated) will continue to be reviewed to ensure revenues are appropriate for the services provided. Given the sustainability issues and review of service provision, there may be some exemptions that may be removed.

### **Depreciation**

Another very topical area, but as discussed elsewhere in this document, setting depreciation at appropriate levels in line with current capabilities and revenues is an important aspect of achieving sustainability.

Open and frank discussion needs to take place to ensure appropriate outcomes are achieved and associated expectations in relation to associated service levels are managed.

## Sensitivity Analysis

Only the very early attempts at any sensitivity analysis have been performed at this time as it is already considered that Council is in a stressed and vulnerable state. Performance is constantly being monitored and remedial action being undertaken as necessary.

Council needs to determine an appropriate path to a future where Council will be far less vulnerable and be in a position to weather reasonable unforeseen shocks. Most likely this will involve significant rate increases (as mentioned above, Council is in the process of applying for a 30% increase) as well as cuts to services and associated budgets.

## Scenario Discussion

Only two scenarios will be discussed in detail and commentary will be limited to General Fund operations.

Other fund operations are deemed satisfactory at least in the near term and consolidated results tend to mimic General Fund operations due to proportional size and influence.

The Special Rate variation scenario includes a 30% increase, which would effectively entrench the 15% temporary increase IPART approved for the 2015-2016 financial year and result in an increase of 15% over 2015-2016 rates.

business as usual – this could also be identified as worse case as it leads to continued and significant deterioration.

### **Special Rates Variation Scenario – Appendix A**

This scenario starts down a path that starts to address sustainability in an achievable fashion. Again, the commentary below relates to General Fund outcomes, which also generally carry through to, or are better results on a consolidated basis.

There is a general, across the board improvement in sustainability indicators and there is significant improvement in operating results. An surplus is achieved for each year of the plan. Some further work is required to stabilise results and/or ensure there is a slight upward trend in the surplus. Given prior losses, which have been in the millions, this is a significant turnaround for Council.

Equity in General Fund has stabilised. Further sustainability improvements in operating results will see this figure gradually improve over time.

Under this scenario the Operating Performance Ratio is around benchmark. The own source revenue ratio is close to benchmark for General Fund and over benchmark on a consolidated basis. The asset renewal ratio is above benchmark on average over the ten year period. Finally, the Debt Service ratio is within benchmark results.

While there is certainly work left to do to ensure the long term trends are maintained and improved to ensure benchmark results are achieved in a consistent manner, this provides a significant and important step in the right direction.

### **Business as Usual – Appendix B**

Council's financial position has continued to deteriorate over the past few years to a stage now where significant action needs to be taken to ensure continued viability.

This is the inevitable result of a simple formula – Council has been trying to continue maintain services at a level (with increased costs) that does not match its revenues (reducing in real terms).

One of the outcomes is that General Fund cash has been run down to a level where there is no buffer to weather unexpected events and very tight controls need to be in place to ensure appropriated outcomes.

Almost every single indicator of health continues to deteriorate over time – operating result, net equity reduces from \$385m to \$349m over the ten year period, capital expenditures are less than half of depreciation and most of the sustainability indicators will weaken.

The only positive spin is that General Fund cash improves, but insufficiently and that the Debt Service Ratio would continue to improve as debt is retired. Further borrowings would however be inadvisable as capacity to maintain the loans would continue to deteriorate.

There has already been a reduction in service levels evident and Council will not be viable, even in the short term without drastic action and further significant reductions in services.

### Special Rate Variation not approved

If the special rate variation application is not approved, the following savings have been identified to work towards sustainability:

Description	No SRV approved			Potential ongoing savings annually
Operational Savings	Expenditure	Income	Net Saving	
Kerb and Guttering	(\$38,663)		(\$38,663)	
Car Parks	(\$22,393)		(\$22,393)	
Footpaths	(\$29,946)		(\$29,946)	
Road Safety Officer	(\$30,000)		(\$30,000)	(\$30,000)
Gwydir RTO	\$50,000	(\$100,000)	(\$50,000)	(\$50,000)
Naroo Employee Costs	(\$50,000)		(\$50,000)	(\$50,000)
Training		(\$100,000)	(\$100,000)	(\$100,000)
Private Works		(\$11,000)	(\$11,000)	(\$11,000)
Quarry Operations	(\$37,207)		(\$37,207)	
Stormwater Drainage	(\$47,400)		(\$47,400)	
Street Lighting	(\$10,000)		(\$10,000)	(\$10,000)
Development and Environmental Services employee costs 3 positions	\$91,800	(\$244,398)	(\$152,598)	(\$244,398)
Organisational and Community Development Services employee costs 2 positions	\$78,200	(\$192,591)	(\$114,391)	(\$192,591)
Donations	(\$50,000)		(\$50,000)	(\$50,000)
Web presence 1 position	\$16,400	(\$25,100)	(\$8,700)	(\$25,100)
Noxious Weeds contract spraying		(\$30,000)	(\$30,000)	(\$30,000)

Libraries	(\$5,000)		(\$5,000)	(\$5,000)
Cranky Rock	(\$2,000)		(\$2,000)	(\$2,000)
Other Buildings	(\$5,000)		(\$5,000)	(\$5,000)
Public Halls	(\$10,000)		(\$10,000)	(\$10,000)
Depot operations	(\$5,000)		(\$5,000)	(\$5,000)
Elected Members	(\$50,000)		(\$50,000)	
Executive Services	(\$10,000)		(\$10,000)	(\$10,000)
Plant Replacement	(\$341,800)		(\$341,800)	(\$200,000)
Showground Facilities	(\$3,000)		(\$3,000)	(\$3,000)
Caravan Parks	(\$5,000)		(\$5,000)	(\$5,000)
Roxy	(\$5,000)		(\$5,000)	(\$5,000)
Tourism	(\$10,000)		(\$10,000)	(\$10,000)
Parks and Gardens	(\$5,000)		(\$5,000)	(\$5,000)
<b>Operational sub-totals</b>	<b>(\$536,009)</b>	<b>(\$703,089)</b>	<b>(\$1,239,098)</b>	<b>(\$1,058,089)</b>

Description	Option 2 (No SRV approved)		Potential ongoing savings annually option 2
<b>Capital Savings</b>		Net Saving	
Restumping North Star Hall	(\$50,000)		(\$50,000)
Yallaroi Hall sanding floor	(\$16,000)		(\$16,000)
Gravesend Museum paint	(\$15,000)		(\$15,000)
Animal Pound	(\$50,000)		(\$50,000)
Wilby House improvements deferred	(\$98,095)		(\$98,095)
Bingara Civic Centre	(\$33,500)		(\$33,500)
Bingara Scout Hall	(\$10,000)		(\$10,000)
Warialda Hall chairs	(\$21,400)		(\$21,400)
Warialda Rail RFS Shed contract job	\$240,000	(\$240,000)	\$0
<b>Capital sub-totals</b>	<b>(\$53,995)</b>	<b>(\$240,000)</b>	<b>(\$293,995)</b>
<b>Totals</b>	<b>(\$590,004)</b>	<b>(\$943,089)</b>	<b>(\$1,533,093)</b>
			<b>(\$1,058,089)</b>

Possible building and land disposals	Legal/DA costs	Estimate only	Net Saving	
Bingara Civic Centre	\$10,000	(\$180,000)	(\$170,000)	
Sell Hope Street property with an approved DA for multiple occupancies (Bradburn)	\$40,000	(\$200,000)	(\$160,000)	
Sell Martin/Bombelli block and Maitland properties with an approved DA for multiple occupancies (includes DCP)	\$50,000	(\$360,000)	(\$310,000)	
Recoup value of past land transfers to other funds paid off over 10 years		-55,000	-55,000	-55,000
Overall Total	(\$490,004)	(\$1,738,089)	(\$2,228,093)	(\$1,113,089)

## **Ratio Performance**

Under the Special Rate variation scenario, sustainability ratio results are consistent with benchmarks.

Commentary on proposed outcomes is included in the above discussions and results shown in appendix C



## Assumptions

Current budgets reflect business unit needs for operational purposes. As the service level reviews progress, there may be some changes to gross revenues and/or expenditures and capital expenditures. Adjustments will be made in these cases to ensure operating results and cash forecasts remain consistent. Changes in capital expenditures may also affect operational budgets for employee costs, depending on the makeup of particular capital programs.

For simplicity, all cash and investments are shown as cash to highlight total cash holdings – no cash is transferred to/from investments. Again this highlights the tight starting point that General Fund is currently in. In any case, Council investments are currently limited to bank Term Deposits, which for some ratios are classified as cash in any case.

As cash holdings increase, formal reserves and reserve policies should be established to earmark cash held for appropriate purposes e.g. Plant, Building and Road renewals – after leaving sufficient cash to cover working requirements and sufficient to cover unforeseen emergencies.

Issues related to inadequate or inappropriate service levels, for example as a result of reconciling depreciation to current funding limits, moves from budget projections to more appropriate forums such as the Community Strategic Plan and appropriate sections of Asset Management Plans.

### Assumptions common to all scenarios

- Inflation factors as shown in appendix D for the most part apply to all scenarios – there may be some variation amongst other funds in terms of rates and annual charges.
- No fair value revaluation impacts for Infrastructure assets due on a rolling five year program
- No movements to/from investments. For ease of comparison all cash and investments are shown as cash – this may change in future plans as General Fund cash recovers to acceptable levels.
- Operational budgets are at appropriate levels for current business unit service levels
- The current list of capital expenditure proposed projects is reflective of need. There may be some projects that are currently listed that will not proceed. Further, it is likely there are many proposals not listed as the effort of preparing proposals (even if they may be of benefit) is likely outweighed by the chance they will not proceed due to lack of resources to fund them. As the General Fund position outlook improves this will likely change.
- Populations remain relatively stable.
- Any significant economic growth will be absent.

### Assumptions for the Special Rate Variation scenario

- Special Rate Variation increase of 30% in 2017. In the years special rate variations apply, rate pegging increases do not – or if you prefer the rate peg increase is included in the special rate variation increase. In the years after the variations apply, rate pegging increases apply to the new total rate revenues, including the variation which becomes part of the rating base revenue.

## Conclusion

Overall, the scenario where a Special Rate Variation of 30% (entrenching the current temporary 15% increase plus an additional 15%) is applied results in a satisfactory outcome in terms of moving towards fully sustainable outcomes.

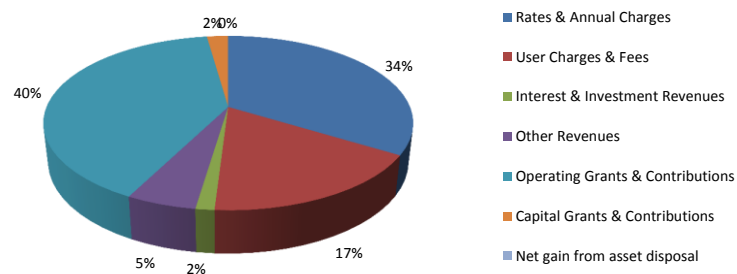
Further work will be required to fine tune results to further improve these outcomes and to ensure the revenue and expenditure targets are maintained.

If the Special Rate Variation application for the 2016-2017 financial year is not approved, the result will be significant cuts in services and expenditures for Council and would result in major challenges in Council achieving sustainability status.

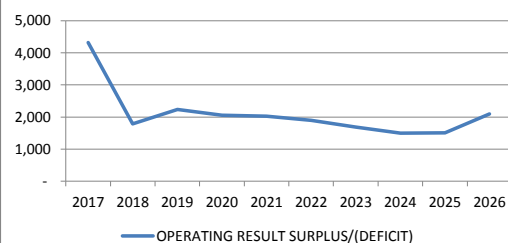
## Consolidated Projected Income and Expenditure

Operating Results		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Revenue	Rates & Annual Charges	9,110	10,340	10,557	10,769	10,995	11,237	11,484	11,713	11,959	12,211	12,455
	User Charges & Fees	5,009	5,297	5,459	5,624	5,785	5,963	6,152	6,342	6,527	6,733	6,901
	Interest & Investment Revenues	229	425	581	710	859	1,062	1,184	1,290	1,378	1,495	1,533
	Other Revenues	1,731	1,590	1,624	1,702	1,747	1,798	1,853	1,908	1,962	2,022	2,073
	Operating Grants & Contributions	11,060	12,340	10,504	10,692	10,876	11,081	11,306	11,528	11,738	11,970	12,270
	Capital Grants & Contributions	1,632	682	426	433	440	447	448	450	451	452	463
	Net gain from asset disposal	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>		<b>28,770</b>	<b>30,675</b>	<b>29,151</b>	<b>29,928</b>	<b>30,702</b>	<b>31,588</b>	<b>32,426</b>	<b>33,232</b>	<b>34,015</b>	<b>34,883</b>	<b>35,695</b>
Expenditure	Employee benefits & Oncosts	10,273	10,180	11,129	11,636	12,395	13,075	13,856	14,632	15,531	16,319	16,745
	Borrowing Costs	827	678	577	402	425	356	298	248	199	165	134
	Materials & Contracts	5,363	6,313	6,869	7,038	7,270	7,572	7,782	8,008	8,053	8,068	8,097
	Depreciation & Amortisation	8,982	6,594	6,138	5,887	5,748	5,672	5,631	5,608	5,595	5,588	5,584
	Other Expenses	2,737	2,588	2,656	2,728	2,804	2,882	2,966	3,052	3,142	3,233	3,040
	Net Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Operating Expenditure</b>	<b>28,181</b>	<b>26,353</b>	<b>27,368</b>	<b>27,690</b>	<b>28,643</b>	<b>29,558</b>	<b>30,532</b>	<b>31,548</b>	<b>32,521</b>	<b>33,374</b>	<b>33,601</b>
<b>OPERATING RESULT SURPLUS/(DEFICIT)</b>		<b>589</b>	<b>4,322</b>	<b>1,784</b>	<b>2,238</b>	<b>2,059</b>	<b>2,030</b>	<b>1,894</b>	<b>1,684</b>	<b>1,495</b>	<b>1,510</b>	<b>2,094</b>
<b>OPERATING RESULT BEFORE CAPITAL GRANTS</b>		<b>(1,043)</b>	<b>3,639</b>	<b>1,357</b>	<b>1,805</b>	<b>1,619</b>	<b>1,583</b>	<b>1,445</b>	<b>1,235</b>	<b>1,044</b>	<b>1,057</b>	<b>1,631</b>
Cash Reserves												
Capital Expenditure	Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
	Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	<b>Renewals</b>	7,168	8,506	6,639	5,728	6,208	5,677	5,453	5,190	5,080	5,147	5,789
	<b>New Assets</b>	1,755	345	46	48	49	51	52	54	55	-	-
	Loan principal	974	912	967	1,077	1,155	1,116	981	827	789	670	616
	<b>Total Capital Expenditure</b>	<b>9,897</b>	<b>9,763</b>	<b>7,652</b>	<b>6,853</b>	<b>7,412</b>	<b>6,844</b>	<b>6,486</b>	<b>6,071</b>	<b>5,925</b>	<b>5,817</b>	<b>6,405</b>

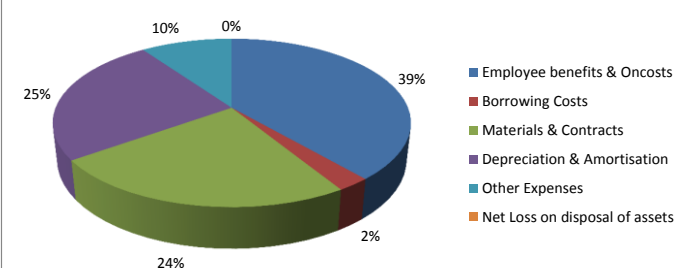
### 2016 Income Sources



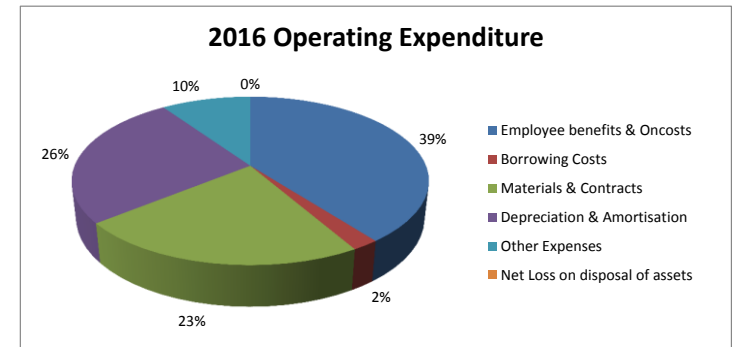
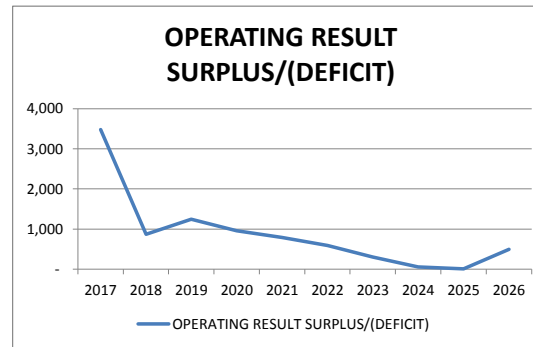
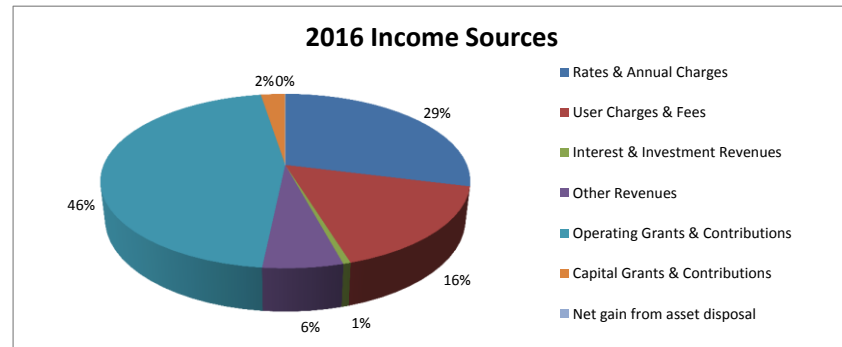
### OPERATING RESULT SURPLUS/(DEFICIT)



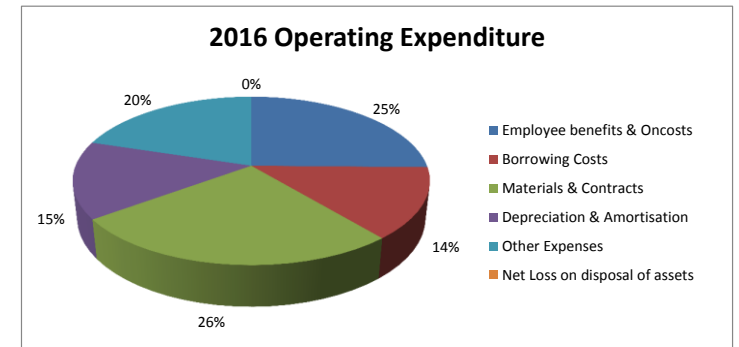
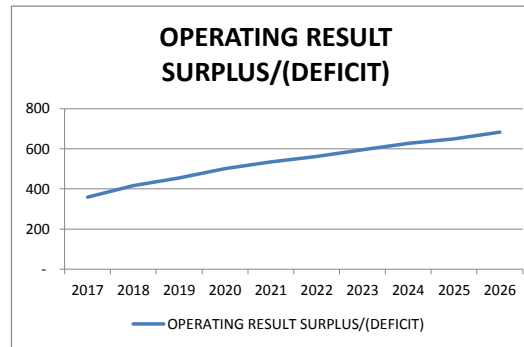
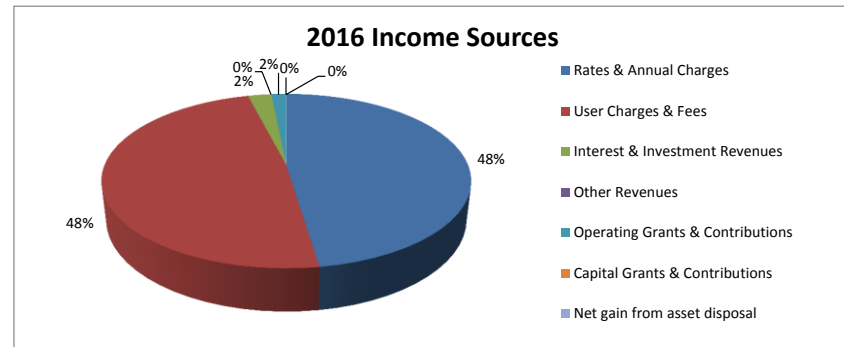
### 2016 Operating Expenditure



		General Fund										
Operating Results		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	Rates & Annual Charges	6,558	7,731	7,893	8,051	8,220	8,401	8,586	8,757	8,941	9,129	9,312
	User Charges & Fees	4,067	4,359	4,498	4,639	4,778	4,931	5,093	5,257	5,417	5,594	5,734
	Interest & Investment Revenues	58	149	247	330	412	514	597	651	701	775	794
	Other Revenues	1,706	1,572	1,606	1,683	1,729	1,779	1,833	1,888	1,941	2,001	2,051
	Operating Grants & Contributions	10,964	12,241	10,403	10,588	10,770	10,972	11,194	11,414	11,621	11,850	12,147
	Capital Grants & Contributions	1,632	682	426	433	440	447	448	450	451	452	454
	Net gain from asset disposal	-	-	-	-	-	-	-	-	-	-	-
	Total Revenue	24,986	26,734	25,073	25,725	26,349	27,043	27,750	28,416	29,073	29,802	30,491
Expenditure	Employee benefits & Oncosts	9,397	9,191	10,109	10,581	11,303	11,943	12,682	13,413	14,268	15,011	15,404
	Borrowing Costs	616	489	402	239	278	224	180	143	108	85	63
	Materials & Contracts	4,600	5,249	5,734	5,875	6,083	6,356	6,537	6,735	6,753	6,738	6,765
	Depreciation & Amortisation	8,504	6,085	5,658	5,423	5,294	5,222	5,183	5,162	5,150	5,144	5,140
	Other Expenses	2,394	2,240	2,300	2,364	2,432	2,502	2,577	2,654	2,734	2,815	2,623
	Net Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
	Total Operating Expenditure	25,510	23,253	24,202	24,482	25,389	26,248	27,159	28,107	29,013	29,792	29,994
OPERATING RESULT SURPLUS/(DEFICIT)		(524)	3,481	871	1,243	959	796	592	309	59	9	497
OPERATING RESULT BEFORE CAPITAL GRANTS		(2,156)	2,799	445	810	519	349	143	(140)	(391)	(443)	44
Cash Reserves	Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
	Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	Renewals	6,145	8,313	6,567	5,649	6,131	5,536	5,371	5,105	4,975	5,056	5,628
	New Assets	1,755	295	46	48	49	51	52	54	55	-	-
	Loan principal	791	727	777	881	955	907	769	609	619	550	544
	Total Capital Expenditure	8,692	9,335	7,390	6,577	7,135	6,494	6,192	5,768	5,649	5,607	6,172

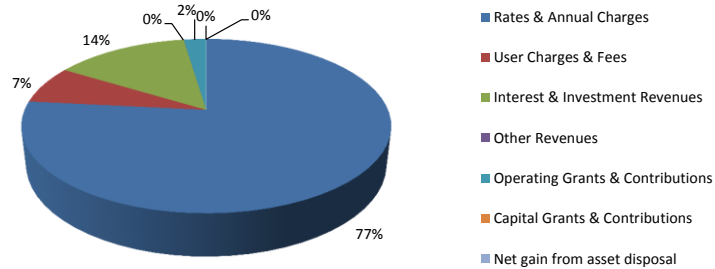


		Water Fund										
Operating Results		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	Rates & Annual Charges	787	806	823	840	857	876	895	913	933	952	971
	User Charges & Fees	800	819	840	860	880	902	925	948	970	995	1,019
	Interest & Investment Revenues	26	42	45	47	59	64	64	76	87	88	90
	Other Revenues	-	-	-	-	-	-	-	-	-	-	-
	Operating Grants & Contributions	25	26	27	28	28	29	30	30	31	32	33
	Capital Grants & Contributions	-	-	-	-	-	-	-	-	-	-	-
	Net gain from asset disposal	-	-	-	-	-	-	-	-	-	-	-
	Total Revenue	1,638	1,694	1,735	1,774	1,825	1,871	1,915	1,968	2,021	2,066	2,113
Expenditure	Employee benefits & Oncosts	336	337	349	362	377	392	408	425	442	459	477
	Borrowing Costs	195	182	168	157	142	128	115	102	90	80	72
	Materials & Contracts	339	348	356	364	371	380	389	398	407	416	421
	Depreciation & Amortisation	158	198	169	153	145	140	137	136	135	134	134
	Other Expenses	264	270	276	283	289	296	303	311	319	327	325
	Net Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
	Total Operating Expenditure	1,291	1,335	1,319	1,319	1,324	1,336	1,353	1,372	1,393	1,417	1,429
OPERATING RESULT SURPLUS/(DEFICIT)		347	359	416	455	501	535	562	596	628	649	684
OPERATING RESULT BEFORE CAPITAL GRANTS		347	359	416	455	501	535	562	596	628	649	684
Cash Reserves	Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
	Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	Renewals	735	108	72	74	77	142	82	85	88	90	65
	New Assets	-	-	-	-	-	-	-	-	-	-	-
	Loan principal	174	175	183	188	190	196	195	197	144	92	51
	Total Capital Expenditure	909	283	255	262	267	338	277	282	232	183	116

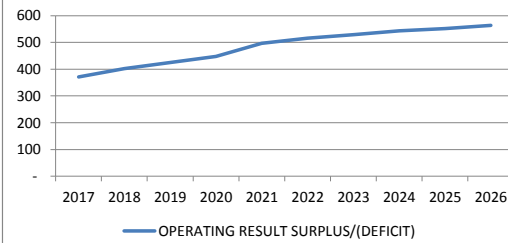


		Sewer Fund										
Operating Results		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenue		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Rates & Annual Charges	724	741	756	772	788	805	823	839	857	875	892
	User Charges & Fees	67	68	70	72	73	75	77	79	81	83	85
	Interest & Investment Revenues	80	135	158	174	190	232	245	253	260	263	269
	Other Revenues	0	0	0	0	0	0	0	0	0	0	0
	Operating Grants & Contributions	22	23	23	24	24	25	26	26	27	28	28
	Capital Grants & Contributions	-	-	-	-	-	-	-	-	-	-	-
	Net gain from asset disposal	-	-	-	-	-	-	-	-	-	-	-
Total Revenue		892	967	1,007	1,042	1,076	1,137	1,170	1,197	1,225	1,248	1,275
Expenditure	Employee benefits & Oncosts	303	306	312	320	328	337	346	356	366	376	386
	Borrowing Costs	0	0	-	-	-	-	-	-	-	-	-
	Materials & Contracts	146	148	150	152	155	157	160	163	165	168	172
	Depreciation & Amortisation	87	84	84	84	83	83	83	83	83	83	83
	Other Expenses	57	58	59	61	62	63	65	66	68	69	71
	Net Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenditure		593	596	606	617	628	641	654	668	682	696	711
OPERATING RESULT SURPLUS/(DEFICIT)		299	371	402	425	447	496	516	529	543	552	563
OPERATING RESULT BEFORE CAPITAL GRANTS		299	371	402	425	447	496	516	529	543	552	563
Cash Reserves	Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
	Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	Renewals	22	84	-	5	-	-	-	-	18	-	96
	New Assets	-	-	-	-	-	-	-	-	-	-	-
	Loan principal	3	3	0	-	-	-	-	-	-	-	-
	Total Capital Expenditure	25	87	0	5	-	-	-	-	18	-	96

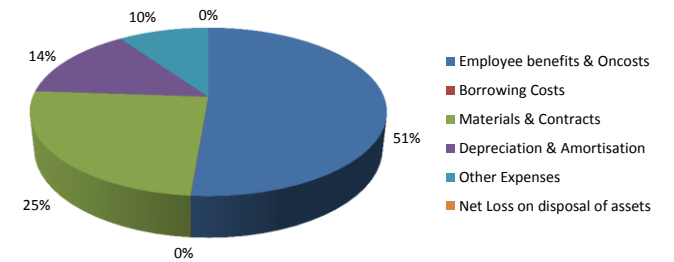
2016 Income Sources



OPERATING RESULT SURPLUS/(DEFICIT)

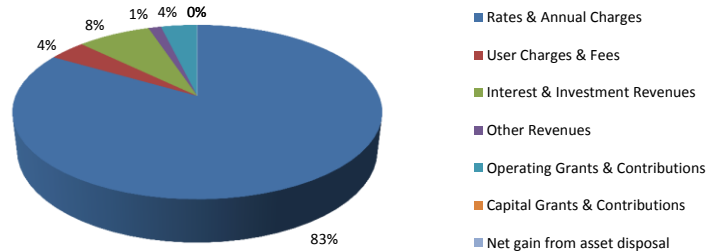


2016 Operating Expenditure

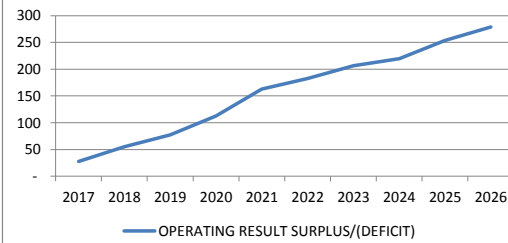


		Waste Fund										
Operating Results		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	Rates & Annual Charges	1,065	1,091	1,114	1,136	1,160	1,185	1,211	1,236	1,262	1,288	1,314
	User Charges & Fees	76	50	51	53	54	55	57	58	59	61	62
	Interest & Investment Revenues	65	100	131	158	197	252	278	311	330	371	380
	Other Revenues	24	17	18	18	19	19	20	20	21	21	22
	Operating Grants & Contributions	48	50	51	52	53	55	56	58	59	60	62
	Capital Grants & Contributions	-	-	-	-	-	-	-	-	-	-	-
	Net gain from asset disposal	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Revenue</b>	<b>1,278</b>	<b>1,308</b>	<b>1,365</b>	<b>1,417</b>	<b>1,483</b>	<b>1,567</b>	<b>1,622</b>	<b>1,682</b>	<b>1,730</b>	<b>1,801</b>	<b>1,840</b>
Expenditure	Employee benefits & Oncosts	238	347	359	373	388	403	420	438	456	474	493
	Borrowing Costs	15	7	6	6	5	4	3	2	1	0	-
	Materials & Contracts	401	680	697	714	730	749	768	787	805	826	820
	Depreciation & Amortisation	234	227	227	227	227	227	227	227	227	227	227
	Other Expenses	22	21	21	21	21	21	21	21	21	21	21
	Net Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Operating Expenditure</b>	<b>909</b>	<b>1,281</b>	<b>1,310</b>	<b>1,340</b>	<b>1,371</b>	<b>1,404</b>	<b>1,440</b>	<b>1,476</b>	<b>1,510</b>	<b>1,548</b>	<b>1,561</b>
	<b>OPERATING RESULT SURPLUS/(DEFICIT)</b>	<b>369</b>	<b>28</b>	<b>55</b>	<b>78</b>	<b>113</b>	<b>163</b>	<b>182</b>	<b>207</b>	<b>220</b>	<b>253</b>	<b>279</b>
	<b>OPERATING RESULT BEFORE CAPITAL GRANTS</b>	<b>369</b>	<b>28</b>	<b>55</b>	<b>78</b>	<b>113</b>	<b>163</b>	<b>182</b>	<b>207</b>	<b>220</b>	<b>253</b>	<b>279</b>
Cash Reserves	Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
	Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	<b>Renewals</b>	265	2	-	-	-	-	-	-	-	-	-
	<b>New Assets</b>	-	50	-	-	-	-	-	-	-	-	-
	Loan principal	6	6	7	8	10	13	16	21	26	27	21
	<b>Total Capital Expenditure</b>	<b>271</b>	<b>58</b>	<b>7</b>	<b>8</b>	<b>10</b>	<b>13</b>	<b>16</b>	<b>21</b>	<b>26</b>	<b>27</b>	<b>21</b>

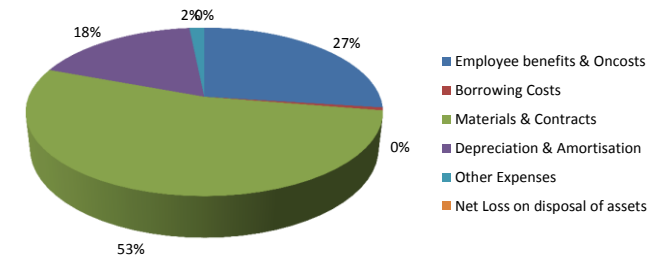
**2016 Income Sources**



**OPERATING RESULT SURPLUS/(DEFICIT)**



**2016 Operating Expenditure**



Consolidated Projected Cash Flow											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>From Operating Activities</b>											
<b>Receipts:</b>											
Rates & annual charges	9,110	10,340	10,557	10,769	10,995	11,237	11,484	11,713	11,959	12,211	12,455
User charges & fees	5,009	5,297	5,459	5,624	5,785	5,963	6,152	6,342	6,527	6,733	6,901
Investment revenue and interest	229	425	581	710	859	1,062	1,184	1,290	1,378	1,495	1,533
Grants & contributions	12,692	13,022	10,930	11,125	11,316	11,528	11,754	11,977	12,189	12,423	12,733
Other	1,731	1,590	1,624	1,702	1,747	1,798	1,853	1,908	1,962	2,022	2,073
<b>Payments:</b>											
Employee benefits & oncosts	(10,273)	(10,180)	(11,129)	(11,636)	(12,395)	(13,075)	(13,856)	(14,632)	(15,531)	(16,319)	(16,745)
Materials & contracts	(5,363)	(6,313)	(6,869)	(7,038)	(7,270)	(7,572)	(7,782)	(8,008)	(8,053)	(8,068)	(8,097)
Borrowing costs	(827)	(678)	(577)	(402)	(425)	(356)	(298)	(248)	(199)	(165)	(134)
Other	(2,737)	(2,588)	(2,656)	(2,728)	(2,804)	(2,882)	(2,966)	(3,052)	(3,142)	(3,233)	(3,040)
<b>Net Cash provided (or used) in operating activities</b>	<b>9,571</b>	<b>10,916</b>	<b>7,921</b>	<b>8,125</b>	<b>7,808</b>	<b>7,702</b>	<b>7,524</b>	<b>7,292</b>	<b>7,090</b>	<b>7,098</b>	<b>7,679</b>
<b>From Investing Activities</b>											
<b>Receipts:</b>											
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant & equipment	266	422	717	368	455	492	480	477	477	477	477
Sale of interests in joint ventures/associations	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Boundary adjustment	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant & equipment	(8,923)	(8,851)	(6,685)	(5,776)	(6,257)	(5,728)	(5,505)	(5,244)	(5,136)	(5,147)	(5,789)
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used) in investing activities</b>	<b>(8,657)</b>	<b>(8,429)</b>	<b>(5,968)</b>	<b>(5,408)</b>	<b>(5,802)</b>	<b>(5,236)</b>	<b>(5,025)</b>	<b>(4,767)</b>	<b>(4,659)</b>	<b>(4,670)</b>	<b>(5,312)</b>
<b>From financing activities</b>											
<b>Receipts:</b>											
Borrowings & advances	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Borrowings & advances	(974)	(912)	(967)	(1,077)	(1,155)	(1,116)	(981)	(827)	(789)	(670)	(616)
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used) in financing activities</b>	<b>(974)</b>	<b>(912)</b>	<b>(967)</b>	<b>(1,077)</b>	<b>(1,155)</b>	<b>(1,116)</b>	<b>(981)</b>	<b>(827)</b>	<b>(789)</b>	<b>(670)</b>	<b>(616)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(60)</b>	<b>1,575</b>	<b>986</b>	<b>1,639</b>	<b>851</b>	<b>1,350</b>	<b>1,518</b>	<b>1,698</b>	<b>1,641</b>	<b>1,758</b>	<b>1,750</b>
<b>Cash &amp; cash equivalents at start of period</b>	<b>8,046</b>	<b>7,986</b>	<b>9,561</b>	<b>10,546</b>	<b>12,186</b>	<b>13,037</b>	<b>14,387</b>	<b>15,905</b>	<b>17,603</b>	<b>19,244</b>	<b>21,002</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>7,986</b>	<b>9,561</b>	<b>10,546</b>	<b>12,186</b>	<b>13,037</b>	<b>14,387</b>	<b>15,905</b>	<b>17,603</b>	<b>19,244</b>	<b>21,002</b>	<b>22,752</b>



General Fund Projected Cash Flow											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>From Operating Activities</b>											
<b>Receipts:</b>											
Rates & annual charges	6,558	7,731	7,893	8,051	8,220	8,401	8,586	8,757	8,941	9,129	9,312
User charges & fees	4,067	4,359	4,498	4,639	4,778	4,931	5,093	5,257	5,417	5,594	5,734
Investment revenue and interest	58	149	247	330	412	514	597	651	701	775	794
Grants & contributions	12,596	12,924	10,829	11,021	11,210	11,419	11,643	11,863	12,072	12,303	12,600
Other	1,706	1,572	1,606	1,683	1,729	1,779	1,833	1,888	1,941	2,001	2,051
<b>Payments:</b>											
Employee benefits & oncosts	(9,397)	(9,191)	(10,109)	(10,581)	(11,303)	(11,943)	(12,682)	(13,413)	(14,268)	(15,011)	(15,404)
Materials & contracts	(4,600)	(5,249)	(5,734)	(5,875)	(6,083)	(6,356)	(6,537)	(6,735)	(6,753)	(6,738)	(6,765)
Borrowing costs	(616)	(489)	(402)	(239)	(278)	(224)	(180)	(143)	(108)	(85)	(63)
Other	(2,394)	(2,240)	(2,300)	(2,364)	(2,432)	(2,502)	(2,577)	(2,654)	(2,734)	(2,815)	(2,623)
<b>Net Cash provided (or used) in operating activities</b>	<b>7,980</b>	<b>9,566</b>	<b>6,529</b>	<b>6,666</b>	<b>6,253</b>	<b>6,018</b>	<b>5,775</b>	<b>5,471</b>	<b>5,210</b>	<b>5,153</b>	<b>5,637</b>
<b>From Investing Activities</b>											
<b>Receipts:</b>											
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant & equipment	266	422	717	368	455	492	480	477	477	477	477
Sale of interests in joint ventures/associations	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Boundary adjustment	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant & equipment	(7,900)	(8,608)	(6,613)	(5,696)	(6,180)	(5,586)	(5,423)	(5,159)	(5,030)	(5,056)	(5,628)
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used) in investing activities</b>	<b>(7,635)</b>	<b>(8,186)</b>	<b>(5,896)</b>	<b>(5,329)</b>	<b>(5,725)</b>	<b>(5,094)</b>	<b>(4,943)</b>	<b>(4,682)</b>	<b>(4,554)</b>	<b>(4,580)</b>	<b>(5,151)</b>
<b>From financing activities</b>											
<b>Receipts:</b>											
Borrowings & advances	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Borrowings & advances	(791)	(727)	(777)	(881)	(955)	(907)	(769)	(609)	(619)	(550)	(544)
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used) in financing activities</b>	<b>(791)</b>	<b>(727)</b>	<b>(777)</b>	<b>(881)</b>	<b>(955)</b>	<b>(907)</b>	<b>(769)</b>	<b>(609)</b>	<b>(619)</b>	<b>(550)</b>	<b>(544)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(446)</b>	<b>653</b>	<b>(145)</b>	<b>456</b>	<b>(427)</b>	<b>17</b>	<b>63</b>	<b>180</b>	<b>37</b>	<b>23</b>	<b>(58)</b>
<b>Cash &amp; cash equivalents at start of period</b>	<b>1,950</b>	<b>1,503</b>	<b>2,157</b>	<b>2,012</b>	<b>2,468</b>	<b>2,041</b>	<b>2,058</b>	<b>2,121</b>	<b>2,301</b>	<b>2,338</b>	<b>2,361</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>1,503</b>	<b>2,157</b>	<b>2,012</b>	<b>2,468</b>	<b>2,041</b>	<b>2,058</b>	<b>2,121</b>	<b>2,301</b>	<b>2,338</b>	<b>2,361</b>	<b>2,303</b>

Water Fund Projected Cash Flow											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>From Operating Activities</b>											
<b>Receipts:</b>											
Rates & annual charges	787	806	823	840	857	876	895	913	933	952	971
User charges & fees	800	819	840	860	880	902	925	948	970	995	1,019
Investment revenue and interest	26	42	45	47	59	64	64	76	87	88	90
Grants & contributions	25	26	27	28	28	29	30	30	31	32	33
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Employee benefits & oncosts	(336)	(337)	(349)	(362)	(377)	(392)	(408)	(425)	(442)	(459)	(477)
Materials & contracts	(339)	(348)	(356)	(364)	(371)	(380)	(389)	(398)	(407)	(416)	(421)
Borrowing costs	(195)	(182)	(168)	(157)	(142)	(128)	(115)	(102)	(90)	(80)	(72)
Other	(264)	(270)	(276)	(283)	(289)	(296)	(303)	(311)	(319)	(327)	(325)
<b>Net Cash provided (or used) in operating activities</b>	<b>505</b>	<b>557</b>	<b>586</b>	<b>608</b>	<b>646</b>	<b>675</b>	<b>699</b>	<b>732</b>	<b>763</b>	<b>783</b>	<b>818</b>
<b>From Investing Activities</b>											
<b>Receipts:</b>											
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant & equipment	-	-	-	-	-	-	-	-	-	-	-
Sale of interests in joint ventures/associations											
Proceeds from Boundary adjustment											
Other											
<b>Payments:</b>											
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant & equipment	(735)	(108)	(72)	(74)	(77)	(142)	(82)	(85)	(88)	(90)	(65)
Other											
<b>Net Cash provided (or used) in investing activities</b>	<b>(735)</b>	<b>(108)</b>	<b>(72)</b>	<b>(74)</b>	<b>(77)</b>	<b>(142)</b>	<b>(82)</b>	<b>(85)</b>	<b>(88)</b>	<b>(90)</b>	<b>(65)</b>
<b>From financing activities</b>											
<b>Receipts:</b>											
Borrowings & advances	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Borrowings & advances	(174)	(175)	(183)	(188)	(190)	(196)	(195)	(197)	(144)	(92)	(51)
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-
Other											
<b>Net Cash provided (or used) in financing activities</b>	<b>(174)</b>	<b>(175)</b>	<b>(183)</b>	<b>(188)</b>	<b>(190)</b>	<b>(196)</b>	<b>(195)</b>	<b>(197)</b>	<b>(144)</b>	<b>(92)</b>	<b>(51)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(404)</b>	<b>274</b>	<b>330</b>	<b>346</b>	<b>379</b>	<b>337</b>	<b>422</b>	<b>450</b>	<b>531</b>	<b>601</b>	<b>702</b>
<b>Cash &amp; cash equivalents at start of period</b>	<b>1,587</b>	<b>1,183</b>	<b>1,457</b>	<b>1,787</b>	<b>2,133</b>	<b>2,512</b>	<b>2,849</b>	<b>3,271</b>	<b>3,721</b>	<b>4,252</b>	<b>4,853</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>1,183</b>	<b>1,457</b>	<b>1,787</b>	<b>2,133</b>	<b>2,512</b>	<b>2,849</b>	<b>3,271</b>	<b>3,721</b>	<b>4,252</b>	<b>4,853</b>	<b>5,555</b>

Sewer Fund Projected Cash Flow											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>From Operating Activities</b>											
<b>Receipts:</b>											
Rates & annual charges	724	741	756	772	788	805	823	839	857	875	892
User charges & fees	67	68	70	72	73	75	77	79	81	83	85
Investment revenue and interest	80	135	158	174	190	232	245	253	260	263	269
Grants & contributions	22	23	23	24	24	25	26	26	27	28	28
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Payments:</b>											
Employee benefits & oncosts	(303)	(306)	(312)	(320)	(328)	(337)	(346)	(356)	(366)	(376)	(386)
Materials & contracts	(146)	(148)	(150)	(152)	(155)	(157)	(160)	(163)	(165)	(168)	(172)
Borrowing costs	(0)	(0)	-	-	-	-	-	-	-	-	-
Other	(57)	(58)	(59)	(61)	(62)	(63)	(65)	(66)	(68)	(69)	(71)
<b>Net Cash provided (or used) in operating activities</b>	<b>386</b>	<b>455</b>	<b>485</b>	<b>509</b>	<b>531</b>	<b>580</b>	<b>599</b>	<b>613</b>	<b>626</b>	<b>635</b>	<b>647</b>
<b>From Investing Activities</b>											
<b>Receipts:</b>											
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant & equipment	-	-	-	-	-	-	-	-	-	-	-
Sale of interests in joint ventures/associations											
Proceeds from Boundary adjustment											
Other											
<b>Payments:</b>											
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant & equipment	(22)	(84)	-	(5)	-	-	-	-	(18)	-	(96)
Other											
<b>Net Cash provided (or used) in investing activities</b>	<b>(22)</b>	<b>(84)</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18)</b>	<b>-</b>	<b>(96)</b>
<b>From financing activities</b>											
<b>Receipts:</b>											
Borrowings & advances	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Borrowings & advances	(3)	(3)	(0)	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-
Other											
<b>Net Cash provided (or used) in financing activities</b>	<b>(3)</b>	<b>(3)</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>361</b>	<b>368</b>	<b>485</b>	<b>503</b>	<b>531</b>	<b>580</b>	<b>599</b>	<b>613</b>	<b>608</b>	<b>635</b>	<b>550</b>
<b>Cash &amp; cash equivalents at start of period</b>	<b>2,865</b>	<b>3,226</b>	<b>3,593</b>	<b>4,079</b>	<b>4,582</b>	<b>5,113</b>	<b>5,693</b>	<b>6,292</b>	<b>6,905</b>	<b>7,513</b>	<b>8,148</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>3,226</b>	<b>3,593</b>	<b>4,079</b>	<b>4,582</b>	<b>5,113</b>	<b>5,693</b>	<b>6,292</b>	<b>6,905</b>	<b>7,513</b>	<b>8,148</b>	<b>8,699</b>

Waste Fund Projected Cash Flow											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>From Operating Activities</b>											
<b>Receipts:</b>											
Rates & annual charges	1,065	1,091	1,114	1,136	1,160	1,185	1,211	1,236	1,262	1,288	1,314
User charges & fees	76	50	51	53	54	55	57	58	59	61	62
Investment revenue and interest	65	100	131	158	197	252	278	311	330	371	380
Grants & contributions	48	50	51	52	53	55	56	58	59	60	62
Other	24	17	18	18	19	19	20	20	21	21	22
<b>Payments:</b>											
Employee benefits & oncosts	(238)	(347)	(359)	(373)	(388)	(403)	(420)	(438)	(456)	(474)	(493)
Materials & contracts	(401)	(680)	(697)	(714)	(730)	(749)	(768)	(787)	(805)	(826)	(820)
Borrowing costs	(15)	(7)	(6)	(6)	(5)	(4)	(3)	(2)	(1)	(0)	-
Other	(22)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)
<b>Net Cash provided (or used) in operating activities</b>	<b>603</b>	<b>255</b>	<b>282</b>	<b>305</b>	<b>339</b>	<b>389</b>	<b>409</b>	<b>434</b>	<b>447</b>	<b>480</b>	<b>506</b>
<b>From Investing Activities</b>											
<b>Receipts:</b>											
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant & equipment	-	-	-	-	-	-	-	-	-	-	-
Sale of interests in joint ventures/associations											
Proceeds from Boundary adjustment											
Other											
<b>Payments:</b>											
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant & equipment	(265)	(52)	-	-	-	-	-	-	-	-	-
Other											
<b>Net Cash provided (or used) in investing activities</b>	<b>(265)</b>	<b>(52)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>From financing activities</b>											
<b>Receipts:</b>											
Borrowings & advances	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Borrowings & advances	(6)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(7)	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-
Other											
<b>Net Cash provided (or used) in financing activities</b>	<b>(6)</b>	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>	<b>(9)</b>	<b>(10)</b>	<b>(11)</b>	<b>(12)</b>	<b>(7)</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>331</b>	<b>197</b>	<b>275</b>	<b>296</b>	<b>330</b>	<b>380</b>	<b>398</b>	<b>422</b>	<b>440</b>	<b>480</b>	<b>506</b>
<b>Cash &amp; cash equivalents at start of period</b>	<b>2,091</b>	<b>2,422</b>	<b>2,619</b>	<b>2,894</b>	<b>3,190</b>	<b>3,521</b>	<b>3,900</b>	<b>4,298</b>	<b>4,720</b>	<b>5,160</b>	<b>5,640</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>2,422</b>	<b>2,619</b>	<b>2,894</b>	<b>3,190</b>	<b>3,521</b>	<b>3,900</b>	<b>4,298</b>	<b>4,720</b>	<b>5,160</b>	<b>5,640</b>	<b>6,146</b>

Consolidated Projected Balance Sheet											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	7,986	9,561	10,546	12,186	13,037	14,387	15,905	17,603	19,244	21,002	22,752
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	2,098	2,098	2,098	2,098	2,098	2,098	2,098	2,098	2,098	2,098	2,098
Inventories	479	479	479	479	479	479	479	479	479	479	479
Other	16	16	16	16	16	16	16	16	16	16	16
<b>Total current assets</b>	<b>10,579</b>	<b>12,154</b>	<b>13,139</b>	<b>14,779</b>	<b>15,630</b>	<b>16,980</b>	<b>18,498</b>	<b>20,196</b>	<b>21,837</b>	<b>23,595</b>	<b>25,345</b>
<b>Non-current assets</b>											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	458	458	458	458	458	458	458	458	458	458	458
Infrastructure, property, plant & equipment	423,798	426,055	426,603	426,492	427,000	427,056	426,930	426,566	426,106	425,665	425,870
Investments accounted for under equity method	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>424,256</b>	<b>426,513</b>	<b>427,061</b>	<b>426,950</b>	<b>427,458</b>	<b>427,514</b>	<b>427,388</b>	<b>427,024</b>	<b>426,564</b>	<b>426,123</b>	<b>426,328</b>
<b>Total assets</b>	<b>434,835</b>	<b>438,667</b>	<b>440,200</b>	<b>441,729</b>	<b>443,088</b>	<b>444,494</b>	<b>445,886</b>	<b>447,220</b>	<b>448,402</b>	<b>449,718</b>	<b>451,673</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Payables	1,930	1,951	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971
Borrowings	779	912	967	1,077	1,155	1,116	981	827	789	670	616
Provisions	2,401	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901
<b>Total current liabilities</b>	<b>5,110</b>	<b>4,764</b>	<b>4,839</b>	<b>4,949</b>	<b>5,027</b>	<b>4,988</b>	<b>4,853</b>	<b>4,699</b>	<b>4,661</b>	<b>4,542</b>	<b>4,488</b>
<b>Non-current liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	10,666	9,754	8,787	7,710	6,555	5,439	4,458	3,630	2,841	2,171	1,555
Provisions	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951
<b>Total non-current liabilities</b>	<b>13,617</b>	<b>12,705</b>	<b>11,738</b>	<b>10,661</b>	<b>9,506</b>	<b>8,390</b>	<b>7,409</b>	<b>6,581</b>	<b>5,792</b>	<b>5,122</b>	<b>4,506</b>
<b>Total liabilities</b>	<b>18,727</b>	<b>17,469</b>	<b>16,577</b>	<b>15,610</b>	<b>14,533</b>	<b>13,378</b>	<b>12,262</b>	<b>11,281</b>	<b>10,453</b>	<b>9,664</b>	<b>8,994</b>
Net assets	416,108	421,198	423,623	426,119	428,555	431,116	433,624	435,939	437,948	440,054	442,679
<b>EQUITY</b>											
Retained earnings	287,584	292,412	294,577	296,814	298,993	301,297	303,549	305,609	307,364	309,216	311,589
Revaluation reserves	128,524	128,786	129,046	129,305	129,562	129,819	130,075	130,330	130,585	130,838	131,090
<b>Total equity</b>	<b>416,108</b>	<b>421,198</b>	<b>423,623</b>	<b>426,119</b>	<b>428,555</b>	<b>431,116</b>	<b>433,624</b>	<b>435,939</b>	<b>437,948</b>	<b>440,054</b>	<b>442,679</b>

General Fund Projected Balance Sheet											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	1,503	2,157	2,012	2,468	2,041	2,058	2,121	2,301	2,338	2,361	2,303
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518
Inventories	459	459	459	459	459	459	459	459	459	459	459
Other	16	16	16	16	16	16	16	16	16	16	16
<b>Total current assets</b>	<b>3,496</b>	<b>4,150</b>	<b>4,005</b>	<b>4,461</b>	<b>4,034</b>	<b>4,051</b>	<b>4,114</b>	<b>4,294</b>	<b>4,331</b>	<b>4,354</b>	<b>4,296</b>
<b>Non-current assets</b>											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	458	458	458	458	458	458	458	458	458	458	458
Infrastructure, property, plant & equipment	398,129	400,652	401,607	401,881	402,767	403,131	403,370	403,367	403,247	403,160	403,648
Investments accounted for under equity method	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>398,587</b>	<b>401,110</b>	<b>402,065</b>	<b>402,339</b>	<b>403,225</b>	<b>403,589</b>	<b>403,828</b>	<b>403,825</b>	<b>403,705</b>	<b>403,618</b>	<b>404,106</b>
<b>Total assets</b>	<b>402,083</b>	<b>405,259</b>	<b>406,070</b>	<b>406,800</b>	<b>407,259</b>	<b>407,640</b>	<b>407,942</b>	<b>408,119</b>	<b>408,037</b>	<b>407,972</b>	<b>408,402</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Payables	1,980	2,001	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021
Borrowings	769	727	777	881	956	910	775	618	638	578	565
Provisions	2,097	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597
<b>Total current liabilities</b>	<b>4,846</b>	<b>4,325</b>	<b>4,395</b>	<b>4,499</b>	<b>4,574</b>	<b>4,528</b>	<b>4,393</b>	<b>4,236</b>	<b>4,256</b>	<b>4,196</b>	<b>4,183</b>
<b>Non-current liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	9,501	10,228	11,005	11,886	12,842	13,752	14,527	15,145	15,783	16,361	16,926
Provisions	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939
<b>Total non-current liabilities</b>	<b>12,440</b>	<b>13,167</b>	<b>13,944</b>	<b>14,825</b>	<b>15,781</b>	<b>16,691</b>	<b>17,466</b>	<b>18,084</b>	<b>18,722</b>	<b>19,300</b>	<b>19,865</b>
<b>Total liabilities</b>	<b>17,286</b>	<b>17,492</b>	<b>18,339</b>	<b>19,324</b>	<b>20,355</b>	<b>21,220</b>	<b>21,859</b>	<b>22,320</b>	<b>22,978</b>	<b>23,495</b>	<b>24,048</b>
<b>Net assets</b>											
	384,797	387,768	387,731	387,475	386,905	386,420	386,084	385,799	385,059	384,477	384,354
<b>EQUITY</b>											
Retained earnings	384,797	260,587	260,550	260,294	259,724	259,239	258,903	258,618	257,878	257,296	257,173
Revaluation reserves	-	127,181	127,181	127,181	127,181	127,181	127,181	127,181	127,181	127,181	127,181
<b>Total equity</b>	<b>384,797</b>	<b>387,768</b>	<b>387,731</b>	<b>387,475</b>	<b>386,905</b>	<b>386,420</b>	<b>386,084</b>	<b>385,799</b>	<b>385,059</b>	<b>384,477</b>	<b>384,354</b>

Water Fund Projected Balance Sheet											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	1,183	1,457	1,787	2,133	2,512	2,849	3,271	3,721	4,252	4,853	5,555
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	413	413	413	413	413	413	413	413	413	413	413
Inventories	18	18	18	18	18	18	18	18	18	18	18
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>1,614</b>	<b>1,888</b>	<b>2,218</b>	<b>2,564</b>	<b>2,943</b>	<b>3,280</b>	<b>3,702</b>	<b>4,152</b>	<b>4,683</b>	<b>5,284</b>	<b>5,986</b>
<b>Non-current assets</b>											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant & equipment	15,189	13,104	13,006	12,928	12,860	12,862	12,807	12,756	12,708	12,664	12,595
Investments accounted for under equity method	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>15,189</b>	<b>13,104</b>	<b>13,006</b>	<b>12,928</b>	<b>12,860</b>	<b>12,862</b>	<b>12,807</b>	<b>12,756</b>	<b>12,708</b>	<b>12,664</b>	<b>12,595</b>
<b>Total assets</b>	<b>16,803</b>	<b>14,991</b>	<b>15,225</b>	<b>15,492</b>	<b>15,803</b>	<b>16,142</b>	<b>16,509</b>	<b>16,908</b>	<b>17,391</b>	<b>17,948</b>	<b>18,581</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Payables	36	36	36	36	36	36	36	36	36	36	36
Borrowings	4	175	183	188	190	196	195	197	144	92	51
Provisions	126	126	126	126	126	126	126	126	126	126	126
<b>Total current liabilities</b>	<b>166</b>	<b>337</b>	<b>345</b>	<b>350</b>	<b>352</b>	<b>358</b>	<b>357</b>	<b>359</b>	<b>306</b>	<b>254</b>	<b>213</b>
<b>Non-current liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	2,621	2,446	2,263	2,075	1,885	1,689	1,494	1,296	1,152	1,060	1,009
Provisions	6	6	6	6	6	6	6	6	6	6	6
<b>Total non-current liabilities</b>	<b>2,627</b>	<b>2,452</b>	<b>2,269</b>	<b>2,081</b>	<b>1,891</b>	<b>1,695</b>	<b>1,500</b>	<b>1,302</b>	<b>1,158</b>	<b>1,066</b>	<b>1,015</b>
<b>Total liabilities</b>	<b>2,793</b>	<b>2,789</b>	<b>2,614</b>	<b>2,431</b>	<b>2,243</b>	<b>2,053</b>	<b>1,857</b>	<b>1,662</b>	<b>1,464</b>	<b>1,320</b>	<b>1,228</b>
<b>Net assets</b>											
	14,010	12,202	12,611	13,061	13,560	14,089	14,652	15,246	15,927	16,628	17,353
<b>EQUITY</b>											
Retained earnings	12,954	10,884	11,033	11,225	11,466	11,738	12,044	12,383	12,810	13,258	13,731
Revaluation reserves	1,056	1,318	1,578	1,837	2,094	2,351	2,607	2,862	3,117	3,370	3,622
<b>Total equity</b>	<b>14,010</b>	<b>12,202</b>	<b>12,611</b>	<b>13,061</b>	<b>13,560</b>	<b>14,089</b>	<b>14,652</b>	<b>15,246</b>	<b>15,927</b>	<b>16,628</b>	<b>17,353</b>

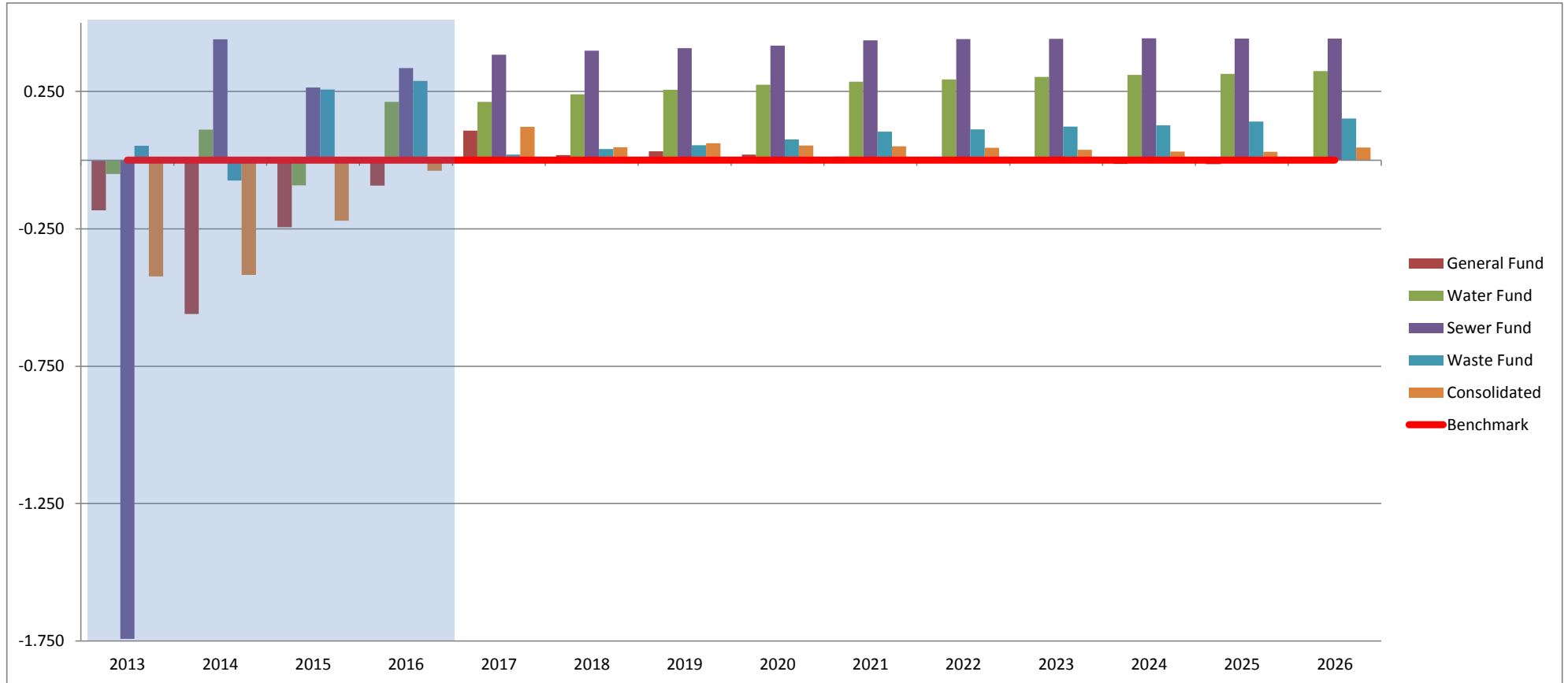
# Sewer Fund Projected Balance Sheet

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	3,226	3,593	4,079	4,582	5,113	5,693	6,292	6,905	7,513	8,148	8,699
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	80	80	80	80	80	80	80	80	80	80	80
Inventories	2	2	2	2	2	2	2	2	2	2	2
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>3,308</b>	<b>3,675</b>	<b>4,161</b>	<b>4,664</b>	<b>5,195</b>	<b>5,775</b>	<b>6,374</b>	<b>6,987</b>	<b>7,595</b>	<b>8,230</b>	<b>8,781</b>
<b>Non-current assets</b>											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant & equipment	9,305	9,305	9,221	9,143	9,060	8,976	8,893	8,810	8,744	8,661	8,674
Investments accounted for under equity method	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>9,305</b>	<b>9,305</b>	<b>9,221</b>	<b>9,143</b>	<b>9,060</b>	<b>8,976</b>	<b>8,893</b>	<b>8,810</b>	<b>8,744</b>	<b>8,661</b>	<b>8,674</b>
<b>Total assets</b>	<b>12,613</b>	<b>12,981</b>	<b>13,382</b>	<b>13,807</b>	<b>14,255</b>	<b>14,751</b>	<b>15,267</b>	<b>15,796</b>	<b>16,339</b>	<b>16,891</b>	<b>17,455</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	3	3	0	-	-	-	-	-	-	-	-
Provisions	106	106	106	106	106	106	106	106	106	106	106
<b>Total current liabilities</b>	<b>109</b>	<b>109</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>
<b>Non-current liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	3	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Provisions	6	6	6	6	6	6	6	6	6	6	6
<b>Total non-current liabilities</b>	<b>9</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Total liabilities</b>	<b>118</b>	<b>115</b>	<b>112</b>	<b>112</b>	<b>112</b>	<b>112</b>	<b>112</b>	<b>112</b>	<b>112</b>	<b>112</b>	<b>112</b>
<b>Net assets</b>	<b>12,495</b>	<b>12,866</b>	<b>13,271</b>	<b>13,696</b>	<b>14,143</b>	<b>14,639</b>	<b>15,155</b>	<b>15,685</b>	<b>16,228</b>	<b>16,779</b>	<b>17,343</b>
<b>EQUITY</b>											
Retained earnings	12,208	12,579	12,984	13,409	13,856	14,352	14,868	15,398	15,941	16,492	17,056
Revaluation reserves	287	287	287	287	287	287	287	287	287	287	287
<b>Total equity</b>	<b>12,495</b>	<b>12,866</b>	<b>13,271</b>	<b>13,696</b>	<b>14,143</b>	<b>14,639</b>	<b>15,155</b>	<b>15,685</b>	<b>16,228</b>	<b>16,779</b>	<b>17,343</b>



# Waste Fund Projected Balance Sheet

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	2,422	2,619	2,894	3,190	3,521	3,900	4,298	4,720	5,160	5,640	6,146
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	87	87	87	87	87	87	87	87	87	87	87
Inventories	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>2,509</b>	<b>2,706</b>	<b>2,981</b>	<b>3,277</b>	<b>3,608</b>	<b>3,987</b>	<b>4,385</b>	<b>4,807</b>	<b>5,247</b>	<b>5,727</b>	<b>6,233</b>
<b>Non-current assets</b>											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant & equipment	1,175	999	772	545	318	92	96	141	193	252	318
Investments accounted for under equity method	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>1,175</b>	<b>999</b>	<b>772</b>	<b>545</b>	<b>318</b>	<b>92</b>	<b>96</b>	<b>141</b>	<b>193</b>	<b>252</b>	<b>318</b>
<b>Total assets</b>	<b>3,684</b>	<b>3,705</b>	<b>3,753</b>	<b>3,823</b>	<b>3,926</b>	<b>4,079</b>	<b>4,482</b>	<b>4,949</b>	<b>5,440</b>	<b>5,979</b>	<b>6,551</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Payables	1	1	1	1	1	1	1	1	1	1	1
Borrowings	3	6	7	8	9	10	11	12	7	-	-
Provisions	72	72	72	72	72	72	72	72	72	72	72
<b>Total current liabilities</b>	<b>76</b>	<b>79</b>	<b>80</b>	<b>81</b>	<b>82</b>	<b>83</b>	<b>84</b>	<b>85</b>	<b>80</b>	<b>73</b>	<b>73</b>
<b>Non-current liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	79	73	66	57	48	38	27	15	8	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>79</b>	<b>73</b>	<b>66</b>	<b>57</b>	<b>48</b>	<b>38</b>	<b>27</b>	<b>15</b>	<b>8</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>155</b>	<b>152</b>	<b>146</b>	<b>139</b>	<b>130</b>	<b>121</b>	<b>111</b>	<b>100</b>	<b>88</b>	<b>73</b>	<b>73</b>
<b>Net assets</b>	<b>3,529</b>	<b>3,553</b>	<b>3,608</b>	<b>3,684</b>	<b>3,796</b>	<b>3,958</b>	<b>4,371</b>	<b>4,848</b>	<b>5,352</b>	<b>5,906</b>	<b>6,478</b>
<b>EQUITY</b>											
Retained earnings	3,529	3,553	3,608	3,684	3,796	3,958	4,371	4,848	5,352	5,906	6,478
Revaluation reserves	-	-	-	-	-	-	-	-	-	-	-
<b>Total equity</b>	<b>3,529</b>	<b>3,553</b>	<b>3,608</b>	<b>3,684</b>	<b>3,796</b>	<b>3,958</b>	<b>4,371</b>	<b>4,848</b>	<b>5,352</b>	<b>5,906</b>	<b>6,478</b>



# OPERATING PERFORMANCE RATIO

*Total continuing operating revenue (exc. capital grants and contributions) less operating expenses*

*Total continuing operating revenue (exc. capital grants and contributions)*

## **Description and Rationale for Criteria:**

- TCorp in their review of financial sustainability of local government found that operating performance was a core measure of financial sustainability.
- Ongoing operating deficits are unsustainable and they are one of the key financial sustainability challenges facing the sector as a whole. While operating deficits are acceptable over a short period, consistent deficits will not allow Councils to maintain or increase their assets and services or execute their infrastructure plans.
- Operating performance ratio is an important measure as it provides an indication of how a Council generates revenue and allocates expenditure (e.g. asset maintenance, staffing costs). It is an indication of continued capacity to meet on-going expenditure requirements.

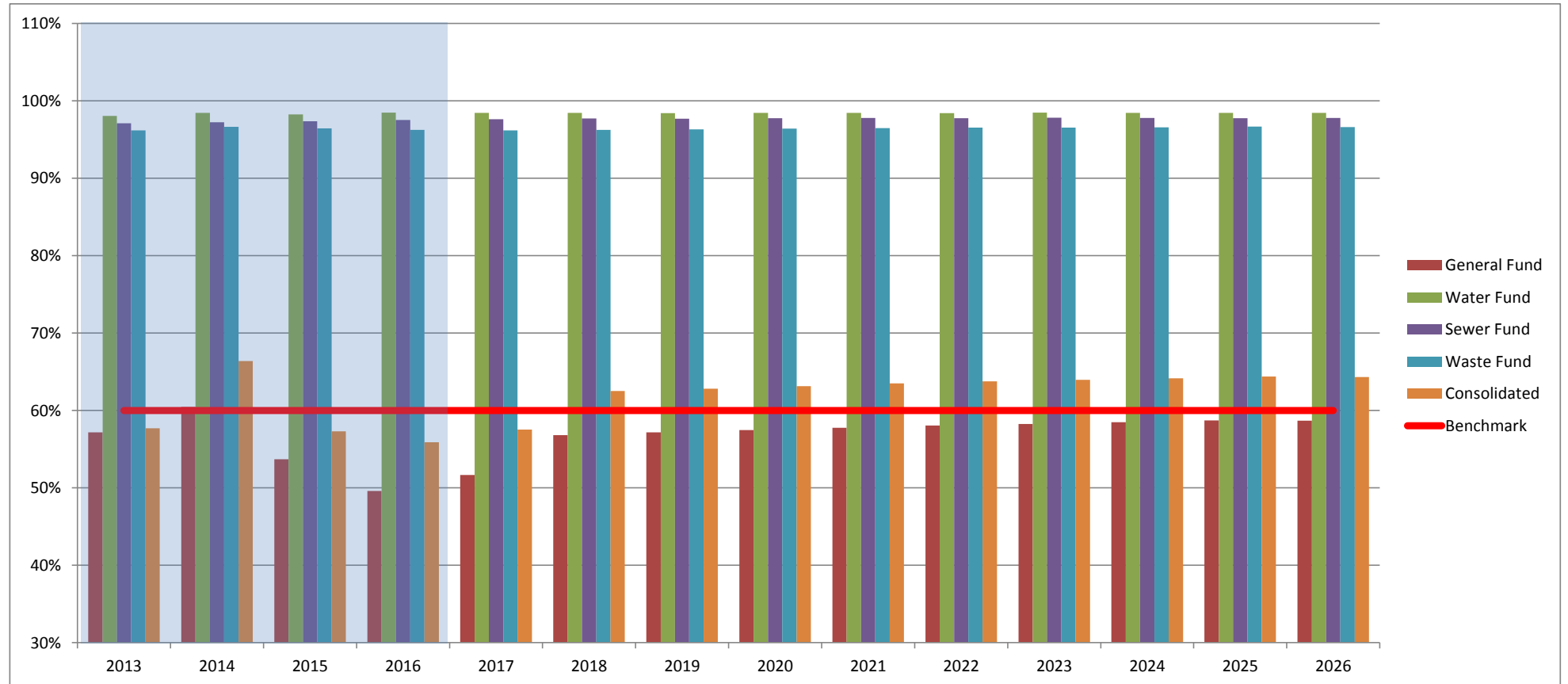
## **Description and Rationale for Benchmark:**

- TCorp recommended that all Councils should be at least break even operating position or better, as a key component of financial sustainability. Consistent with this recommendation the benchmark for this criteria is greater than or equal to break even over a 3 year period.

Sourced from NSW Office of Local Government 2015 Fit for the Future templates

## Own source revenue Ratio

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Benchmark</b>	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
<b>General Fund</b>	57%	60%	54%	50%	52%	57%	57%	57%	58%	58%	58%	58%	59%	59%
<b>Water Fund</b>	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%
<b>Sewer Fund</b>	97%	97%	97%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%
<b>Waste Fund</b>	96%	97%	96%	96%	96%	96%	96%	96%	96%	97%	97%	97%	97%	97%
<b>Consolidated</b>	58%	66%	57%	56%	58%	63%	63%	63%	64%	64%	64%	64%	64%	64%



# OWN SOURCE REVENUE RATIO

*Total continuing operating revenue less all grants and contributions*

*Total continuing operating revenue inclusive of capital grants and contributions*

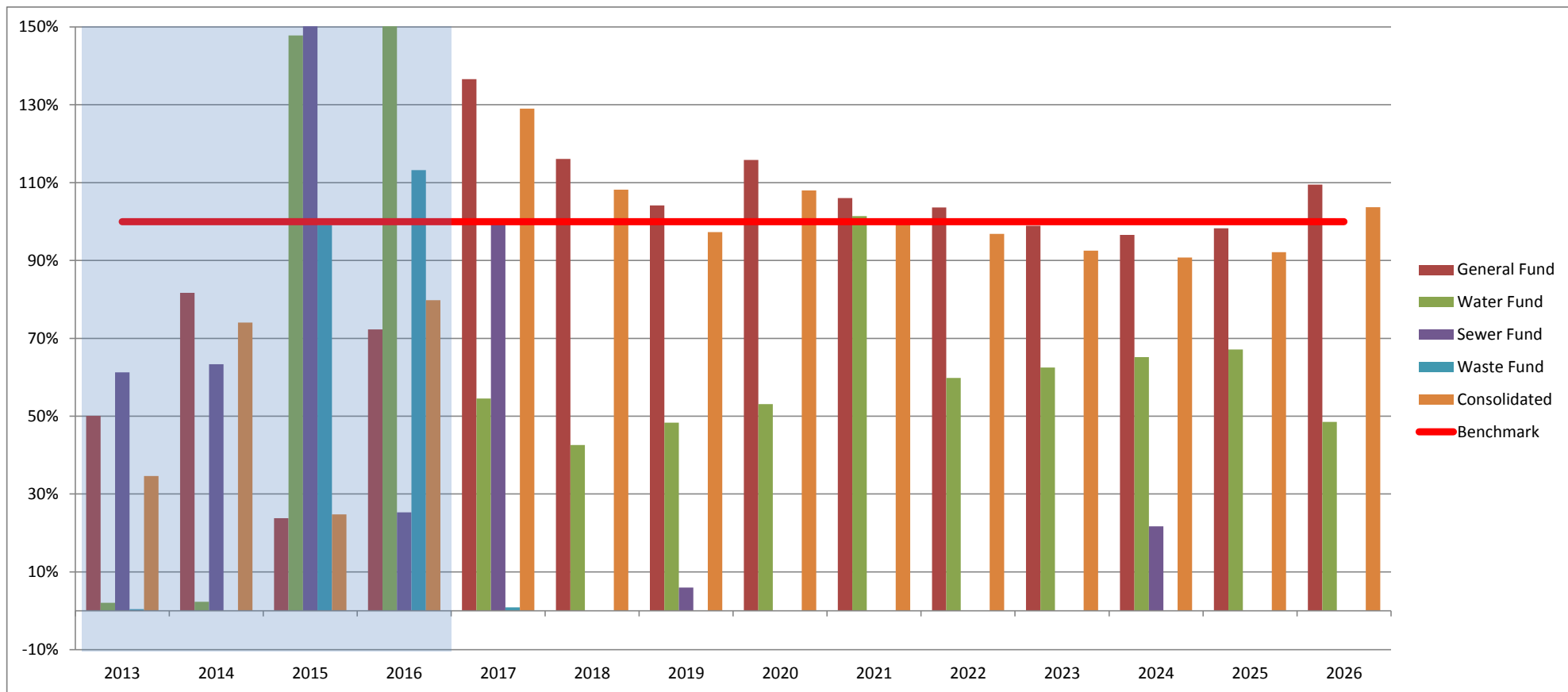
## Description and Rationale for Criteria:

- Own source revenue measures the degree of reliance on external funding sources (e.g. grants and contributions). This ratio measures fiscal flexibility and robustness. Financial flexibility increases as the level of own source revenue increases. It also gives councils greater ability to manage external shocks or challenges.
- Councils with higher own source revenue have greater ability to control or manage their own operating performance and financial sustainability.

## Description and Rationale for Benchmark:

- TCorp has used a benchmark for own source revenue of greater than 60 per cent of total operating revenue. All Councils should aim to meet or exceed this benchmark over a three year period.
- It is acknowledged that many councils have limited options in terms of increasing its own source revenue, especially in rural areas. However, 60 per cent is considered the lowest level at which councils have the flexibility necessary to manage external shocks and challenges.

Sourced from NSW Office of Local Government 2015 Fit for the Future templates



# BUILDING AND INFRASTRUCTURE RENEWAL RATIO

*Asset renewals (building and infrastructure)*

**Depreciation, amortisation and impairment (building and infrastructure)**

## ***Description and Rationale for Criteria:***

- The building and infrastructure renewals ratio represents the replacement or refurbishment of existing assets to an equivalent capacity or performance, as opposed to the acquisition of new assets or the refurbishment of old assets that increase capacity or performance. The ratio compares the proportion spent on infrastructure asset renewals and the asset's deterioration.
- This is a consistent measure that can be applied across councils of different sizes and locations. A higher ratio is an indicator of strong performance.

## ***Description and Rationale for Benchmark:***

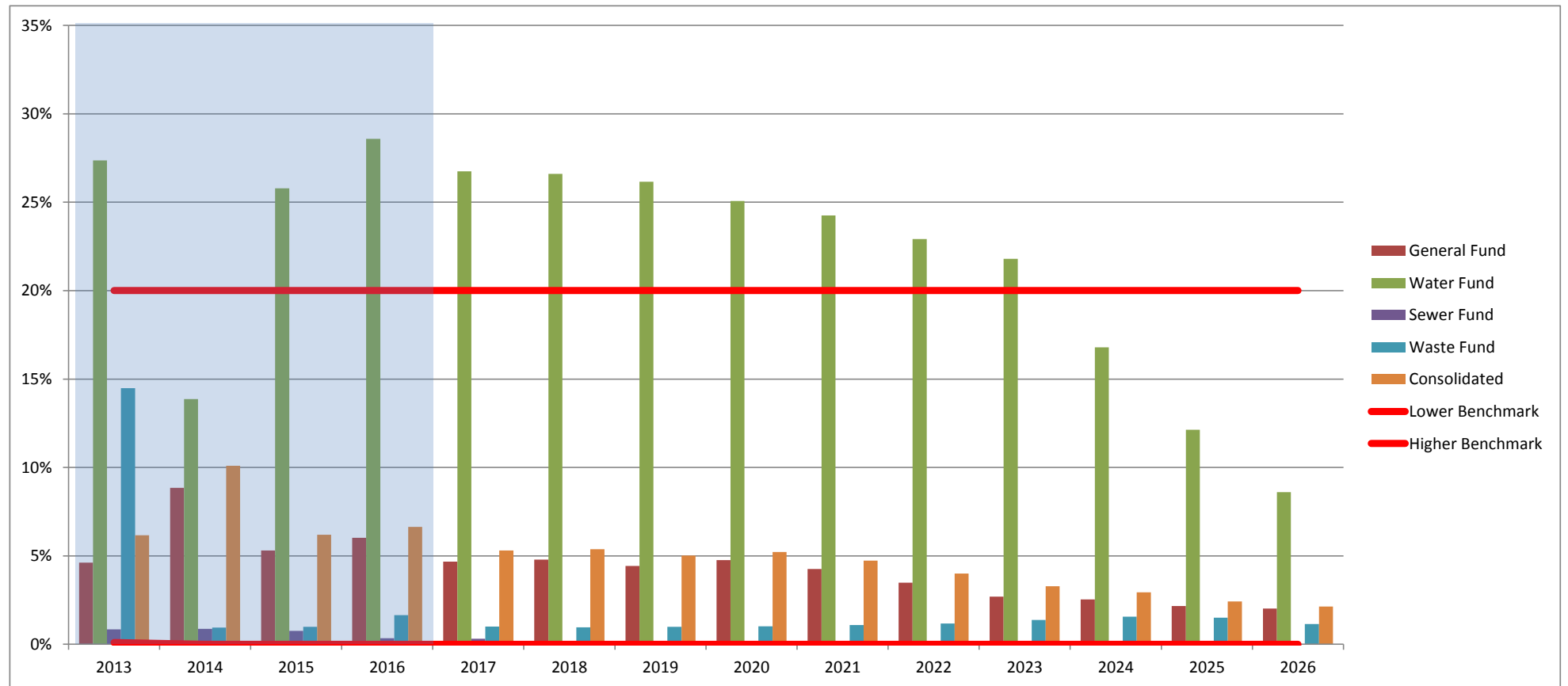
- Performance of less than one hundred percent indicates that a Council's existing assets are deteriorating faster than they are being renewed and that potentially council's infrastructure backlog is worsening. Councils with consistent asset renewals deficits will face degradation of building and infrastructure assets over time.
- Given that a ratio of greater than one hundred percent is adopted, to recognise that capital expenditures are sometimes lumpy and can be lagged, performance is averaged over three years.

Sourced from NSW Office of Local Government 2015 Fit for the Future templates

Note: Ration results shown depict renewal results for all assets, not only infrastructure assets

## Debt Service Ratio

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Higher Benchmark	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Lower Benchmark	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
General Fund	5%	9%	5%	6%	5%	5%	4%	5%	4%	3%	3%	3%	2%	2%
Water Fund	27%	14%	26%	29%	27%	27%	26%	25%	24%	23%	22%	17%	12%	9%
Sewer Fund	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Waste Fund	14%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%	2%	1%	1%
Consolidated	6%	10%	6%	7%	5%	5%	5%	5%	5%	4%	3%	3%	2%	2%





Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Buildings Depreciation	0	-45.0	-45.0	-45.0	-45.0	-45.0	-45.0	-45.0	-45.0	-45.0	-45.0
Standard CPI	0	2.5	2.4	2.3	2.5	2.6	2.5	2.3	2.5	2.5	2.5
Energy costs	0	2.6	2.5	2.4	2.6	2.6	2.7	2.7	2.7	2.7	2.7
User fees	0	2.5	2.4	2.3	2.5	2.6	2.5	2.3	2.5	2.5	2.5
Plant hire charge increases	0	2.6	2.5	2.4	2.5	2.6	2.5	2.3	2.5	2.5	2.5
Rates and annual charges	0	2.1	2.0	2.1	2.2	2.2	2.0	2.1	2.1	2.0	2.0
Wages where forecasting	0	3.5	3.9	4.0	4.1	4.2	4.2	4.0	4.0	4.0	4.0